

1.4.56
Information Document :

To all Kisan Sabha Units

ALL-INDIA KISAN SABHA

ON LAND REFORMS PROPOSALS

The Committees on Tenancy Reforms, Ceilings and Re-organisation have made their recommendations and the Planning Commission has yet to accept them. I am herewith sending for your information a summary of the recommendations of these Committees.

From this summary, you will find that these proposals, though falling short of our demands, are far-reaching, going much farther than the reforms so far contemplated. But still, there are many hurdles. The Planning Commission has to accept them; then the State Governments may torpedo them or even delay or water them down. Therefore, it is quite necessary that we should carry on a huge campaign in favour of them and demand that they are accepted and implemented by the State Governments.

Of course, we have our reservations in respect of payment of compensation and administrative machinery. While criticising the proposals on these issues we should unite all peasants and agricultural labourers, to whichever political party they may belong, to campaign for the acceptance of these proposals by the State Governments. We should also approach all political parties and kisan organisations to come together and cooperate in this campaign. Concrete plans for carrying on this united campaign can be worked out in each locality.

Much depends upon our initiative and activity, for we know how strong the landlord classes are, what influence they wield on the Governments. However radical the proposals or even laws may be, they can be nullified or circumvented by

these classes, e.g., the land transfers in diverse ways now going on to defeat the purposes of ceiling. Hence, a united and continuous campaign on the basis of these proposals should be immediately started and I hope every Kisan Sabha unit will do this as one of its most important and immediate jobs.

63 North Avenue,
New Delhi.
1 April 1956

Fraternally,
N. Prasada Rao
General Secretary

CONCLUSIONS & RECOMMENDATIONS OF THE COMMITTEE ON TENANCY REFORMS

ABOLITION OF INTERMEDIARIES

1. Abolition of intermediaries has been carried out in the bulk of the country. Legislative measures remain to be adopted only in some small areas. It is necessary that the process should be completed as early as possible.

2. Inams, being intermediary tenures, should be based on a normal footing as speedily as possible.

3. Some of the main tasks consequent on the abolition of intermediaries are:

- (a) cadastral survey and preparation of records;
- (b) strengthening the agency for revenue administration and for the maintenance of land records up-to-date;
- (c) setting up of a suitable agency for collection of land revenue;
- (b) setting up of an agency for the management of common lands acquired by Government.

In recent years much has been done in this direction, but large leeway has still to be made up. Effective implementation of land reform measures depends very largely on the speedy completion of these tasks and, in particular, the building up of sound revenue administration and land records.

4. Payment of compensation should be expedited, in particular to small intermediaries and to the intermediaries who are widows and minors. A suggestion has been made that there should be a ceiling on the amount of compensation payable to an intermediary. This suggestion should be carefully considered and implemented if there are no constitutional or legal difficulties.

RIGHT OF OWNERS

5. On abolition of intermediaries, a multiplicity of tenures still obtains in many States and it is necessary that a simple and unified system of tenure is evolved. Rationalisation of the rights and obligations of the cultivator is a pre-requisite of agricultural development. With this object in view, it is recommended that the cultivator should have the following rights and obligations:

(i) He should have the right of transfer but the transfer should be made through village panchayats with a view to ensure:

(a) prevention of accumulation of land, i.e., ceiling on future acquisition;

(b) prevention of fragmentation;

(c) regulation of transfers with a view to bring about progressively more equitable distribution of land; and

(d) regulation of the price of land in the interests of the community with a view to offset the effects of the monopolistic situation in land ownership.

(ii) His rights should be heritable. The principles of inheritance in land should follow the principles governing inheritance of other forms of property, subject, however, to such restrictions as may be necessary in the interests of the community as a whole such as prevention of fragmentation. Partitions where they result in the creation of fragments or in the breaking up of a holding which is already a fragment, should be prohibited. In such cases the land should be sold at a regulated price among the co-tenure holders. The co-tenure holders, who do not purchase the land should be paid their share of the compensation. The village panchayat should, in

addition to the revenue agency, be required to report cases of contravention.

(iii) The cultivator should have an unrestricted right to make improvements.

