CHAPTER V

PEASANT PROPRIETORSHIP—THE ONLY REMEDY

A little reflection will convince the reader that peasant proprietorship is the only system which can provide a workable solution to the land problem of this country; it is the only way to the greatest happiness of the largest number of Indians. The system has two underlying principles—firstly, that land should be regarded, not as a source of rent providing an unearned income for its owner, but as a definite and limited means for employing the labour of a class of citizens whose regular occupation is the tilling of the soil. Consequently, it should be allowed to be acquired only by him who is prepared to cultivate it himself—to the total exclusion of rent or income without labour.

Secondly, that, land being a national asset, the right to hold it should necessarily attach the obligation to use it in the national interest and nobody, therefore, has a right to abuse or misuse it, or, while holding it, not to use it. And, whether landlord or peasant, if the owner or holder does not fulfil the social and economic duties incumbent upon property, he must be treated as a speculator or a defaulter and be divested. It is to be noted that these principles were adopted by the German Nazi Party also in their official manifesto dated 6th March, 1930, issued from Munich on the position of the Party with regard to the farming population and agriculture; in fact they had already been advocated in pre-War Germany by so high an agricultural authority as Von Der Goltz and so distinguished an agrarian econo-

mist as Professor Sering and had begun to take shape in the "Retenguler" laws of Prussia. These are also the principles, as we have seen, which formed the basis of our own land economy in the hoary past.

To express it in different language, private property has four incidents, viz., the owner may transfer it at his will, make proper use thereof, misuse or abuse it or not use it at all. As far as land is concerned, if the owner cultivates it himself, he makes proper use of it; if he lets it to another, he abuses or misuses it. We propose to continue only the first two rights out of four to its proprietor, viz., those of proper use and transfer, and to take away the other two, i.e., in case he exercises them, to confiscate the land in his possession without compensation.

Although out of defference to the prejudices of the peasantry against "tenancy", the word "proprietorship" has been used, it will be well to keep in mind that the scheme advocated here is a compromise between absolute proprietorship by the peasant on one hand and a tenancy under the State on the other. While the cultivator may be regarded as the owner of his holding inasmuch as he will be entitled to alienate it, his title is subject to a superior right of the State to drive away the holder who fails to perform his duty towards the land. That is, he holds it under the State as a trustee of the community. What is proposed here is, in fact, an intermediate form, breaking away from the sharp conception of private property, and still falling short of state ownership or nationalization. It is clear that it can equally well be spoken of either as a limited ownership or as a permanent State tenancy with a right of alienation vested in the tenant. It reconciles the interests of the individual with those of the whole; it abolishes exploitation and inequality in the country-side and yet, unlike the kolhoz or sovhoz, does not destroy the individual. In this scheme there is

scope both for private effort and also for fulfilment of the social objectives. It eschews dogma—the two extremes of laissez-faire and totalitarian control. The struggle between the forces of an outworn, undiluted individualism and the new collective order has been overwhelming. We have to strike a balance.

There is no meaning in outright, absolute nationalization of land, i.e., acquisition of all the land in the country by the State, and treating of the cultivator as a mere tenant unless we collectivize our agriculture or establish State farming simultaneously. That is why, and sensibly enough, in no country in Europe where land is in individual possession of cultivators has it been nationalized. Collectivization and State farming, however, being neither practicable nor desirable in the interest of our country, one fails to understand why the right of transferring his land should not be given or continued to the cultivator, just as hereditary tenants enjoy this right even to-day in certain parts of India—and why, if individualist farming is to continue, we should not ask the cultivator to pay the cost of acquiring the landlord's rights and call him a 'proprietor', instead of asking the State to find the money and continuing to treat him as a 'tenant', that is, to keep him in a sort of subjection as before, though it be under the State hereafter. Among other reasons, without the right of transfer, co-operation among individual peasantry, especially in the sphere of credit, is not likely to be a success. Fears about exploitation and reappearance of landlordism are amply met, once we penalise letting or sub-letting by the holder or proprietor and set the upper limit to the farm.

And how will the advocates of nationalization deal with the land of those proprietors who till it themselves? Their number is not negligible; will this land also be paid for? Where is the sense in acquiring it first, and then continuing it in their own possession for cultivation? Or

will that land alone be acquired by the State which is to-day in possession of tenants? If so, will then two kinds of property in land exist side by side in the country?

One argument is often trotted out by advocates of nationalization against the use of the word 'proprietor' in reference to the cultivator, or against the creation of small property in land as the system of peasant proprietorship implies, viz., that peasant proprietors are the most stubborn class of capitalists who will never yield, or yield only with great difficulty, whenever in future the State feels called upon to nationalize the land and establish mechanized collective farms. But, we repeat, collectivization is not in the interest of India, and we have not to make a fetish of a scheme that may have succeeded in a particular country in the circumstances prevailing there. Collectivization is, at best, a means to an end, and not an end in itself; we can evolve a system having roots in our own soil or adopt one that has served the purpose so well in so many other countries. The end we have in view is abolition of exploitation on land, establishment of a democratic rural society, employment to the maximum possible extent, greatest possible yield per acre and preservation of individual liberty to the tiller of the soil consistent with the demands of social security or needs of the State. If peasant proprietorship with checks and balances that are proposed can answer the above purpose, we should not discard it simply because it does not bear the stamp of socialist approval. Let not the end be confused with the means.

Nationalization will chill the popular enthusiasm for "Abolition of Zemindari"; rather, it is likely to create a great storm. Those who are tenants to-day are longing for ownership of their holdings; those who are tilling their own lands (which constitute 19 p.c. of the cultivated area in the U. P. and 30 p.c. in India as a whole) may feel like resisting. Also nationalization or abolition of private property in arable land should logic-

ally lead to an immediate or simultaneous over-haul of the whole structure of our society—a full revolution of the wheel of social change right here and now; apart from its desirability, are we prepared for it just at present?

That is why the Congress Manifesto of 1945 while it lays down ownership, or control, of key or basic industries by the State as one of its aims, very wisely does not refer to nationalization of land, but speaks only of elimination of parasitic elements between the tiller and the State. Here is the relevant portion of the Manifesto:—

"The reform of the land system, which is so urgently needed in India, involves the removal of intermediaries between the peasant and the State. The rights of such intermediaries should, therefore, be acquired on payment of equitable compensation. While individualist farming or peasant proprietorship should continue, progressive agriculture as well as the creation of new social values and incentives require some system of co-operative farming suited to Indian conditions."

The reader will note there is not a word in the Manifesto about the vesting of the country's land in the nation or abolition of private propery in land; it does not seek the elimination of the "zemindar" who is not a landlord, but, as in the Punjab, Rajputana or Western parts of U.P., is a mere holder of land or tiller of the soil in his ownership. "Abolition of Zemindari" simply means and ought to mean, abolition of the landlord-tenant system, and no more. The Manifesto envisages the continuance of peasant proprietors combined in "some system of co-operative farming" and that is exactly what the present writer advocates. This is all about arable land, however; there can be no objection to the vesting of ownership and control of abadi lands, thoroough-fares, ponds, etc., in the nation or the village community, preferably, in the latter.

The idea of ownership—even the kind of limited ownership that is proposed here—gives a feeling of security and a sense of attachment to, or interest in, land which nothing else calls out so strongly. There is a certain psychological satisfaction in the private ownership of one's farm which neither socialization nor any law on the restriction of the landlord's rights can supply. A peasant owner has been known to work harder and for longer hours than a tenant or a wage-labourer; the reward that he gets for his labour lies more in mental satisfaction and less in pecuniary gain. He does not reckon in the commercial way, and the peasant is right; for who can measure this, his income of independence and security derived from ownership of the land under his plough in terms of money? None can; it is imponderable.

We now proceed to point out some of the advantages of a system of small peasant proprietors over the landlord-tenant system and to controvert some of the objections raised thereto.

As the peasant will no longer have to pay higher rent to the landlords but lesser revenue to the State, it would improve the lot of the peasants by the extent of the difference in the two amounts. With greater proportion of his produce left to him, the quantity and quality of his food and, therefore, his health will improve. Not only this; but as soon as his chains are loosened he is certain to display a keen desire to attend to the improvement of his mind; there will be a demand for more schools and more libraries. It is unnecessary to add that as demands for comfort, health, education and entertainments will rise, industrialization of the country will get a fillip and traders and manufacturers will benefit greatly. (It is the degree of industrialization, on the other hand, which determines the level of the peasantry. In an industrial country peasant population can attain

a high standard of living because the farmer has the advantage of proximity to an urban market, which can buy meat or dairy products. That is why the standard of the peasant in Western Europe is higher than that obtaining in Eastern Europe).

Peasant proprietorship will establish a direct connection between the occupier and the State and will eliminate the middleman whose passing away from the scene will work a tremendous change in the relations between man and man. The oppressing landlord who has tyrannized without limit and the oppressed tenant who has sorrowed too long—both would have disappeared; in their place will arise a peasant who will be at once a proprietor and a wage-earner. Peasant proprietorship will, therefore, secure peace on the land and abolish litigation altogether, as an almost classless society will have been created in the country-side.

In addition to social peace and stability, the proposed system will bring about a psychological revolution which will transform the whole outlook of the rural population in no time. With its advent the country-side will blossom into a better life; the tenant with almost no rights to defend and no power to invoke, no property to cherish and no ambition to pursue, bent beneath the fear of his landlord and the weight of a future without hope, shall give way to the peasant with rights and a status, with a share in the fortunes and the government of his village and, though, it may be, standing in rags still, yet standing upon his feet all the same, with his head erect which will bow to none but to his country and to his God. And with the self-respect of the peasant thus restored, the country-side will have gained its equilibrium.

Those who are unconvinced of the superiority of peasant proprietorship over the landlord-tenant system or entertain doubts whether liquidation of landlords is in the interest of the country, would do well to go to the villages of Meerut and Muzaffarnagar districts in

the U.P. and, still better, to those of Rohtak and Karnal on the other side of the Jumna, pass through their streets and sit in the peasants' parlours for a talk with them, and to compare the condition of the farmers of these districts—a great proportion of whom own the land they cultivate—with that of the farmers in the Gorakhpore division and other eastern parts of the U.P. who hold land as tenants of big landlords. There is a world of difference; if there are poverty and little education in one case, only the blackest misery and utter ignorance prevail in the other. Pucca buildings are not uncommon in the villages of Meerut, Rohtak and neighbouring districts, while only kachcha huts meet the eye in the taluqdari villages of Oudh. The peasant proprietor of the former area walks erect and will look you in the face, whereas the tenant of the latter lacks self-confidence and does not feel himself your equal.

Co-operation is primarily the small man's instrument. It can render great service in bringing home the results of scientific research to the individual farmer and as peasant proprietors are found to co-operate better than tenants, the co-operative system has been attended with special success among the densely-populated countries of Europe where peasant ownership is the predominant land tenure. The Agricultural Tribunal of Investigation appointed by the British Government in December 1923 says in its report on page 257:—"The economies of Co-operation have assisted Danish peasant farmers to maintain themselves. But it is also true that the existence on the soil of a population of peasant owners has immensely stimulated co-operation. The farming population is very much more homogeneous than in England; it is made up of men in much more nearly the same sort of social position and with similar business interests". The report of the above-said Tribunal points out also that co-operation of the mutual credit society type is a far greater success in Germany

than in England because the latter did not possess the same class of land-owning peasants, with the ampler basis for credit furnished by the fact of ownership.

Further, peasant proprietorship develops a democratic rural society. And in our country the soul of whose people has expressed itself from times immemorial through her rural democracies and their manifold institutions which functioned upto the nineteenth century and were swept away by the onrush of the British system of centralized administration, and whose economic life is to-day almost entirely, and shall always largely continue to be, based on agriculture, political progress has no meaning unless it tends towards rural democracy. And as democracy cannot prosper in an atmosphere of undue economic inequality, our agrarian policy must be directed towards organizing the country on the foundation of a homogeneous peasantry—on a basis where there is no landlord and no tenant, but every body owner of the land he tills, and, therefore, the equal of the other fellow. Pandit Jawaharlal Nehru's following remark about the Chinese Industrial Co-operatives may well have been written of peasant proprietary; "On this basis political democracy may survive; it is doubtful if it can do so on any other basis." The kolhoz leads to totalitarianism; the present system leads to oligarchy.