(iv) He should have a right of simple mortgage. The right of *mortgage with possession* could be utilised as an instrument for circumventing the provisions relating to leasing and should, therefore, be disallowed.

(v) It is not a practical or even a desirable proposition to completely prohibit leasing of land. To prevent abuse, however, it would be necessary that leases should be made through the village body for a period not exceeding 3 to 5 years in accordance with the rules as may be prescribed.

(vi) He should have the right to use land for all agricultural purposes subject to the observance of standards of efficient cultivation. Use for non-agricultural purposes may also be permitted subject to the approval of the community.

(vii) He should not be liable to ejection for non-payment of land revenue. Instead his holding of a portion of it may be put up for sale for the recovery of arrears of land revenue if the dues are not otherwise satisfied by the sale of crop or other movable property. Arrest or detention of the defaulter as a process of recovery should be omitted.

6. The following principles should govern the allotment of waste land for agricultural purposes in (a) rural areas, and (b) urban areas :

(a) Auction of land to the highest bidder is not a desirable method and land should not, therefore, be auctioned. A nominal premium may, however, be charged to cover the cost of allocation and demarcation of the land. The allotment of land should be made in suitable lots in the same order of preference which applies to transfer of land. Where more applicants than one belonging to the same category apply for the land, efforts should be made to arrive at mutual agreement. If there is no agreement, lots may be drawn.

(b) As regards terms and conditions, the allottee should have the obligation to bring the land under cultivation within a period not exceeding five years. The allottee should have

no right to transfer the land or lease it within a period of 10 years from the date of allotment. He should, however, have the right to mortgage the land in order to obtain credit from a cooperative society or the State Government.

(c) The above conditions should apply to allotment of land for agricultural purposes in the urban areas also but the allottee may not have the right to use it for a non-agricultural purpose. Provision may also be made for assessment of revenue at higher rates in accordance with the economic conditions in the urban area concerned.

TENANCY REFORMS

Large-scale ejection of tenants has occurred in recent years generally in the form of "voluntary surrenders". Efforts at regulation of landlord-tenant relationship have thus generally failed and it is necessary that this relationship should be terminated forthwith by the State interposing itself between the tenant and the landlord. The following steps should be taken in this direction with immediate effect :

(i) *Ejection of tenants should be stayed.* Ejection on grounds of non-payment of rent or misuse of land may be permitted through due processes of law.

(ii) *The tenants who have been dispossessed of their lands in recent years should be restored* except where ejections were made through courts for non-payment of rent or misuse of land. "Voluntary surrenders" result mainly from landlords' influence and the tenants' low bargaining power. All such surrenders should be treated as cases of ejection and restoration provided for.

(iii) *All tenants should come into relation with the State which should undertake the obligation to recover fair rents from the tenants and pay it to the landlord after deducting the cost of collection.*

2. The law of tenancy reform should be based on the following principles :

(i) A tenant who has held any land continuously for a period of 12 years from the same landowner should have

permanent and heritable rights in the land and should not be liable to ejection on the grounds that the landlord requires the land for personal cultivation.

(ii) Tenants who have not held land for a period of 12 years should have security of tenure subject to the landlord's right to resume land for personal cultivation on the terms and conditions described below :

(a) *The tenant should have a prior right to retain an area for personal cultivation, i.e., cultivation by his own labour and by the labour of the members of his family. The extent of land which he may retain should be one family holding, and half family holding for each working adult.*

(b) The land held by a tenant in excess of the above area may be resumed by the landlord for personal cultivation. The extent of land which he may resume should be one family holding only.

(c) Any land held by a tenant which he is not entitled to retain and which the landlord is not entitled to resume, should be declared surplus.

3. Exemptions to the above rule may be made in the following cases :

(i) *Small owners* : Social considerations demand a more careful balancing of the rights of small owners and their tenants. A small owner may be defined as a person who owns land which is in extent less than a plough unit. He should be permitted to resume (including the area already held by him) half the area owned by him but not less than the minimum area necessary for profitable cultivation as may be determined under the law relating to sub-division and fragmentation. Where as a result of resumption, the tenant's holding will be reduced to less than the minimum area, before permitting resumption the Government should allot to the tenant, out of surplus land, an area which will make up his holding up to the minimum area.