"Farm ownership and the small farm", says F. C. Howe, "are the economic bases of Danish life. To these economic conditions other things are traceable. The kind of land tenure that prevails is the mould of the civilization of a State. This is true of nearly all countries. It is hardly a coincidence that wherever we find hereditary landlordism, as in Great Britain and Prussia, there we have political reaction. There is, so far as I know, no exception to this rule. It was this that explained old Russia. It was land monopoly that lay back of the Irish question and the long-continued

poverty of the Irish people. On the other hand, whenever we find the people owning their own homes and cultivating their own land, there we find an entirely different spirit and a different political system. With ownership we find democracy, responsible government, and with them the hope, ambition and freedom that prevails in France, Holland, Switzerland and the Scandinavian countries. For these are the countries where the people, rather than the old feudal aristocracy, own the land".[1]

We have above laid down the principle that land being a national asset, the holder is under an obligation to use it in the national interest and nobody has a right to abuse it or misuse it. Now, we in India are faced, in the immediate present, by the problem of employing and maintaining a huge population—one-fifth of that of the whole world. National interest, therefore, requires that its land economy should be such as to keep a maximum possible number of hands employed and to enable them to eke the best possible out of this gift of nature—the limited quantity of land at our disposal, so that food, clothing and other necessaries of life may be provided for the country's increasing millions. It is submitted that an economy of small holdings alone, as against that of large farms whether private or collective, can fulfil this need; that intensive farming, which is the application of more labour and more capital to the present or given land resources, is the only and the most hopeful way out of the quandary in which we find ourselves. A system of peasant ownership can serve to keep on the soil a comparatively larger number of people in conditions which render them reasonably happy and to make the soil yield greater output—according to some, gross output only, according to others, both gross and net. For the instruction of those who still, as a matter

[1] "Denmark: A Co-operative Commonwealth", 1922, p. 71.

of fashion and unthinkingly, advocate the adoption of large mechanized farms as the model for this old, densely populated country, it is necessary to point out, firstly, that the density of the rural population varies inversely with the size of the farm.

Small holdings limit the use of machines and lead to intensive agriculture which finds employment for manual labour in far greater numbers than does extensive agriculture or large farms worked by machines. The number employed per100 acres in countries where small holdings predominate is greater than that employed in countries where large holdings form a large percentage. In the Irish Free State, for example, on equal areas of land there are five times as many persons working on farms of 15 to 30 acres and three times as many on farms of 30 to 50 acres as on farms of over 200 acres, and similar results are obtained from English, German and Danish statistics. According to Lord Addison, an ex-Minister of Agriculture, records, prepared for the Government in 1930-31 for thirty-five different county council estates comprising nearly 17,000 acres, showed that population on these council lands, after they had been divided into small holdings, had increased from 1,048 to 2,298.[2] According to a recent publication of the International Institute of Agriculture, small rural undertakings in Central and Eastern Europe now provide work for between twice and three times as many persons per unit of area as large undertakings.

Secondly, as we have shown earlier in another place, production diminishes in the proportion in which the size of the agricultural undertaking increases. According to an address delivered by Professor Sering in the Emperor's presence before the German Agricultural

[2] A Policy for British Agriculture.

Council in 1913, quoted in a memorandum submitted to the British Agricultural Tribunal of Investigation in 1924, "the evidence is conclusive that the new peasant holdings in the eastern provinces not only doubled the number of inhabitants in the colonized area—and that within ten years; they increased the cattle in the area from two to three-fold; the pigs three to four-fold; while the grain crops were in some cases half as large again, in others doubled. This was, of course, only by dint of harder work than mere hired labourers would care to perform, and by making use of their children and women and old people to do the extra harvest work for which the great land-owners had to rely on Polish season workers".

The reader here should not fail to note the economic significance of peasant farming in that it carries more cattle to the acre than the large farm, that is to say, more capital. Also incidentally, that in so far as it promotes more intensive production through investing in farm livestock, peasant farming tends to increase the volume of employment.

This intensification of production is not achieved at the cost of lower earnings, that is, the peasant produces more to the acre, not by reducing his standard of living, as is sometimes argued. A big farm cannot undertake intensification because it carries no excess labour capacity and has to depend entirely on paid casual labour at critical periods of the year (whose wages, by the way, are or have to be paid in corn, usually quite a good share of the harvest). "The peasant farmer, on the other hand, must regard his family labour as a fixed factor—something which must be maintained whether working or not—and he tries therefore to fill spare time by keeping livestock which adds to his output, and utilizes this fixed factor more fully. His earnings per hour may be less than on the big farm, but his total earnings will certainly be bigger. Consequently pea-

sant farming means a better utilization of the labour force."[3]

Further, it has even been claimed that only the family farm can be relied upon to maintain soil fertility, for by intensifying livestock production the family farm provides organic manure—the first need of good agriculture. There can be no contradicting the fact that farmyard manure or waste of cattle is the best fertilizer; as for chemical fertilizers there is a difference of opinion among scientists to this day about their utility. Some hold that artificial manure in the long run depletes the soil and renders it barren.

The British Agricultural Tribunal goes on to say on page 87 of its report:—"We believe that the productivity of European agriculture, particularly of that of Denmark, Germany and Belgium, where the output has been the greatest, has been largely due to the attention given to the organization of the family farming system; and in Denmark which still offers the most instructive field for comparison, the maintenance and extension of the system have been regarded as the most secure foundation for obtaining the maximum out of the land, while, at the same time developing a democratic and rural social community".

"Social (sic) ownership and planning by the community" says Lewis Mumford, "do not necessarily mean large-scale farming; for the efficient economic units differ with the type of farming, and the large mechanized units suitable to the cultivation of the wheatlands of the praries are in fact inappropriate to other types of farming. Neither does such a system of nationalization invariably mean the extinction of the small family farming group, with the skill and initiative and general intelligence that distinguishes the farmer favourably

[3] "Economics of Peasant Farming" : D. Warriner 1939, p. 148.

from the over-specialized factory worker of the old style".[4]

A 'family farm' may be defined as a farm worked by the occupier and members of his family, with or without some hired labour.

Even if we accept the conclusion of those experts who, while conceding that the gross return per acre varies in proportion to decreasing, i.e., inversely to increasing size of farm, hold that the return per man employed as well as the net return per acre, varies up to a certain point in an opposite manner, in other words, in proportion to size of farm, yet from a national and social point of view a system that will employ a larger number of men and yield a greater out-put on the acreage basis, will suit us best. The fundamental objective of agriculture in our conditions should be, not profit or output per man, but production and employment.

So we have to keep to the small family farm as the basis of our land system, with this improvement that all tenants have to be raised to proprietorship and steps have to be devised to ensure that no middleman interposes himself again between the State and the tiller. Large farms, if any, have certainly to go.

Socialists and communists are fond of raising one hackneyed objection against peasant proprietary, viz., that this system envisages a pre-capitalist society out of which Capitalism has emerged, and that its establishment or re-establishment would mean turning back of the wheel of progress. That the logic of agricultural evolution, or of history in general, demands the abolition of private property in land and the establishment of a planned system of production for use, based upon the technical advances achieved by capitalism. The fundamental tenet of Marxism is that there should be no private property in the means of production and that land

[4] "Technics and Civilization" 1934 : p. 381.

being a means of production—and the most important at that—it should not be allowed to be owned and exploited by individuals for private profit. Here is the case of the Communists *re* agriculture in brief:—

"It is the same too in history. All civilized peoples," writes Engles, "begin with the common ownership of the land. With all peoples who have passed a certain primitive stage, in the course of the development of agriculture this common ownership becomes a fetter on production. It is abolished, negated, and, after a longer or shorter series of intermediate stages, is transformed into private property. But at a higher stage of agricultural development, brought about by private property in land itself, private property in turn becomes a fetter on production as is the case to-day, both with small and large landownership. The demand that it also should be negated, that it should once again be transformed into common property, necessarily arises. But this demand does not mean the restoration of the old original common ownership, but the institution of a far higher and more developed form of possession in common which, far from being a hindrance to production, on the contrary for the first time frees production from all fetters and gives it the possibility of making full use of modern chemical discoveries and mechanical inventions."[5]

Small private property in land, as already seen, instead of being 'a fetter on production', is rather an encouragement to higher production, and 'mechanical inventions' have not been proved to by themselves produce two ears of corn where one grew before. Nor is there any reason to suppose that establishment of a *planned system* of production is an indispensable preliminary to an exploitation of the technical advances made possible during the last 150 years of Capitalism, or, to a "full use of modern chemical discoveries".

[5] Anti-Duching, pp. 156-57.

Here, before proceeding further, it would be profitable to examine briefly the economic system that prevailed before the advent of, and its transition to, Capitalism.

In former times, the purpose of all industrial activity was maintenance, rather than gain, Production was carried on in agriculture, as in manufacturing industry, to supply the needs of the producers directly and to a very small extent only for the market. The peasant rarely went to market as buyer or seller. He supplied nearly all his needs from the land on which he lived, he and his family producing for their own consumption and sending only surpluses and by-products to the market. What limited need he had for manufactured goods was satisfied by the products of household industry, except in the few cases in which special skill or more elaborate tools than he possessed were required. And whatever outside assistance was needed was usually paid for in produce. Much of the business of the handicraftsman was custom work, wherein the customer furnished the material and paid only for the labour, and for that sometimes in goods rather than in money.

All those engaged in the several manufacturing industries in medieval Europe were organized in guilds, governed by the master-workman. The guilds determined in minute detail when, where and at what price the raw material and the finished goods should be bought and sold, and how they should be made. They guarded the interests of the producers by rules which restricted competition in buying materials, and which limited the number of workmen in the trade; they protected the interests of the consumers by regulations regarding the quality and price of goods. In India the proto-type of the guild was the hereditary caste which shielded its members against competition and assured them a living.

It was an age of status when it was thought proper

and necessary that a person's economic means should correspond to his social position. While, therefore, an effort was made to put every member of society in the way to secure a livelihood suited to his social position and to prevent other people from interfering with him, it was considered impolitic to allow individuals to produce more than was necessary to maintain them in the social class to which they belonged. That is why the producer-handicraftsman was prevented from extending his operations or enlarging his business. We do not know definitely, but, perhaps, the peasant too was not allowed to take more land to his business than was necessary for the requirements of his family.

The epoch-making discoveries and inventions of the later half of the eighteenth century, however, resulting in improvement in the technique of production, brought about a change. They gave man tremendous power over natural forces, to make use of which machinery, in other words, capital, was required. With the advent of the machine and its owner, the Capitalist, the expansion of commerce and the opening up of new markets, there came a fundamental revolution in the manner of conducting manufacturing industry; the idea of gain replaced the idea of earning a mere livelihood. With a broader market stimulating him to increased production and with the need of more and more capital to enable him to extend operations and to exploit the new inventions, forcing him to earn and to save beyond the requirements of mere sustenance of himself and family, the industrial master-workman underwent a fundamental change and became transformed into the industrial enterpreneur.

It was only when industry had begun to take on a capitalistic form in consequence of a growing commerce and the invention of technical improvements in production, that the guild ordinances came to be regarded as evils. Since the Capitalistic producer was stronger in

competition than his handicraft rivals, the regulations which prevented competition hindered rather than helped him. Capitalism was, therefore, the opponent of industrial restriction. Aided by the political philosophy of "natural rights", it broke through the bonds of medieval regulation, and attained economic freedom under the principle of free competition as the sufficient regulator of values and economic relations. Society no longer assured a living to anybody; everybody was to take his chance, and the devil to take the hindmost. The human element, manual skill and personal relations no longer counted; it was the simple possession of capital that gave power and the property relations that mattered.

John Strachey, writing how land was enclosed in England for the purpose of deriving profit from wool-raising, remarks:—

"The enormous process of the enclosure of the land of England had begun. *Hitherto it had been tilled on the basis of production for use; now it was to be tilled on the basis of production for profit.* This process began before 1500 and was not finally completed until about 1850".[6] (*Italics are ours*)

Further on he describes why this change-over to capitalism took place:—

"As More saw so vividly, capitalist private property in the means of production could only be established by the confiscation of the scattered, small-scale means of production hitherto belonging to the mass of the population. For you cannot use any given means of production simultaneously for the two purposes of production for use and production for profit. The land of England, for example, could not be used for the production of a profit, unless and until it was taken from the peasants, *who were using it to produce food.* In the same way,

[6] "The Theory and Practice of Socialism", Chap. XVII.

the production of clothes, tools and luxuries could not be organized upon a profit-making basis until and unless the existing system of production was abolished. *For under the then existing system of production these goods were made for use* by small masters, employing an apprentice or so, and organized in self-governing guilds, the ordinances of which were expressly designed to prevent the accumulation of considerable profit. The property of guild members in the means of production of their trade had to be directly or indirectly confiscated if the new, large-scale masters were ever to get a start ".[7] (Italics are ours).