(ii) *Persons suffering from a disability* : Where a person was suffering from a disability and was, on account of this disability, obliged to lease the land, he should have the prior right to resume land for personal cultivation to the extent he can

cultivate with his own labour together with the labour of his family members. For this purpose, the person may be presumed to be suffering from a disability if he belongs to any one of the following categories :

- (a) unmarried women;
- (b) widows;
- (c) minors;
- (d) persons suffering from mental or physical disability;
and
- (e) persons serving in the Armed Forces.

If in the family of such a person there is an adult worker capable of engaging in cultivation, he should not be presumed to be suffering from a disability.

If as a result of resumption by a person suffering from a disability, the tenant is left with less than a minimum area, he should have the first preference to allotment of land out of the surplus area to the extent it may be necessary to make up his holding to the minimum area.

4. In order to remove uncertainty and to stabilise the position of tenants, the areas which the landlord is entitled to resume and the areas to be retained by the tenants should be demarcated, in as short a period as possible, say, six months.

In demarcating the resumable and the non-resumable area, the tenant in possession should have the right to select the area which he is entitled to retain. The tenant should select the area in the following order of priorities :

- (a) land owned by him, if any, and which he is entitled to retain;
- (b) land held by him from substantial holders;
- (c) land held by him from medium holders; and
- (d) land held by him from small holders.

The land owner will then select the land for resumption out of the remaining area up to the limit mentioned above. The excess land, if any, will then be declared surplus.

Rights of tenants in the non-resumable area :

5. In respect of non-resumable area, the tenants should have the right of permanent and heritable possession. They

should also have all the other rights and obligations recommended in an earlier section for the owners.

Rights in the resumable area :

6. With regard to the resumable area, pending its resumption by the landlord, the tenant may have heritable but not permanent rights together with a right to make improvements. He should be entitled to compensation if it is undertaken with the Government's consent. He should not, however, have a right of transfer, mortgage or exchange.

Definitions of personal cultivation and tenant :

7. The principal constituents of personal cultivation are :
- (a) Risk of cultivation : The cultivator should meet the entire risk of cultivation.
 - (b) Personal supervision : For effective personal supervision, it is necessary that the owner or a member of his family should reside in the village or in a contiguous village during the major part of the agricultural season.
 - (c) Labour : Performance of minimum labour, i.e., participation in the principal agricultural operations such as ploughing, sowing and harvesting should be considered as a necessary constituent of personal cultivation.

Where a person resumes land for personal cultivation by ejecting a tenant, he should be required to fulfil all the three conditions of personal cultivation outlined above. If he fails to satisfy any of these conditions, the land should revert to the tenant or the State as the case may be.

It would, however, be difficult to apply this condition to all existing arrangements in areas where the definition of personal cultivation is less complete and a worker who receives the bulk of his remuneration in the form of a share of the crops, is not regarded as a tenant. In such cases, the arrangements should not be considered as lease, if the owner also engages in the work of cultivation and performs minimum labour. If he does not do so, it is a lease and tenancy rights should accrue.

Where an owner meets the entire risk of cultivation but

does not reside in the village, he should have an opportunity to take up residence in the village.

With regard to future arrangements, while the three conditions described above represent the goal which should gradually be achieved, it is not necessary at this stage to insist upon the performance of minimum labour, provided the owner meets the entire risk of cultivation, resides in the village and personally supervises agricultural operations.

Fair Rents :

8. Rents should be brought down to the level of one-sixth of the produce or value thereof by the end of the Second Five-Year Plan period. As the State will undertake the responsibility to collect rents, it will be necessary for administrative convenience to commute produce rents into fixed money rents as speedily as possible.

Ownership for tenants :

9. As soon as it may be feasible and keeping in view the level of rents and the financial obligations involved, the State Government may buy out the landlord's interest on payment of compensation. In determining the rate of compensation the aggregate of the net increase in revenue accruing to the State (i.e., fair rent minus land revenue and minus collection charges) over a period not exceeding 20 years may be taken into consideration. Graded rates of compensation might also be considered. The compensation may be paid in the form of bonds redeemable over a period of 20 years.