It is profitable to bear in mind that in some cases at least the handicrafts did not vanish from the scene by virtue of economical laws or as a result of natural evolution, but were studiedly and systematically rooted out by the vested interests by calling State power to their aid. The case of Indian hand-woven textiles is in point. Here is the impartial verdict of H. N. Wilson, historian of India—

"It is also a melancholy instance of the wrong done to India by the country on which she has become dependent. It was stated in evidence (in 1813) that the cotton and silk goods of India upto the period could be sold for a profit in the British market at a price from 50 to 60 per cent lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent on their value or by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have been stopped in their outset, and could scarcely have been again set in motion, even by the power of steam. They were created by the sacrifice of the Indian manufacture. Had India been independent, she should have retaliated, would

[7] Ibid.

have imposed prohibitive duties upon British goods, and would thus have preserved her own productive industry from annihilation. This act of self-defence was not permitted her; she was at the mercy of the stranger. British goods were forced upon her without paying any duty, and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms".

What other forms the exercise of this political power by the foreigner took in this land is known to every educated Indian to his abiding regret.

Three points emerge from the above review of the pre-capitalist economy. Firstly, that in former times land had been tilled and goods made on the basis of production for use; the fundamental idea of industry, agricultural and manufacturing, was livelihood, rather than profit. Secondly that while manufacturing industry was organized on self-governing guilds, there was no such organization in agriculture and it was carried on by individual peasant-proprietors independently of each other. At least there was no such minute regulation in agriculture, as there was in manufacturing industry. Thirdly, that while discoveries and inventions of the eighteenth century ushered in a revolution in manufacturing industry, no such revolution or technical improvements in production occurred in agriculture. This is admitted by John Strachey when he says that one of the three causes of the failure of Owenite colonies was 'that anything like a two-hundredfold increase in men's capacity to produce wealth had occurred in the textile industry alone, not in agriculture'. Agricultural production being basically a biological, not a mechanical, process, the introduction of the steam-engine, the machine, could not increase men's capacity to eke raw materials from land, at least not to any appreciable degree.

One fails to understand then why we should not strive to establish peasant proprietorship which was a system of production for use, or why it should be given up where it exists. John Strachey, however, supplies an answer. He says :

"We may describe the purpose of the establishment of socialism and communism as being to restore at last the stability, security, social freedom and equality enjoyed by the old free man of the gentile order, while retaining the immense gains in economic power made during the epoch of private property, trade, class divisions and the state".[8] He further says that this can be done only by the organization of a system of planned production for use, such as obtains in the U. S. S. R.

As has been pointed out above, however, "the immense gains in economic power" have been made in manufacturing industry alone, not in agriculture. There are no technical gains in agriculture such as need to be consolidated by socialization of land or establishment of communism. Agriculture was carried on, on the basis of production for use; it can be so carried on to-day without a *plan* and yet securing 'stability, security, social freedom and equality' in the country-side. Even if we concede that the big farms can use better technical methods, these methods need not necessarily be more economic and, secondly, peasant farming as such offers no hindrance to technical progress which can be achieved by co-operative action on the part of peasants.

Although the course of history may have vindicated some of Marx's forecasts in the field of manufacturing industry, yet it cannot be concealed or denied that his doctrines have signally failed to materialize as far as agriculture is concerned. For example, there has been no inevitable concentration of property in fewer and fewer

[8] Chapter XVII, Ibid.

hands in agriculture. The average unit of agriculture—the agricultural "business"—remains as small as ever it was, and its typical manager is still the working peasant or the very small farmer. 'The scattered, small-scale, means of production hitherto belonging to the mass of the population' have been confiscated nowhere save in England where, it may be stated, the liquidation of the peasantry was the result of political influence and not of technical necessity; rather, the larger unit, wherever it existed, has been broken into smaller ones—a unique instance of deviation from the economic laws operating in manufacturing industry. And the striking fact is that countries which have had most experience of the small family farm system, so far from receding from the system, have been, even before the First Great War, and still more markedly since, engaged in a policy of increasing these holdings. Even in England the establishment of small farms has been adopted as a State policy since 1875 onwards.

If larger farms really indicate a higher degree of efficiency, one would expect them to find in countries which are economically more advanced, and where agricultural technique stands at the highest level. But in fact, we repeat, small family farms prevail in most advanced countries and are everywhere the rule on the continent of Europe (with the exception, before the Second World War, of certain regions in Eastern Germany, Hungary and Poland) and if they continue to exist, it is a proof that they can offer an income at least as high as big farms.

Due to a difference in the underlying forces which dominate the agricultural and manufacturing industries, entirly different types of producing units have been evolved. In spite of the fact that the industrialization of agriculture seems to be under way, that even the League of Nations' Committee on Agricultural questions has laid down 'profit-making' as the aim of agriculture,

that in many places money crops are taking the place of food crops, and, finally, that the peasant is becoming more and more dependent on the market for the necessities and comforts of life, agriculture, alone of all the great industries, still continues to be conducted typically on the basis of a one-man or one-family producing unit. "This resistance to change in agriculture is due to the relatively self-sufficient character of each producing unit in the industry, a peculiarity that has continued in spite of he partial commercialization of farming. The farmer is practically always sure of raising at least as much as he needs for maintaining himself and his family, and this fact makes him to a very large extent independent of the existing economic conditions".[9] That is also why, in agriculture, the inefficient producer can survive almost indefinitely, while manufacturers who do not adopt new machines or processes find themselves rapidly falling behind in the competitive struggle and tend to be eliminated in a short time.

Still another prophecy of Marx has not come true in agriculture:—

"Society", says the Communist Manifesto, "is as a whole splitting up more and more into two great hostile camps, into two classes directly facing each other—the bourgeoisie and the proletariat. The lower strata of the middle class, the small trades-people, shop-keepers, and retired tradesmen generally, the handicraftsmen and peasants, all these sink gradually into the proletariat."

Society has not developed into two clear-cut camps of exploiters on the one hand and exploited on the other. Peasants have not sunk into the proletariat, and the agricultural "*wage-slaves*" of Marxian economics have simply not come into existence—at least they have not grown visibly—in Europe, America or anywhere else, partial industrializing and commercializing of agriculture

[9] "*Businessmen's Commission on Agriculture*", p. 119.

notwithstanding. In the U.P., for instance, according to the census of 1931, while the number of cultivators, viz., cultivating owners and tenants, was 13,807,157, that of agricultural labourers was only 3,419,185. The ratio of agricultural labourers to actual cultivators for all India was 407 : 1,000. There can, therefore, be no question of wage slavery and a proletariat in a society where the number of potential employers is far greater than that of those actually employed or available for employment. Thus labour in an Indian village enters into the realm of commodity in a very limited sense only. In agricultural matters, it must be said, Marx was all wrong. (As pointed out before, he is being contradicted even in the field of manufacturing industry).

While agriculture can continue to be conducted, as before, on a one-man or one-family basis and can do without a Plan and all that a State Planning Commission implies, the principles of laissez faire and free competition and other changes brought about in manufacturing industry as a consequence of the industrial Revolution call for reconsideration. It was in the sphere of manufacturing industry that a guild was required in the medieval times; something of the sort is again required today. As its organization beyond a certain point tends to make free competition impossible, failing which the community must depend upon the law of monopoly price, there must be a return to the principles of social regulation in manufacturing industry. State ownership of heavy and basic industries and public utilities, along with a large-scale organization of decentralized, co-operative industry based upon small-scale workshops producing standardized parts and worked by electricity, somewhat on the lines of the Chinese Industrial Co-operatives started during the last War, and subject, of course to legislation by the State—would, perhaps, meet the needs of industry.

In the collectivization drive in Russia economic

motives were really absent; all the motive power came from the social theory, viz., the peasant was a capitalist and must go. (That mixed farming characteristic of Western Europe, or intensive cultivation of the Russian steppes by peasants, being impossible owing to scanty rainfall, collectivization of farming may be justifiable as an economic policy, is a different matter.) In a speech entitled "Problems of Agrarian Policy in the U. S. S. R." delivered at the conference of Marxist students on December 27, 1929, Stalin declared:—"Of course, small-peasant commodity economy is not yet capitalist economy. But it is, at bottom, the same type of economy as capitalist economy, for it rests on the private ownership of the means of production. Lenin was a thousand times right when, in his notes on Bukharin's "*Economics of the Transition Period*", he referred to the 'commodity—*Capitalist* tendency of the peasantry' as opposed to the *socialist* tendency of the proletariat. This explains why 'small producing *engenders* capitalism and the bourgeoisie continuously, daily, hourly, spontaneously, and on a mass scale, (Lenin)". Four years earlier, however, we may point out as a matter of historical interest, Stalin had expressed his opinion thus, somewhat differently—"Peasant farming, is not capitalist farming? Peasant farming, if you take the overwhelming majority of the peasant farms, is small-commodity farming. And what is small commodity peasant farming? It is farming standing at the cross-roads between capitalism and socialism. It may develop in the direction of socialism, as it should do here, in our country, under the dictatorship of the proletariat."[10]

Our communist friends should be able to see that the system of peasant ownership, with 'checks and balances' that are proposed, shall never develop into a system of large farms, that private property in agri-

[10] Vide '*On the Problems of Leninism*', *Jan.* 23, 1926.

culture shall not be allowed to accumulate, that it shall not 'engender capitalism' and, therefore, that all their stock arguments about the injustices of a capitalistic system, surplus value, exploitation, etc., are pointless. A given means of production may be used simultaneously for the two purposes of production for use and production for profit, and yet there may be no 'wage-slaves' or exploitation. In evidence of this assertion it may once more be pointed out here that peasant farming in the European countries has not developed in the direction of capitalism, as feared or predicted by Stalin.

To call the peasant a capitalist is a perversion of facts since the capitalist's real job of accumulating capital was never performed by the peasant. A peasant proprietor is neither a capitalist nor a labourer in the usual sense of the terms. Although he may occasionally employ others, he is both his own master and his own servant. The peasant-proprietor performs a composite of functions; he owns all the land himself, performs an important and larger part of the manual labour himself and supplies all the capital himself. Thus he is the owner, labourer, capitalist and even the enterpreneur or manager all rolled into one. "He alone is at once a proprietor and a wage-earner—a position of mixed interest that offers a stubborn challenge to both the economists' inquiries and the legislators' programmes".[11] He does not exploit others, nor is he exploited by others; for he labours for himself and his children alone and he does not look for remuneration of his hard work at the farm in the way that a factory worker does. As indicated previously, he is not inspired by economic motives alone.

Liberty and collectivized economy ill go together; the great problem, therefore, confronting the socialist or communist theorist to-day is how to reconcile democracy with State-controlled industry, how to achieve the

[11] "*Businessmen's Commission on Agriculture*", p. 6.

balance between individual liberty and social security. While landlordism exploits the cultivator and should, therefore, be scrapped collectivization robs him of his independence and should not be introduced. Peasant proprietory will, however, both protect him against exploitation and ensure perfect freedom of conduct. It is, we repeat, the last bulwark of democracy.

"It is true", said Mihalche, the Rumanian Minister of Agriculture speaking in 1920 on his agrarian bill seeking to break up large estates, "that the ideal (viz., that of peasant proprietary) is laughed at by the socialists . . . . . but it is a natural ideal for any country which is still far from industrialized. And before coming to that distant Socialist heaven . . . . . the country must first pass under the Sign of the Peasant".

Shri Jai Prakash Narain, a socialist leader of our country while conceding that one of the two solutions of the inequalities, maladjustments and injustices of the present-day society, is so to change it that every individual may either cultivate his own land without paying rent to any one or work with his own tools in his workshop and that concentration of larger means of production than can possibly be worked by a man with his own hands is prohibited, goes on to raise four objections to this solution. Firstly, that while such a transformation of society being as drastic as the socialization or nationalization of all means of production and requiring dictatorship to bring it about, there is no sense in stopping short and not going the whole hog. Secondly, that under this system of peasant ownership and handicrafts, the masses will remain economically, culturally and ethically at a lower level than the members of a socialist society. Thirdly, that such a society, in absence of heavy industry, would remain militarily weak—a standing invitation for aggression by strong, rapacious states. Fourthly, that in an individualistic society no efficient and long-term planning would be possible while India

stands so badly in need of planned development.[12]

In answer to the first objection, it is enough to point out that none of the countries of Europe where, excepting Britain and the U. S. S. R., peasant proprietary is the vogue on land, did it take a dictator to establish it. Everywhere the change has been brought about peacefully through legislation. The second and third objections posit that with peasant proprietorship a system of handicrafts is inevitable. This assumption, however, is untenable inasmuch as we find in Europe heavy industries existing side by side with peasant proprietary, making for strong military states, with a rural population, in some countries with a standard higher, but in none lower, than that of the kolhozniki of the U. S. S. R. It may be stated here in brief that for elimination of exploitation in the industrial sphere, it is proposed to nationalize certain key or basic industries and impose restrictions on private enterprise in others. The fourth objection is not serious as Shri Jai Prakash Narain himself admits that production of given crops may be stimulated or controlled by preferential taxation. Also, we should not forget, that total control or a fully collectivist order postulated by socialism is not an undiluted good.

However one may take it, for India, circumstanced as she is to-day, peasant ownership is the ideal economy—the next step at any rate or the final step as you will.

Besides its economic advantages, a system of peasant-ownership has clearly numerous social and political advantages as well which have, as we have said before, no doubt weighed the scales in favour of this class of tenure in practically every European country, particularly since the First Great War. In the countries of Central and Eastern Europe alone 50 million acres have passed from the hands of land-owners into those of small agriculturists and the formation of a class of

[12] "*Why Socialism*", pp. 17-18, 50-53.

peasant proprietors is of fundamental importance in the social and economic regeneration of these countries. To take an example, in 1914 fifty-nine per cent of the cultivated surface of Rumania was, as a result of the reforms of 1887 and 1907, owned by small holders and forty per cent by the big proprietors. After the reform of 1921 eighty-nine per cent of the land belonged to the peasants and only a little more than ten per cent to the large stages. Small peasant properties sufficient to provide a single family with more or less independent livelihood are the general rule in France, Belgium and Denmark also. Ireland offers a remarkable example of the creation of a peasant proprietary where, by the series of measures beginning with the Ashbourne Act of 1885 and culminating in the Wyndham Act of 1903, practically the whole soil of the country has been transferred to the tenantry by means of State advances.

Peasant Ownership in Germany

Germany also is on the whole a land of peasant-proprietors. According to a memorandum submitted to the British Agricultural Tribunal, after the last War peasant owners in Germany cultivated little short of three-fourths of land, and the proportion has considerably risen since then. With reference to the size of the holdings and consequently the manner of cultivation, Germany may be divided into three divisions: one division includes the whole eastern portion, where the prevailing type is still, or to be more correct, was till before the cessation of the last War, the large estate, owned by the aristocratic "Junker" and cultivated with the aid of hired labour. These Prussian "Junkers" possess or possessed a political power, by reason of their superior social position, quite out of proportion to their numbers. A second division would include North-West Germany, the middle States and Bavaria. Here the prevailing type

is the peasant farm of from twenty-five to two hundred and fifty acres, cultivated by the peasant himself, with the assistance of one or more hired man, perhaps. The third division would include South-West Germany, where the land is cultivated in very small parcels, and where most of the holdings are less than fifteen acres in size. By intensive cultivation, these small parcels of land are made to support the peasant family. More than four-fifths of the whole Rhineland is cultivated in farms of less than twelve and a half acres.

Here although beginnings had been made as early as the first quarter of the last century, land settlement may be divided into three principal phases. The first which began under Bismarck in 1886 and lasted until the end of the First Great War, was prompted chiefly by ethic motives. The second, based on the Weimar constitution, lasted from 1919 to 1933, and was influenced chiefly by theories of social policy. The third, dating from 1933, draws its inspiration from nationalist and racial conceptions.

Under the various laws on settlement of 1886 and 1890-91, three forms were available for the purchase of rent of land, viz. 1. Lease-hold tenure; 2. Purchase for cash; 3. Rentengulbesitz, i.e., possession in return for payment of a fixed rent (royalty) to the State.

Contracts of the last-named kind which offered to agriculturists the advantage of tenancy and ownership combined, were preferred in almost every case. Special clauses provided for State management and sound control; for example, these holdings were never to be sub-divided or mortgaged. Some 600,000 hectares were distributed amongst 44,000 settlers under this programme. The laws were applied with most vigour where they were most needed—in Pomerania and the Prussias.

The second phase of land settlement was inaugurated by the National Settlement Law of August 11, 1919,

which was undoubtedly the most important agrarian enactment since the Stein-Hardenberg legislation (1807-1816). In general this phase showed better results than the pre-war period. The important changes embodied in this law consisted in the provision regarding settlement on land adjacent to agricultural undertakings, i.e., the extension of small holdings to enable them to support entire families.

Land for settlement was obtained from the following sources. Some 77 p. c. came from large private estates of more than 100 hectares, 10·4 p. c. from other estates of less than 100 hectares and 9 p. c. from public bodies, while 3·6 p. c. consisted of marshy and waste land brought into cultivation. Each settlement cost about RM. 23,000, and was financed entirely out of public funds. Between 1919 and 1933, an area of 1,040,000 hectares was acquired for settlement, of which 821,552 were actually settled, 662,407 hectares being used for the establishment of 62,371 new undertakings, and 159,143 hectares for enlargement of 104,621 existing undertakings.

The land-mark of the third phase is the Law of September 29, 1933, on Hereditary Peasant Holdings, with which, however we will deal later. Here we are concerned with the Law concerning the Extinction of Entails promulgated in Germany on June 30 and in Australia on October 1, 1938. Although the breaking of the entails, which in Prussia numbered 1311 in 1914 and comprised 2½ million ha of untransferable land or 7·1 p.c. of the total area, had been allowed and encouraged by the Prussian decree of May 13, 1919, but with a view to increasing the area of agricultural and forest land which could be cultivated by independent peasants, land was compulsorily freed from entail. Under the above law all entails were abolished. Henceforth there was to be only one form of property, subject to special successional conditions—namely, the heredi-

tary peasant holding, the area of which may not exceed 125 hectares.

The number of peasant undertakings newly established was 4,914 in 1933, 4,933 in 1934, 3,905 in 1935, 3,308 in 1936 and in 1937 only 1,785 as compared with 9,000 for each of the two years, 1931 and 1932. The reason for this decrease is that in 1932 land cost RM 643 per hectare, while by 1935 the price had risen to RM. 905 per hectare, and has risen continuously ever since.

English System and Small Holdings

Before leaving the subject of the land tenure systems in Europe it would not be out of place to give in a very brief outline the system that obtains in England. It will show incidentally how the mind of the Englishman works, and that mind is reflected in the agrarian economy that he has partly imposed and helped in maintaining in India.

Compared with continental countries, England is mainly a country of large and medium-sized farms, those of fifty acres and more (141000), constituting, according to the agricultural census of 1930, 35·6 p.c. of the total number of farms and 84 p.c. of the area. The rest, 255,000 in number, cover only 16 p.c. of the area. It is also the outstanding example of a country in which leased lands are the rule, viz., 64 per cent was worked on lease in 1927, and only a little more than one-third, 36 per cent, out of the agricultural acreage of 25,675,000 acres was directly worked by the owner. Leases generally run only for one year, but farmers usually hold the same farm all their lives.

Under the laws of inheritance, the whole landed estate passes to the eldest son without any compensation being paid to brothers and sisters. Movable property alone is divisible.

In spite of the fact that England is largely a country

of big agricultural undertakings, her statesmen have always recognized the utility of small farms. As early as 1875, a law was passed, viz., the Agricultural Holdings Act, to encourage the creation of small holdings.

The 1908 Small Holdings and Allotments Act had a wider purpose: the creation not only of small holdings, but of employment for agricultural labourers; under it the Minister of Agriculture was empowered to create and lease small holdings and homesteads, the cost of which was to be met by the councils. A particularly important provision of the Act was that empowering the county councils to expropriate land when they could not obtain it by voluntary agreement. The Act defined small holdings as agricultural undertakings over one acre but less than fifty acres in area, holdings exceeding fifty acres being included only if, at the time of sale or leasing, the annual value for income-tax purposes did not exceed £500. Allotments were limited to a maximum area of five acres, except in certain special cases. Under the terms of this Act, 13,270 farms of a total area of 18,6768 acres, representing a little over 5 p.c. of the total number of small undertakings in the country below 50 acres, had been established upto December 1918. The average size of each farm was 14 acres.

Still another law, the Land Settlement (Facilities) Act, was passed in 1919 which encouraged the purchase of land by county councils and by the Board of Agriculture. It empowered county councils to acquire land for the creation of small holdings in exchange for permanent annuities payable by the councils. These annuities could be redeemed by the councils at any time, at a price to be settled by agreement, or, failing such agreement, at the average price of government securities yielding in annual interest an amount equal to one annuity. Up to December 1924, 16550 holdings (not exceeding 50 acres in area) had been created under this

Act. The total area involved was 254520 acres, the average size of each farm being equal to 16 acres.

The above summary shows that governmental action to encourage small holdings has not given results commensurate with the efforts made. In 1930, out of a toal of 255000 small holdings in England and Wales, only 31000 or approximately 12 p.c. had been created since 1908 under the terms of the relevant Acts. The number of small holdings owned by the farmers was quite insignificant, only 451, or about 1·5 p.c. of the total, the rest being lease-holds. The terms under which land was sold for small holdings by the county councils were not such as to encourage farmers to become owners.

The Agricultural Tribunal had reported in 1924 that the time had come for a fresh and large effort to be made to extend the establishment of small holders on the land and that it was highly desirable in the national interest to make the effort. Accordingly the Land Utilization Act was passed in 1931 which empowered the Minister of Agriculture to provide small holdings where the county councils were failing to exercise the powers that the Parliament had conferred on them. What the effect of this Act has been is not known; the days of the landlord tenant system even in England, however, are numbered. Land tenure formed the subject of a serious discussion in the country when the Second World War broke out.

Our great neighbour, China, too hopes to provide equal rights and equal opportunity of land utilization for all the people. "Those who till the land should have the land" is a principle laid lown by the late Dr. Sun Yatsen, advocated by the Kuomintang and accepted, at least theoretically, by the present Government.

Coming to India we are glad to find that the ideal of peasant ownership is gaining support in this country as well. The Bengal Land Revenue Commission presided

over by Sir Francis Floud recommended in April 1940, by a majority, and the principle has been accepted by the provincial legislature, that all intermediate interests between the State and the actual cultivator, which in some districts in Bengal, had, as we have seen, reached the number of fifty and even more, be bought out and a direct relation be established between the tiller and the State. Sir Mani Lal B. Nanavati opined in his presidential address to the Indian Society of Agricultural Economics that there is no solution of the evils that have crept into our land system save by the extension of peasant proprietorship. "Then, agricultural reforms", writes Mr. N. Gangulee, a member of the Royal Commission on Agriculture (1928), "must begin with the simplification of the land tenure systems of the country; and the time is passed for fitful efforts. The actual tiller of the soil must be the proprietor of the land. Once this is done, you will prepare the way for many other conditions precedent to rural and agricultural developments. Will they have the courage to end the Permanent Settlement?"[13]

"Our agriculture, too,", says Acharya J. B. Kripalani in his presidential address to the Meerut session of the All-India National Congress delivered on 23rd November, 1946, "must largely follow the pattern of decentralised industry. It must chiefly consist of peasant proprietorship, with a provision that no plot shall be subdivided, whether on account of inheritance, debt or any other cause, beyond what would maintain a village family. Decentralised industry and agriculture must supplement and complement each other. The latter too should be managed, as far as possible, on co-operative basis, both for farming and marketing purposes."

Other distinguished public men also either hold, or are veering round to, the same view.

[13] "The Indian Peasant", 1933.

CHAPTER VI

ESTABLISHMENT OF PEASANT PROPRIETARY

Peasant ownership being our aim, the question that is posed is—how to bring about the reform and how to maintain it ? Four measures in the main flow out of the two principles laid down previously. The first principle that none should be allowed to derive an unearned income from land suggests two measures, viz., the raising of the existing tenants to the ownership of their holdings and the preventing of the passing of land into the hands of non-agriculturists. The second principle that land, being a national asset, should be used to the best possible advantage of the community leads to the other two, viz., reclamation of waste lands, their distribution among holders of uneconomic farms and, if excess is available, settling of landless agricultural labourers thereon; and regulation of the size of holdings including the breaking up of large estates, if any. In the exposition that follows, we have dealt with the first and third measures together under one head, aiming as they do at the promotion of existing tenants to ownership and the settlement of new proprietors on reclaimed land, respectively.

Promotion Of Tenants To Ownership

Landlords to be compensated.

Shall we declare the tenants owners of their holdings outright? Shall we expropriate the landlord, that is, take away his land without paying for it ? There is much to be said in favour of such a course, but our reply is No; we should compensate the owner equitably, as the

Congress Manifesto says. When people speak on this subject, they sometimes refer to the questionable means whereby some of the land was obtained in the past. But how are we to-day to distinguish the land that once belonged to some bad taluqdar of old who very likely stole it or to a Jagirdar who got it as a price for flattery or for selling away his country? In some cases we may be able to identify such land, but then a great proportion of it now belongs to thrifty persons who have put their life's savings into its acquisition.