The tenant's liability to pay fair rent should continue so long as it may be necessary for enabling the State Government to meet the liability for payment of compensation. At the end of this period, the State Government may review the position and, if necessary, require the tenants to pay land revenue only. Since acquisition of ownership rights by this method would take about 20 years or so, tenants should also have the right voluntarily to purchase ownership at a reasonable price to be prescribed by law.

Voluntary surrenders. To discourage "voluntary surren-

ders" in future the Committee has recommended that a provision should be made in the law that *no one shall surrender land and no landlord shall accept surrender from a tenant pending the enactment of the comprehensive law*. If any tenant for certain economic reasons, is meanwhile unable to cultivate the land, he may surrender it to Government, which should have the authority to settle a new tenant on it.

Restoration : *Suo-motu* action has been recommended for the restoration of ejected tenants. Where a new tenant has been admitted, restoration of the original tenant may not be insisted upon, provided the new tenant has been admitted *bona fide* and is not merely a relation or a friend or a dependant, admitted with a view to avoid the provision of the law. If, however, the new tenant has, thus, acquired an area exceeding, say, a family holding, the ejected tenant may be admitted on the land held by the new tenant in excess of the family holding.

CONCLUSIONS AND RECOMMENDATIONS OF THE COMMITTEE ON SIZE OF HOLDING

1. ACCEPTANCE OF THE PRINCIPLE OF CEILING

Social justice demands that glaring inequalities in ownership of land and agricultural income should be reduced. It is necessary that there should be an absolute limit to the amount of land which an individual may hold. Though the principle of applying ceiling to agriculture can be justified on several grounds, if the acceptance of the principle of ceiling to other sectors of the economy, with due regard to the conditions prevailing in those sectors, were announced, the imposition of ceiling on agricultural lands would meet with less opposition and there would be greater chances of its proving successful.

2. AREA OF APPLICATION OF CEILING

The family is the real operative unit for land ownership as in land management. In fixing the ceiling the aggregate area held by all the members of a family should, therefore, be taken into account. For this purpose, a family should be deemed to consist of husband, wife, and dependent sons and daughters and grand-children.

The ceiling should apply to the owned land held under personal cultivation. Owned land means land held in permanent and heritable rights.

As in anticipation of the imposition of ceilings, substantial owners have been making *benami* transactions in order to bring the holding within the assumed limits, any transfer or lease made after a given date should be disregarded in determining the surplus area. The date may be fixed by each State in the light of its own circumstances.

3. LEVEL OF CEILING

The limit should be fixed at 3 family holdings, for an average family in which the number of members does not exceed 5. One additional family holding should be allowed for each additional member subject to a maximum of 6 family holdings.

A family holding may be defined as the extent of land which yields a gross average income of Rs. 1600 or a net income—including remuneration for family labour—of Rs. 1200 and is not less than a plough unit or its multiple in area.

4. ACQUISITION OF SURPLUS LAND AND PAYMENT OF COMPENSATION

The surplus land should be acquired by the State. The amount of compensation should in no case be more than 25 per cent of the market value and should not exceed (including interest charges) the aggregate of the increase in land revenue for 20 years. The question whether the rate of compensation

should vary according to the total quantum of compensation as in the case of zamindari abolition may also be considered.

The compensation may be paid in bonds redeemable in about 20 years.

When the surplus area is distributed, the recipients should become State-tenants. They should pay fair rent to the State so long as it may be necessary to enable the State to pay the compensation money to the land owners. After this period the recipient should be declared to be a full-fledged owner and should be liable to pay not more than the prevailing land revenue.

5. EXEMPTIONS

Farms which come within the following categories may be exempted from the purview of ceiling :

(1) Plantations of coffee, tea and rubber are composite enterprises which include characteristics of farming and industrial undertaking. The ceiling is not, therefore, an appropriate measure of reform for plantations. State acquisition and subsequent cooperative management may be considered.