Surely we are no more entitled to take these people's property without paying for it than we are any other kind of property. As pointed out by Lord Addison[1] the defenders of the existing land system, although it has led us into the present mess, could indeed ask for nothing better than that its opponents should advocate a policy of confiscation. They could then sit back quietly and look on at the row. If land, why not mines, factories, houses, money and everything else? Their arguments may not appear reasonable to many, but all the same we cannot have our way, as we have seen, without a revolution, probably a violent and bloody one. Advocacy of such a course would mean, it is apparent, the mobilization against us of millions of rich people and of all those who believe in private property, but who otherwise want to see a contented peasantry and a prosperous country-side.

Even Mahatma Gandhi, the exponent of the theory of '*trusteeship*' and who is denounced by communists as a friend of vested interests, has despaired of the land-lords' reform; now he sees no harm in confiscation of the land-lords' rights in land without compensation. Apparently, he seems to have been influenced by the unbending attitude of zemindars over the tenancy legislation initiated by the Congress ministries during their short spell

[1] "*A Policy For British Agriculture*".

of office from 1937 to 1939. According to his theory, the trustees have misbehaved and are therefore liable to removal. They have regarded their property merely as a means for satisfying their lusts and are, therefore, according to Mahatma Gandhi, not its owners but its slaves. Here are his latest views as expressed to an American journalist in June 1942:—

"What would happen in a free India?" I asked, "What is your programme for the improvement of the lot of the peasantry?" "The peasants would take the land", he replied, "We would not have to tell them to take it. They would take it".

"Should the landlords be compensated"? I asked.

"No', he said, "that would be fiscally impossible. You see", he smiled, "our gratitude to our millionaire friends does not prevent us from saying such things. The village would become a self-governing unit living its own life".[2]

Another interview given two days later runs thus:

"Well", I asked, "how do you actually see your impending Civil Disobedience Movement? What shape will it take ?

"In the villages", Gandhi explained, "the peasants will stop paying taxes. They will make salt despite official prohibition..... Their next step will be to seize the land".

"With violence ?" I asked.

"There may be violence, but then again the landlord may co-operate."

"You are an optimist," I said.

"They might co-operate by fleeing", Gandhi said.

Or, I said, "they might organize violent resistance".

"There may be fifteen days of chaos", Gandhi speculated, "but I think we could soon bring that under control".

[2] "*A Week with Gandhi*", 1943 : Louis Fisher, p. 54.

"You feel then that it must be confiscation without compensation", I asked.

"Of course", Gandhi agreed. "It would be financially impossible for anybody to compensate the landlords".

It is clear, however, that for confiscation Mahatma Ji envisaged a revolution or a free India; but circumstanced as we are to-day, land can be taken only by legislation and by payment of some compensation. S.299 of the Government of India Act 1935, says :—

(1) No person shall be deprived of his property in British India save by authority of law.

(2) Neither the Federal nor a Provincial Legislature shall have power to make any law authorizing the compulsory acquisition for public purposes of any land . . . . . unless the law provides for the payment of compensation for the property acquired and either fixes the amount of the compensation, or specifies the principles on which, and the manner in which, it is to be determined.

(3) No bill or amendment making provision for the transference to public ownership of any land or for the extinguishment or modification of rights therein, including rights or privilege in respect of land revenue, shall be introduced or moved in either Chamber of the Federal Legislature without the previous sanction of the Governor-General in his discretion, or in a Chamber of a Provincial Legislature without the previous sanction of the Governor in his descretion.

Although the application of the section to the scheme that follows hereafter is doubtful, inasmuch as it is not proposed to transfer the land to public ownership, but to individual tenants, yet, apart from the merits of down-right confiscation and its doubtful legality, political sense must recognize that to-day if the land is to be acquired at all, it must be paid for. There is no other way out.

Rate Of Compensation

Now, we have to think out a fair method in which agricultural land may be conveniently transferred to the cultivators. The land-lords would urge that the value of land should obviously be taken to be the amount which the land, if sold in the market by a willing seller, might be expected to realize, plus 15% increase for compulsory acquisition as is allowed by the Land Acquisition Act. We may say at the outset that to talk of 15% increase is to betray inexcusable ignorance of the nature of the problem. A transfer of land under the above Act is strictly a business deal; but in a State land scheme there are other considerations of a social and political character which lift it out of an exclusively business transaction. No question of an increase, therefore, owing to the compulsory nature of the acquisition arises.

Land being a naturally formed factor which remains for practical purposes constant in quantity, speculative and social elements enter in the formation of its market value, to rise of which no conceivable limit can be set. The rise in its value cannot be counteracted by the "creation" of more land. Land values are governed by the fact that land carries with it future benefits and its possession gives a sense of security as nothing else does and also as population increases and civilization advances there is an increase in, and development of, new wants which can only be satisfied by the production of greater quantity of old commodities and production of new commodities or possibly improved types of commodities already being cultivated.

Further, transfer of land which has continued in his family for generations offends a peasant's sense of filial piety, so to say, which enjoins that the ancestral patrimony shall in turn be transmitted by him to his son undiminished and intact. It also offends his sense of loyalty

to the land, to the *Dharti Mata* (Mother Earth) as he calls it, which has given him and his ancestors sustenancy. He is prepared to give any price, therefore, to recover his ancestral land which dire necessity might have compelled him to sell, or to acquire the proprietary interest in his tenancy holding. Here we quote an incident from the professional life of an eminent advocate. It happened during the course of a hotly contested litigation relating to land—

"In my youthful wisdom I suggested a compromise to our clients. I still remember the pained and horrified look with which I was met. 'Compromise', my client told me, 'Compromise, you talk of compromise. *This is not land, these are the bones of my ancestors,* how can I think of compromise and relinquishment of my claim'. Thus I realized for the first time the unbreakable hoops of steel which bind a man to his ancestral land in India. He will cheerfully ruin himself, but not give up his claim to his ancestral land. The truth and ever-abiding force of this sentiment have struck me again and again in the course of a long professional career."[3]

Land has thus a non-economic value—a speculative, social, sentimental or ethical value—which greatly complicates the transactions in land, particularly when ancestral holdings, proprietary or non-proprietary, are concerned.

The market value of a particular piece of land or holding, therefore, being no safe guide, we have to consider some rough and ready method which would obviate litigation, delay and unnecessary expense. According to the findings of the Valuation Tribunals in England—as, for example, in the case of mining royalties—the compensation invariably came to an amount equivalent to the net annual value of the property multiplied by a number of years somewhere between fifteen and twenty.

[3] "My Life at the Bar": Dr. K. N. Katju.

"The net annual value" means the rent received by the landlord after deductions have been made for repairs and maintenance, for tithes, drainage rates and other fixed outgoings. This net income was capitalized at an interest of 5 to 6·6 per cent. In India also the rent paid by a tenant would provide the most satisfactory basis of value on which the purchase-price should be estimated. Hence as purchase-price of the landlord's rights in a particular holding we arrive at an amount equivalent to its rent, after land-revenue, local rate, irrecoverables and costs of management have been deducted from it, multiplied by 20, i.e., the capitalized value on the net income at the rate of 5 per cent per annum.

The revenue assessed on a mahal according to Section 63-K of the U.P. Land Revenue Act, 1901, is ordinarily forty per cent of the rental or assets; it may go upto forty-five per cent in certain cases. The local rate varies from five to six and a quarter per cent of the revenue. Deductions on account of the cost of management, short collections and possible loss from agricultural calamities under the U. P. Debt Redemption Act, 1940, and the U.P. Regulation of Agricultural Credit Act, 1940, are allowable severally at 10 per cent each, and in the total at 25 per cent, of the gross profits. The average net annual value of a zamindar's estate, therefore, comes to no more than 30 per cent of the rents received from the tenants. Thus, the rent multiplied by $\frac{20 \times 30}{100}$ i.e. by six would, on the average, give us the purchase-price of the interest of a rent-receiving proprietor of agricultural land in this country.

But a multiple of twenty or capitalization at five per cent is the most extreme view; no advocate of zamidars can possibly plead for a more generous compensation. They are, however, entitled at best only to an equitable compensation, that is, compensation valid in equity as distinguished from law. In view of so many

arguments for downright confiscation and in view of the fact that the zamindar's right is in the ultimate analysis a right of collection only and that price has to be so fixed that its payment would fall lightly on the shoulders of the new peasant proprietors, we consider that a sum which is the equal of rent multiplied by three, i.e., net profit multiplied by ten, would meet the justice of the case. The Bengal Land Revenue Commission, too, has recommended an amount equivalent to net profit multiplied by ten as a reasonable compensation. In Rumania where an agrarian reform as suggested here was carried out after the First Great War the State took upon itself upto 50 % of the expropriation price in order to lesson the burden of the peasants. This was considered good policy not only as a matter of giving the peasants a chance to make good, but also because it distributed among all the social classes the cost of a reform considered essential for the welfare of the country.

Mode Of Payment

It is proposed that tenants should pay the compensation determined as above and get themselves declared as owners of their holdings. In the present economic conditions of the country most tenants can find the money from their own pockets; more than 80 per cent of the cultivated soil would thus pass immediately, as if overnight, into the ownership of the actual tillers without the State having to incur any obligations or resorting to any expedients whatsoever. In the case of tenants who cannot afford to pay this sum cash down, payment may be spread over a number of years or money may be made available for the purpose by the Government on a low rate of interest to be paid back by them over a period of, say, thirty years. The terms of repayment have to be easy; otherwise the purpose of the measure will be frustrated. In some countries, for example, in Denmark, only interest was to be charged for the first

five years, and that only 3 per cent, and after that an additional payment of 1 per cent was to be made to the sinking fund until the loan was paid off.

The holding may be charged with the amount meanwhile and declared inalienable voluntarily or involuntarily, though divisible if its area permits.

Cash payment by the Government to the proprietors, except of small amounts, say, upto Rs. 100/—, is, however, out of the question, as it would involve the raising of large loans on the market which might be costly and difficult and might also impair the borrowing ability of the Government required for other purposes. Payment to present owners should, therefore, be made by the issue of Land Bonds to the amount of the purchase-price or compensation determined, redeemable by annual payments over a stated period. There is no great risk involved in this method as the bonds will be self-liquidating, repayments being made out of the collections made along with the land revenue. As these bonds would be State Guaranteed Securities and income on them far more certain than rent from agricultural land, they should carry very low interest, say, 3 per cent. In Estonia, where also the former owners received the compensation in the form of bonds guaranteed by the State, the stock was redeemable by the State in 55 years and bore interest at 2·6%. Institutions, however, might be paid in perpetual bonds. The bonds would be saleable by their owners in the market like other securities so that if he desires a greater income he may always realize the compensation and make use of the money at greater risk for higher income. In order that the face value of the bonds might not depreciate, they might, in addition to the Provincial Government, be guaranteed by the Government of India.

Besides cash payment by tenants and payment by Government through Land Bonds, there is still a third course open, viz., that adopted in Prussia under Harden-

berg's edict of 1811. Peasants whose land was already regarded as heritable were to become full proprietors on ceding to their manorial lord a third of their land as compensation for what they sacrificed. Those whose property had not hitherto been heritable, and they were the great majority in many districts, were to cede one-half. If a man had so small a holding that he could not live on the remnant, i.e., if the remnant would be less than what could be worked by at least one yoke of oxen, he might keep all his land and pay a rent. It is proposed, therefore, that if the Government does not provide the money or the tenant does not wish to borrow from it, he may, after surrendering one-fourth of the land, be declared proprietor of the remaining area provided such area is not less than six acres and a quarter. Government estates should be settled permanently on their occupants in economic lots. Given the will, a number of ways can be devised whereby proprietary rights can be transferred to the actual tillers of the soil and the tenants who, for example, cultivate 81 per cent of the land in the U.P. and constitute 88 per cent of the entire peasantry, raised to their rightful position—from serfdom to mastery—without any violent destruction of those who have held them in subjection for so long.

Landlords' Objections Answered

Perhaps, the landlords would feel like raising a howl over the rate or extent of compensation. They will detect fallacies in our argument; they will say that the proposal amounts to expropriation, pure and simple, and that, if such a reform is essential in national interest, we are discriminating against them inasmuch as the big industrialists, manufacturers, traders and other rich owners of non-agricultural property are left untouched.

These landlords should note that landed property has, as pointed out in the beginning of this brochure, certain peculiarities which differentiate it from, and

preclude its absolute enjoyment by the possessor like that of, other kinds of property; that land being a national asset the only justification why it should be allowed to be held by one individual and not by another is that the former plies the plough and by raising crops contributes to the well-being of the whole community, while the other does not; that while agriculture is essentially a public function or service, mere receipt of rent from those who perform it is neither an industry nor a business; that by abolishing the landlord we are not destroying any organization of production but only a person who is not a farmer, but a courtier, seeking career in civil and military functions, upon which he has had up till now, in a way, almost a monopolistic claim; that the rent-receivers do not add anything to the national dividend whilst the others do so add, by way of producing goods and distributing them. In this connection we would do well to quote Marx who contrasts the landlord who enjoys surplus value from land, or rent, with the capitalist who enjoys surplus value in industry, or profit :—

"The capitalist performs at least an active function himself in the development of surplus value and surplus products. But the landlord has but to capture his growing share in the surplus produce and the surplus value created without his assistance".[4]

And, finally, that while we advocate nationalization of key or heavy industries, i.e., industries which are the foundation of a nation's economic and military strength and which form the base on which other, light industries may gradually be built up, for example, electricity, mining and metallurgy, machine-making, chemicals including fertilizers, armaments, railway engines and wagons, ship-building, automobile, cement, etc., of public utilities like Post Office and Irrigation (which already vest

[4] "*Capital*", Vol. III, p. 748 (Kerr Edition).

in the community), railway, water and air transport, and of banking and credit, and Government monopoly of foreign trade, and toleration of private enterprise only in internal trade and in small-scale industry which will be allowed to employ a limited amount of labour, the problem of the land is comparatively far more urgent and pressing as it involves the economic welfare of by far the vast majority of our countrymen so directly.

The taluqdars and big zemindars—for it is they only who will be affected most by the reform—should further remember that it was for reasons of State that they were created; that it was for the same reason that they were revived or continued or further property added to their estates in 1858; and that it is again for reasons of political stability which is threatened by the continuance of an out-of-date and unnatural rural structure that retards national progress that he should disappear. It is not necessary, therefore, to justify the measure or the rate of compensation proposed on the ground of economics or logic that will appeal even to those whose selfish interests it threatens; in matters agricultural, political considerations have always played a great part. As a German writer, Von P. Aeroboe, says:

"The welfare of the State, therefore, is to a large extent dependent upon the prosperity of agriculture. It is, therefore, easily understood that the furtherance of the prosperity of agriculture will form one of the most important of economic problems and that agro-political measures will always concern questions vital to the State. Agriculture, therefore, has been and still is primarily the object of economic and political considerations".

Still further, the non-cultivating zemindars should not forget that they never had any right of property in the soil and that, for practically no consideration whatever, they have been eating the earnings of others for these two hundred years, more or less. Those who had

called them into existence could abolish them for the mere wish; they could delegate the right of collecting revenue to whomsoever they pleased. History proves that no question of compensation was ever raised. "When a Zamindar was divested of his authority, it was a rule of the Moghul Government to allot him a subsistence out of the rents of his zemindary in proportion to the annual income of it. This proportion usually amounted to a tenth", say Warren Hastings and his Council in a letter to the Court of Directors, dated 3rd November, 1772, pleading the cause of the zemindars of 24-Parganas whose rights had been taken over by the Company. Be it noted that it was a "subsistence" allowance and not a compensation, and they speak of the "authority" of the Zemindar, and not his property. This allowance for twenty years, which is the usual duration of an annuity, would amount to twice the rental, whereas we are proposing three times the rental cash down or in Government Bonds. It will not be out of place to state here that in the beginning the Company too, by Regulation I of 1795, had authorized the zemindars to retain only 10 per cent of the rents collected by them. Regulation VII of 1822, however, increased their share to 17 per cent and Regulation IX of 1833 to 34 per cent. The Sharanpure Rules of 1855 put the share of the zemindars at 50 per cent and finally the Act of 1892 increased it to 60 per cent, i.e., the figure at which it stands to-day in the U.P.. It was thus that the right of collection improved into proprietorship—about which there is now so much bother.

As for the money-lenders who have purchased large properties in auction or otherwise, they should understand that they committed the mistake of speculating in land which is the basis of national life, that they took to land-purchasing from the business point of view and in business one sometimes loses one's whole capital, and that as a class they have more than realized with interest

the original sum which they lent. Also, that it is for their sake only that compensation is being proposed; otherwise the other landlords, who own the greater proportion of land, perhaps, did not deserve a shell. We simply wish to avoid long and disputed inquiries into the origins of landlords' title and into their behaviour since, unlike what they did in Latvia, where by a special law it was decided that no compensation for land should be paid if it could be shown that the former landowner had behaved in a manner hostile to the people. As an example of the methods how land has been stolen from the cultivators, and how their need has been inhumanly seized upon as an opportunity by the wealthy to grab their land, we quote the following from an article of Mr. K.Sanatanam, M.L.A. published in the "Hindustan Times" of November 4, 1943—

"Owing to the depopulation caused by flood and malaria, one-fourth of the land of this sub-division has been left uncultivated this year and the peasants are selling their fields for a song. The Sub-Registrar's Office at Contai is the most hard-worked office at Contai. It works early and late while the office of Special Relief Officer can observe the usual hours. On an average 150 sales are executed daily, each sale-deed conveying one or two bighas of land. The consideration put in the deeds ranges from Rs. 100/- to Rs. 150/- per bigha, but I was told by many that only a fraction of the sale-amounts actually passed to the seller. The buyers were safeguarding themselves against any legislative action which might result in their being forced to sell back those lands bought at a time of distress. It is difficult to understand how the Government of Bengal could permit these sales by poor cultivators to middlemen who are exploiting this opportunity".

After this we leave it to the reader to judge for himself whether the non-cultivating zemindar is a fit object to waste his sympathies over.

Arguments and objections, however, can be raised ad nauseum. One thing at least is certain; changes will come, and it is better that we ourselves should make appropriate changes willingly because they are right, than do so under compulsion because we can do no other. The zemindars must know finally that they are an anachronism and, therefore, have to go. Time and tide wait for none. India expects them to behave, in consonance with the hoary traditions of its great past, as the Samurais of Japan did seventy years ago when they voluntarily liquidated their Order in the larger interests of the country that gave them birth. Those of their class who would like to put a break on the wheels of the country's progress should read the lesson that the Russian Revolution of 1917 indelibly wrote on the Wall of Time in such bold letters; if they do not take heed betimes they are likely to go the way the Russian landlords did. "To the threat of revolution, there is, historically, only one answer," writes Professor J. Laski, "viz., the reforms that give hope and exhilaration to those to whom, otherwise, the revolutionaries make an irresistible appeal".[5] Violent conflict is certain unless the zemindars realize the imminence of the catastrophe in time. They can profit, if they will, by Russia's experience and avoid the destruction of many precious things. They should remember further that the real nature of the communist movement in China too was a peasant revolt due to their dissatisfaction with the land system.

The proposed reform, however, suggests a non-violent method of revolutionizing the rural social organization and gives us an opportunity of doing the right thing by the masses which is long over-due. During the first Great War, King Ferdinand of Rumania promised the peasant soldiers that the big estates would be

[5] The Revolution of Our Time, p. 24.

cut up and that they would each be paid for their loyalty with a plot of land. At the end of the War, when the Russians were destroying their entire social system to take the land from the aristocracy through revolution, King Ferdinand kept his promise and a million and a half new land-owners came into their own. It was because of this that the Russian experiment never crossed the border to disturb Rumania. Those who dread communism, therefore, should welcome the proposals herein made.

Waste Land—its Acquisition, Reclamation and **Settlement.**

We now come to the question of proper utilization of the land resources of the country leading to new settlements on land. That we need to make the best possible use of our land admits of no doubt or argument. As the following tables prove, the increase in the cultivated area has been out-distanced by the increase in population. Here are the areas in acres sown to food and non-food crops per individual as they have varied with the growth of population in British India over a period of about 40 years—

	1903-04 to 1907-08	1933-34 to 1937-38	1940-41
Area sown per head	0.883	0.862	0.838
Area under food crops per head	0.829	0.700	0.671
Area under food crops per head omitting sugar	0.818	0.687	0.656
Area under non-food crops per head	0.053	0.163	0.167
Population in millions at end of the period	237.6	284	295.8
Total area sown in million acres	209.8	244.9	248.0

As some of the land carries two crops in a year, the

net area sown is less than what the totals given above indicate, e.g., in 1940-41 the area sown more than once amounts to 34 million acres leaving a net total of 214 million acres actually utilized.

According to the Woodhead Famine Inquiry Commission's Report (1945), during the thirty years ending 1941, 7 million acres were added to the area under cultivation, but this extension did not keep pace with increase in population. In 1911 the area sown per capita in British India was 0·9 acre and by 1941 it had declined to 0·72 acre, i.e., by 20 per cent. Further, the decline has been increasingly rapid, being 0·02 acre per capita between 1911 to 1921, 0·06 acre per capita during the next ten years ending 1931 and 0·1 acre per capita during the decade ending 1941.

The inadequacy of the present consumption of food can be illustrated by quoting an estimate made by the Imperial Council of Agricultural Research of the percentage increase in the production of various foods required to provide "a suitably balanced diet" in minimum quantity for the 4000 million people of India:—

Cereals by 10 per cent.
Pulses by 20 per cent.
Fats and oils by 250 per cent.
Fruits by 50 per cent.
Vegetables by 100 per cent.
Milk by 300 per cent.
Fish and eggs by 300 per cent.

Lest we forget; during the inter-censal period of 1931 to 1941 the population of India increased in the average by about 5 millions a year. An annual increase of 5 million (the average must be 5·5 millions during the current decade) in the number of persons to be fed, involves an yearly addition to India's food bill of over 800,000 tons of cereals on the basis of 1 lb. of grain per day per head. Obviously, there is every need for haste;

the nutritional basis of Indian life is desperately low and every year that passes without radical improvement invites catastrophe. At least 30 per cent of the Indians, i.e., 120 millions of people, who were under-fed five years ago are to-day living dangerously near the starvation point.

As far as the U.P. alone is concerned, its population in the last forty years has increased from 473 lakhs in 1901 to 551 lakhs in 1901, i.e., by 16·5 per cent, whereas the cultivated (including the double-cropped) area has registered only a nominal increase, viz., from 38514 thousand acres in 1901-1902 to 39050 thousand acres in 1940-41, a bare 1·45 per cent. The population of U.P. (excluding the three Indian States) would according to Mr. J. K. Pande M.A., Statistician and Deputy Secretary to the U.P. Government, swell in 1946-47 to 58·7 millions, of which 9·8 millions would be living in urban areas. The production of cereals in the same year is not expected to go beyond 9,566 thousand tons. Putting the urban consumption at 8 chhataks per capita per day, the urban population would consume 1,638 thousand tons, and putting the above figure only at 10 chhataks for the rural population, the rural consumption would come to 10,241 thousand tons. Allowing 10 per cent of production for seed, the deficit comes to 3318 thousand tons. If allowance for statistical over-estimation of production is made, as the figures, if they err, do so on the side of exaggeration, the deficit would amount still higher. Similar is the conclusion arrived at by the U.P. Agricultural Reorganization Committee (1939-41). Who can face this situation with equanimity? At least not those who wear the mantle of public or governmental responsibility.

In the realm of land utilization this problem of food shortage can be tackled only in three ways, viz., by reclaiming land hitherto lying idle and making it fit for agriculture, by preventing land from going out of

cultivation mainly through erosion and by improving that already under the plough and making it yield an increased out-turn. Science has endowed man with means through which unfavourable climatic and poor soil conditions can be counteracted to a large extent and regions otherwise unsuitable rendered fit to carry a fairly dense population. And there is no reason why we should not harness science in our aim to lift this country out of want and poverty.