In some plantations, there are large areas which are leased out to tenants for growing seasonal crops. The question of tenancy rights and ceiling in respect of such lands should be considered in the light of the recommendations of the Plantation Enquiry Commission.

(2) Orchards—The existing orchards should not be broken up if situated within a reasonably compact area. The area under orchards should, however, be taken into consideration for calculating the permissible area under the ceiling. Where orchards are taken over, it should be ensured that they are not cut down and are maintained as orchards.

(3) Specialised farms (such as cattle breeding, dairy, wool-raising farms). Existing *bona fide* farms of the above type as certified by the Government may be exempted.

(4) Highly efficiently managed farms which consist of compact blocks and on which heavy investment or permanent structural improvements have been made may be exempted.

Subsequent to resumption, these farms should be subject to special responsibilities and obligations.

6. DISTRIBUTION OF THE SURPLUS

Displaced tenants should have the first priority. Regarding subsequent order, alternative views have been expressed as follows :

- (i) Displaced tenants; attached labourers; uneconomic farmers;
- (ii) Displaced tenants; attached labourers; other agricultural labourers;
- (iii) Displaced tenants; attached labourers; uneconomic farmers and other landless labourers to share equally;
- (iv) Displaced tenants; all other categories to share equally.

7. FLOORS

Imposition of floor has a meaning only if all farms below the floor are grouped in a compact block of what may be called a cooperative sector. Varying degrees of cooperative working may be introduced from credit and marketing to joint cultivation according to the preparedness of the participants. To make participation in this sector attractive the surplus from the imposition of ceilings may be transferred to it. The displaced tenant, attached workers and the landless (if so desired) will have to be provided on it. This sort of re-organisation and achievement is possible only if a scheme of consolidation of holdings for reducing the layout is introduced as part of ceiling-floor policy.

Regarding the level of floors, some members of the Committee recommended one-third of a family holding, others one-half, while two members expressed the view that the floor and economic level should be the same. If the imposition of floor is to result in some sort of reorganisation as suggested above, the effective limit will, in fact, be the government's capacity to organise the cooperative sector.

RECOMMENDATIONS OF THE COMMITTEE ON REORGAN- ISATION

1. The surplus land acquired by the State, after imposing the ceiling and the Government land, should not be distributed in pieces. As the recipients would have no private property instinct and attachment in such land, it is easy to bring them into cooperative farming. So such lands should be given for cultivation on cooperative farming lines. The cooperative farms can be one of the following types:

(a) Landless could be formed into a cooperative and they would be the tenants of the cooperative. They would be paying rent. These are Tenant Cooperatives.

(b) Landless would form into a cooperative. Implements capital, etc., would be collective and all major operations would be done collectively. But for close attention and intensive work, each family would be assigned a plot—family holding or basic holding, not decided. From the cooperative they would receive both dividend and bonus.

(c) Collective farms.

The third is discarded but the first two are preferred.

2. Compulsory consolidation of holdings and prevention of fragmentation of holdings would be taken up.

3. At the time of consolidation of holdings, it will be seen that all the tiny holdings, i.e., holdings below a basic holding, are brought adjacent to the cooperative farms, so as to enable such small landholders to voluntarily join the cooperatives at any time.

4. After the land distribution takes place, there will be three types of farms—cooperative farms; substantial farms, i.e., farms having more than one family holding but below the ceiling; and uneconomic holdings, i.e., farms below one family holding. For better and efficient farming, standards of cul-

tivation will be fixed. But these standards and their improvement also depends upon the assistance given by the State in the form of loans, manures, irrigation, etc.

5. There should be village panchayats and judicial panchayats, preferably for every village. Village Panchayats should be in charge of implementation of land reforms and keeping the land records. Judicial panchayats will hear and decide the land disputes at first instance. Village panchayats may be classified into 'A', 'B' and 'C' Class and the duties of varying amount may be given to each class.

6. Where village panchayats have no representatives of tenants and agricultural labourers on them, such interests should find representation by co-option. Nominations are to be ruled out.

7. Panchayats, in order to do the above duties, should get 20 per cent of the land revenue. Another 20 per cent of land revenue can be given, if the village raises an equal amount from among themselves.