The published acreage statistics show that the total area of India is 1000 million acres, of which British India occupies only 512 million acres distributed in the provinces under various heads according to the following table from the India Year-book 1943-44 (p.303) :—

CLASSIFICATION OF AREA IN EACH PROVINCE IN 1940-41

Provinces	Forests	Not available for cultivation	Other uncultivated land excluding current fallows	Current fallows	Net area actually sown
Ajmer-Merwara	46,981	641,697	255,274	213,973	403,405
Assam	4,304,743	4,577,400	17,680,064	2,133,770	6,788,823
Bengal	4,584,652	9,691,083	6,033,983	5,349,078	24,714,500
Bihar	6,606,998	6,520,634	6,429,273	6,846,100	17,924,200
Bombay	8,305,345	5,717,242	931,918	5,051,976	28,713,369
C. P. & Berar	15,838,793	4,880,756	14,079,275	3,729,769	24,545,668
Coorg	331,737	359,474	11,690	157,702	151,661
Delhi	nil.	85,591	62,684	15,517	204,678
Madras	3,321,935	14,095,852	11,316,224	9,299,255	31,979,126
N. W. F.	352,932	2,675,894	2,810,948	380,413	2,356,662
Orissa	2,605,676	6,580,632	3,265 967	1,589,185	6,100,461
Punjab	1,974,939	12,995,609	13,986,465	3,064,057	28,170,480
Sind	725,455	8,030,494	11,148,084	4,911,911	5,370,008
U. P.	9,279,586	9,865,986	9,847,878	2,510,326	36,539,626
TOTAL ..	68,279,822	86,718,344	97,859,727	45,253,032	213,962,667
Percentage ..	13.3	16.9	19.1	8.9	41.8

Out of 214 million acres, the net area under food crops was only 170 million acres.

It may be explained that "not available for cultivation" means land which is absolutely barren or uncultivable or covered by buildings, water, road, or otherwise appropriated to uses other than cultivation. "Other uncultivated land excluding current fallows", or, in other words culturable waste, means land available for cultivation, but not actually under the plough; it includes groves, grazing and grasslands. Of the area in the U.P. under this head, about one-third is covered by the latter description and 6 lakhs acres is old fallow. "Current fallows" means in some areas land left uncultivated for two or three years and in other areas for not more than 10 years. This description covers land of such low fertility that it cannot be cultivated every year and must be allowed to lie unused after yielding crop for two or three years or larger period.

The above figures prove that the land of India is sick, so to say; far-reaching remedies are required to cure it. The chief reasons why cultivable waste land is not cultivated are as follows:—

(i) Lack of water;
(ii) Lack of drainage;
(iii) Unhealthy conditions, chiefly due to malaria;
(iv) Deep-rooted grasses and weeds;
(v) Low fertility of the soil;
(vi) Salinity and alkalinity; and
(vii) Liability to damage by wild animals.

The following is an excerpt from the Report of the Food Grains Policy Committee—

"A glance at the agricultural statistics of India shows the existence of very large areas of land described as cultivable waste other than fallow. From this it would, however, be a mistake to jump to the conclusion that with such large areas lying uncultivated, it should

not be difficult to produce the food required simply by extending cultivation to them. There are practical difficulties in bringing quickly such culturable but uncultivated areas into cultivation; otherwise the pressure of population and the land hunger of people would have brought them under plough long ago. Some of them are located in unhealthy tracts, others lack irrigation facilities, some again are situated in tracts where labour is not easily available and others again are such as would not yield economic return under normal conditions. The work involved in bringing the major portion of these lands under the plough is of a long-range nature, and is more suitable for consideration and action on the basis of a post-war reconstruction plan. There are, however, areas not inconsiderable, which lend themselves to immediate production and they should be harnessed to the food production drive."

The Royal Commission on Agriculture (1928) also says that a large proportion of culturable land other than fallow could in no conceivable circumstances be brought under tillage, but according to the Famine Inquiry Commission (1945) "it must be added that land which is at present too poor to give economic returns to ignorant rayats without capital or scientific resources, may be capable of development by irrigation schemes and application of scientific methods of land reclamation and soil improvement." Even if half only of this area is found to be really cultivable, the problem of food supply would be largely solved, the existing pressure on the soil of the country relieved in an appreciable degree and the amount of land per capita of farming population materially increased. A large number of casual, farm labourers will be converted into permanent cultivators, thus reducing unemployment, and hygienic conditions of large tracts of land will be improved, thus adding to the general well-being of the community. In some countries land reclamation activity has further

resulted in creation of new industries subsidiary to agriculture.

In the U.P. these wastes lie mainly along the submontane region of the Province and in the Sone-par portion of the Mirzapur District. The chief obstacle in the way of reclaiming them has been the bad climate of such areas leading to their depopulation and consequent non-utilization. Due to forest under-growth and water-logging, these places are malarious and attempts made hitherto by individuals or groups of individuals to populate them in small units have failed. Provision of employment and adjustment of population, however, being matters of large national policy, it is for the State to take more active interest in the problem, just as they have done in the West. Fairly large tracts of land should be cleared at a time and opened up, if necessary, with tractor ploughs, and when their hygienic conditions have been tolerably improved, they should be parcelled into economic holdings and so settled as to relieve congestion in other parts of the province. There are other considerable areas elsewhere in India which are thinly populated because of the presence of malaria, e.g., parts of the Vizagapatam and Malabar districts in Madras, the Dinapur district in Bengal and the Kanara district in Bombay.

In Europe it is reclamation by drainage and drying, etc., of lakes and pools, of marshes and marshy lands, of lands, generally speaking, without proper run-off, which has afforded the most important means of winning new lands for cultivation. Training or regulation of watercourses and of their banks with a view to protect land against spates and floods also falls under this head. Drainage as a means of reclaiming land covered by water provides numerous examples from Java, Germany, Italy and Netherlands. The most classical of them is that furnished by the country named last, where, by a labour of centuries, land has been won from the sea.

"The region of Haarlem, which is to-day the great flower-garden of Holland, consisted originally of submerged sand and peat". Swamps of Italy have been changed into flourishing fields yielding sustenance to thousands of families. Perhaps, the latest example is provided by Greece where, in the absence of cultivable lands, the problem of setting 150,000 refugee families who poured into the country after the First Great War and the following war with Turkey, was solved by far-reaching schemes of reclamation of marsh lands. Bulgaria also had to carry out drainage of marshes and swampy lands in order to settle her refugees.

"It is interesting" say the authors of "The Indian Rural Problem",[6] "to review this work done in the small countries of Europe. Denmark which had at one time more than one-fifth of the total territory lying waste as heaths reclaimed more than half of this area during the second half of the nineteenth century; by 1938, nearly 70 per cent of the waste lands were won over for cultivation and it was hoped to bring all the area under cultivation by an annual drainage of some 500 acres. In Belgium, over 56,000 hectares were relaimed since 1926. Greece recovered an equally extensive area of humid soils to accommodate her refugees. In Finland, about 1,39,000 hectares of marshlands were drained to facilitate land settlements since 1919 and in Czechoslovakia, 325,000 hectares were reclaimed mainly by land drainage work. Lithuania brought into use 75,000 hectares of heath land which were thereafter transformed into 3,753 holdings of 20 hectares each. Earnest attention was paid to reclamation in Italy only after 1928, but within 10 years the total area in which reclamation was carried out amounted to 5·7 million hectares of which 4·8 million were public works and the rest conducted by private individuals and subsidized by the State. Even France,

[6] Nanavati and Anjaria, p. 338.

where the problem of over-population has never presented itself, added 110,000 hectares to her cultivated land in this way.

"Thus, conversion of marshes, swamp and heaths into cultivable areas has provided means of living to thousands of families in Europe. The Pontine Marshes of Italy are a good illustration. In this area of 77,000 hectares the population at one time numbered hardly some hundred persons and that too only in the summer months—sheltered in miserable huts and exposed to all the risks of malaria. Now, in this very area there are 5 towns and 17 rural centres; the land is covered with 3000 farm-workers' dwellings and 2600 farms and the population has risen to 60,000 workers and settlers."

Our problem of reclaiming water-logged areas here in India is greatly complicated by the fact that the natural drainage of the country-side has been disturbed by the faulty alignment of canals, railways, roads and embankments which were all constructed independently of each other, with the result that productivity of land in many places has been greatly affected. Proper drainage of such areas will greatly increase their fertility. In Germany it has been found that drainage of land not only adds to the area under cultivation, but also leads to higher yields as is apparent from the following table:—

Additional Yields by Drainage per Hectare (11960 sq.yds.) in Quintals.

Rye, 5; Wheat, 6; Oats, 7; Potatoes, 60; Sugar beet and Mangels, 100.

Development of usar land included in the area classified as 'not available for cultivation' is still another source of increasing the arable area. Usar has been defined as land 'rendered sterile due to the snowy effore-

[7] (Vide League of Nation's "*Land Reclamation and Improvement in Europe*", p. 26).

[8] "The Indian Rural Problem", p. 25.

scence of soda salts brought up from the sub-soil by the combined action of water and hot sun'. The extent of usar land in the country can be gauged by the fact that in the U.P. it is about two million acres, i.e., more than 5 per cent of the area at present under crops. The term "*Usar*" covers a variety of waste lands all of which are not equally amenable to easy treatment or to a uniform mode of treatment. In the present state of our knowledge and means, plantation of certain types of trees and growth of grass in enclosed areas are the only two modes of developing such land. Land which cannot be rendered fit for cultivation or reclamation whereof involves costs entirely disproportionate to the returns obtained, may be utilized for pasturage. The U.P. Government had appointed an Usar Land Reclamation Committee which examined the whole question and submitted its report in 1939.

On erosion we cannot do better than again quote Nanavati and Anjaria :—

'At the same time lands have been gradually rendered unfit for profitable cultivation by the formation of injurious salts and by the action of running rain or flood water in their eroding the surface soil or burying it beneath deposits of sterile material. This is particularly noticeable in the United Provinces and Western Bengal where excessive areas on the banks of the large rivers have already lost all value owing to formation of a network of ravines. In the United Provinces alone, 8 millions[9] of the total land area of 68 million acres have been so lost, in addition to 5 million acres as a result of water-logging, shallow tillage and defective soil aeration. Rise of the subsoil water table and formation of salt efforescence on the surface of soil have done considerable damage to cultivation in the canal-

[9] According to Mr. M. D. Chaturvedi, khola and ravines in the Gangetic Basin constitute only half a million acres.

reclaimed or so treated or such work has been executed thereon by the Government as will enable it to be satisfactorily and economically used for agricultural purposes, it should be distributed, if the area is small, among those cultivators of neighbouring villages who own uneconomics holdings and, next, among the landless agricultural workers. If the areas reclaimed and developed are big enough, then large sections of population may be moved to such areas from over-populated parts of the country and the land settled in economic lots. Also cultivated land allowed by its owner to lie fallow for more than one year might be similarly dealt with. The Government of Bombay Presidency is reported to have decided in 1943 to requisition fallow land if the owners do not cultivate such lands themselves or get them cultivated by tenants. That is as it should be. The price of acquisition should not in any way prove to be a hindrance, as, land being a national asset, the State has a theoretical right to resume it even without any payment if the present owners cannot use it properly.

The State could realize the cost of acquisition plus the cost of reclamation or development from the new settlers by way of a terminable annuity or in half-yearly instalments of principal with low interest. If the costs are so great as will cripple the new settlers, only a part thereof should be realized. Also loans may be advanced by the Government to new settlers as in England and elsewhere to assist equipment, to provide for manurial requirements and drinking water, to construct roads, and to improve living conditions in general.

Reclamation of cultivable waste, *usar* and waterlogged areas will undoubtedly go not an inconsiderable way towards relieving the daily increasing pressure on the soil. It is good augury for the future that the attention of the Imperial Council of Agricultural Research and of some provincial and State Governments, parti-

cularly of those of the U.P., Sind and Mysore, has been drawn towards the problem of reclamation and improvement of land. But it is only an augury—everything is still in the air; for the transformation of ideas, however sound and socially beneficial, into governmental action, a precipitating agent is needed, and it is this that is lacking.

CHAPTER VII

MAINTENANCE OF PEASANT PROPRIETARY

If, after the establishment of a peasant proprietary, steps are not taken to help the agriculturists to remain in possession and to prevent the land from passing into the hands of absentee and non-agriculturist landlords who cannot or will not cultivate the land themselves, but let it out on excessive cash or produce rents, the whole scheme will be worthless and it would be necessary to carry out the acquisition of rent-receivers' interests at intervals of 30 or 40 years. In Burma the evil had become so serious that in 1937, 47·6 per cent of the total area was held by non-agriculturists and the Government had to enact a Land Purchase Act in 1941 to take the land back from the money-lenders. The depredations of money-lenders in the U.P.—for their activities are nothing less—are well illustrated by the following three extracts taken from the rent-rate reports published in the Government Gazette, dated July 15, 1939 :—

PROPRIETORS AND CULTIVATORS OF TAHSIL SARDHANA, DISTRICT MEERUT ANALYSED CASTE-WISE

Castes	Acreage owned at present settlement	Percentage of total area owned at		Percentage of cultivators
		Last settlement	Present settlement	
Jats	65699	31.6	30.0	34.9
Vaishes	42908	10.4	19.6	4.1
Rajputs	34004	19.6	15.6	16.8
Muslims (Rajput, Saiyad, Sheikh, Pathan & Jat)	24714	15.8	11.3	9.8
Tagas	12730	7.0	5.8	5.8
Brahmins ..	8282	4.2	3.8	5.7
Gujars	6378	3.0	2.9	6.6
Others	11296	6.9	5.1	13.3
Shamlat	6296	..	2.9	..
Dedicated ..	2960	..	1.4	..
Govt. Property ..	3457	..	1.6	..
TOTAL ..	218724	100	100	100

The report gives the areas, etc., of the various Muslim castes only, but for sake of space we have lumped them together.

The Settlement Officer says on page 280:—

The Hindu Jats still continue to be the largest land-community here as in Baghpat. The second place which was held by Hindu Rajputs at last settlement has now been taken by Vaishes whose share has increased from 10·4 to 19·6 per cent. The communities that have lost most are Hindu Rajputs, Jats, Tagas and Muslims as a whole (sic). Practically all the area lost by these communities has been acquired by Vaishes, the majority of whom do not cultivate the land".

Even the figure '4·1' in the last column showing the percentage of Vaish cultivators is fictitious; in actual fact, we think, they hardly exceed ·25 per cent.

PROPRIETORS AND CULTIVATORS OF TAHSIL BAREILLY, ANALYSED CASTE-WISE

Castes	Acreage owned at Present settlement	Percentage of gain(+)or loss (—) compared to last settlement	Percentage of total area owned at present	Percentage of area cultivated
Muslims	61856	—27	23	13.3
Vaishes	40967	+62	15	..
Brahmins ..	34031	—14	13	5.8
Kayasthas ..	30873	—31	11	1.9
Kurmis ..	22192	=4	8	22.5
Thakurs	19835	—15	7	4.3
Khattris	12761	+36	5	..
Ahir & Ahar ..	6021	— 1	3	6.1
Others	20157	+69	7	46
Dedicated ..	17275	..	6	..
Govt. property ..	5108	..	2	..
TOTAL ..	271076	..	100	100

The Settlement Officer comments on page 2937 :—

"Musalmans in spite of losing 27 p.c. since the last settlement still occupy the largest area in the Tahsil. Kayasthas who occupied the second position at last settlement have been relegated to the fourth place losing 31 per cent. Similarly Brahmins have lost 14 per cent although they still occupy the third place. Thakurs have drifted from the fifth to sixth position. Their losses amount to 15 per cent. Vaishes who occupied the fourth place at last settlement have added to their proprietary rights considerably, adding 62% to the share held by them at last settlement. Khattris and other miscellaneous castes have also gained. Extravagance is the chief cause of the losses given above. Money realized by sale of land is seldom, if ever, utilized for a more profitable business. The gainers are the money-lending classes—Vaishes, Khattris and others. They have increased their property not by payment of hard cash, but by charging exorbitant interest which in most cases makes the property mortgaged unredeemable."

PROPRIETORS AND CULTIVATORS OF PARGANA HASANGARH, TAHSIL IGLAS, DISTRICT ALIGARH, ANALYSED CASTE-WISE

Castes	Acreage at present settlement	Percentage		Percentage of area cultivated
		Last settlement	Present settlement	
Jat	29148	67	53	69
Brahmin ..	10476	20.9	18.9	17
Vaish	8096	4.3	14.6	3
Kayasth	1439	1.5	2.6	..
Rajput Hindu ..	443	0.5	0.8	..
Muslim	163	1.4	0.4	..
Others	2865	3.2	5.2	11
Revenue-free and resumed maufi	888	1	1.5	..
Govt. property ..	400	0.2	0.7	..
Dedicated ..	1310	..	2.4	..
TOTAL ..	52228	100	100	100

The Settlement Officer remarks on pages 2993-94:—

"Jats are still the principal proprietors, owning 53 per cent of the area. Next come the Brahmins. Both the castes, however, have lost considerably while the Vaishes (the money-lending class) now own 14·6 per cent of the proprietary lands against 4·3 at last settlement."

Money-lending is carried on by a good number of agriculturists and land-owners as well in addition to their hereditary occupation, and they are nearly as ruthless as the professional money-lenders. They have, however, one thing in their favour, namely, that when they purchase land they usually take it into their own cultivation. Otherwise, there is little difference between one money-lender and another, his caste notwithstanding.

The reader should note that the figures representing the state of things at "present settlement" refer to the year 1930-31. Owing to legislative measures and other steps, court sales in execution of civil court decrees did not take place for eight years or so since 1932, except for some months in 1937. Had the law been allowed to run its usual course it is more than certain that, as a result of the great Economic Depression, the money-lenders would have greatly multiplied their area by now, as they did in Burma where in the thirteen principal rice-growing districts, the Indian Chettyar's share alone of the occupied area rose from 6 per cent in 1930 to 25 per cent in 1937, not counting the land of which they were mortgagees, but not in possession.

The census report for India and Burma for 1931 has the following on p. 287—

"The Census Superintendent in Burma reports that alienation of land to non-agriculturists has increased and that in the principal districts of Lower Burma the area held by Chattiars increased by 140 per cent between July 1st, 1930 and June 30th, 1932."

Thus to-day, when jagirs are no more granted, money-lending is practically the only method whereby the more unscrupulous and shrewder individuals become landlords by crowding the less intelligent and the unwary ones off the land. Money-lenders have throughout the country reduced their clients to a position of economic servitude and sat as a blight on the countryside. There is no town, in the U.P. at least, but the non-agriculturists residing therein have drawn their tentacles over the cultivators for a radius of miles about the town and gathered most of the land into their own hands. In the absence of adequate facilities for investment, money-lenders have sought recourse to unfair means in tempting 'the people who live within their ken'. It is in very rare cases that peasants would sell their lands; only very urgent, economic strain compels them to treat the land as an economic commodity. Therefore, "most of them prefer to mortgage in the hope of recovering it. But once the peasants have stepped into the sepulchre of usury, they are led to descend down the inescapable staircase with only a remote chance of coming out again. At least 70 or 80 per cent of the landless peasants in Kwanting have lost some of their land possessions through mortgage".[1] It was the spectacle of the money-lender living on the hard-earned income of the cultivators—pre-eminently a class of people which literally follows the biblical injunction, viz., "By the sweat of the brow shalt thou live", that led Sir Daniel Hamilton to exclaim with bitterness, "What India requires is an Act written not with a goose quill dipped in milk and water, but with an iron pen dipped in the blood of the Mahajan".

Therefore, as a corollary of the principle that in an ideal land system nobody should enjoy unearned income from land, ways have to be devised to secure that

[1] Chen Hen Sing's "Agrarian Problem in Southern-most China". p. 96, quoted in Dr. Fei's "Peasant Life in China", p. 183.

land shall not pass again into the hands of non-cultivating owners, that peasant proprietary shall be maintained once it has been created.

One or more of the following five ways to help the agriculturist retain his land have usually been adopted in the countries where statesmen have bestowed any thought at all on the problem.

Firstly—by forbidding the alienation for debt of peasant's land upto a certain area, of his dwelling-house, his cattle necessary for working the farm, etc., i.e., by creating entailments of a sort. For example, in Egypt a law of 1912 fixed the limit at five feddans, one feddan being equal to 1·038 acres. In pre-1914 Serbia, a peasant's last six yutaras (one yutara being area which two oxen can plough in a day) could not be seized in judicial proceedings. In Czechoslovakia family properties constituted under the Land Distribution Law may not be alienated or charged with mortgage or other rights in rem without the authorization of the State Land Office. In Germany, according to the Hereditary Farm Law of September, 1933, referred to before, estates upto 125 hectares cannot be sold, mortgaged or attached for debts. In France the Law of July 12, 1909, prohibited the attachment of properties which have been declared "family properties" by a declaration made by the owner to judicial authorities. This legislation, however, failed in its purpose, inasmuch as the number of family properties (urban and rural) constituted up to 1938 came to less than 300, owing mainly to the low maximum value fixed for the properties concerned. To remedy this defect, the maximum value which a property may have in order to become a non-attachable family property under the Law of July 12, 1909, was raised by a decree of June 14, 1938, to 120,000 francs. In the U.S.A. and other countries also, there is similar legislation. In the United Provinces in India, according to an Act of 1940, land paying revenue upto Rs. 250/-

cannot be sold, although it can be usufructuarily mortgaged for 20 years.

Secondly—by providing, as in the U. P. and elsewhere, that a proprietor who has been actually cultivating his lands for some time shall have rights of occupancy on transfer or sale to a third person. Under these enactments, mere title to land and right to receive rent pass to the purchaser, but actual possession remains with the ex-proprietor who becomes a tenant.

Thirdly—as in Denmark under a law of 1919 and in Rumania under a law of 1925, by the State reserving to itself a right of preemption on holdings. The land thus obtained is to be given to peasants who have not yet been re-settled. Under Article 4 of their manifesto the Nazi Party also proposed to give the state a right of preemption on every sale of land.

Fourthly—by providing that land shall be transferred only to those who are themselves *bona fide* agriculturists. It has been so done in the Punjab (1900), in the Bundelkhand in the U. P. (1903) and recently in the Bhavanagar State in India, and also in Rumania (1925) where, if the State did not exercise its right of preemption within sixty days, the proprietor was free to dispose of his lots only either to a citizen who cultivated the soil himself or to a graduate of an agricultural school residing and carrying on agriculture in the commune in which the holding was situated.

The Emancipation Law of 1861 in Russia had allowed nadiali to be alienated under certain conditions. This resulted in transfer of land into non-peasant ownership. In 1893 a law was passed forbidding peasants to part with their nadiali except to members of their own commune.

In the Punjab and in the Bundelkhand, a schedule of *bona fide* agriculturists is given in the form of a list of hereditary castes.

Fifthly—by forbidding letting. In Denmark the law of 1919 in addition to giving the state a right of preemption on sale of small holdings created by it lays down that they cannot be let. The Bengal Land Revenue Commission in para 147 of its report recommends forbidding of letting in any form whatsoever, except in certain cases specified in para 148. We understand that the National Planning Committee presided over by Pt. Jawaharlal Nehru has also recommended prohibition of letting.

We approve only the last method which, in combination with other steps that we propose, will be found to be the ideal solution. While the unfettered and unrestricted right of transfer is not an unmixed blessing, as it has tended and must tend to facilitate passing of cultivator's land into the hands of mahajans and non-agriculturists and to reduction of cultivators to the position of tenants or landless labourers, we must recognize that agriculture being quite a speculative business, the cultivator does require money to finance it which he must get from somewhere or other, and to forbid sale of his land altogether, as has been laid down in Germany or attempted in the U.P., amounts to almost down-right abolition of his credit. Crops do not provide a sufficient security to induce the money-lender to part with his capital; nor do they provide a satisfactory basis for the successful working of a Co-operative Credit Society. Also just as serfdom had tied peasants to land in Russia, such absolute prohibition of transfer in a way chains them to their holdings and checks all selection among the cultivators.

Entailments are, therefore, to be deprecated, principally for the reason that they may in some cases debar an otherwise efficient farmer from progress, inasmuch as they debar him from credit, while in other cases they may keep an inefficient farmer or family in possession of land which could better be utilized by some one else,

who cannot find land or has to be satisfied with inferior land. This comment applies also, though in a diminished degree, to the second class of measures which confer exproprietary rights of occupancy on a cultivator whose holding has been sold up.

Exercise of right of preemption will entail the State in litigation, as the real price of land will always be a matter of dispute in cases of transfer. And restriction of transfer to *bona fide* cultivators too will not serve the purpose, we have in view, as it is very difficult to judge one's *bona fides* and a person who to-day honestly gives an undertaking of cultivating the land himself or in fact lives by agriculture may never take to agriculture or may cease to be an agriculturist to-morrow. The Punjab and Bundelkhand Acts can legitimately be criticized on the ground that they have created a class of agriculturist money-lenders who are not less rapacious than the non-agriculturist money-lenders, and that they have allowed the big land-holders to by up the small holders, who are the very men who stand in most need of protection. These Acts do not bring about the elimination of the middlemen—the vampires of society—and it does not matter to the well-being of the cultivator that the money-lender or landlord of a different hereditary class has been substituted by one belonging to his own caste.

Lastly, none of these four measures will check letting or sub-letting by the existing or newly-established peasant proprietors who will in their turn become middlemen and thus exploit the labour of the actual tillers. And prevention of the emergence or rise of exploiters and intermediaries is our primary aim.

We propose then:—

Firstly—That the State should take over at a fair price—at a fixed co-efficient of revenue—the holding of a person who cannot or does not wish to cultivate any

longer and cannot negotiate a satisfactory private sale himself.

Secondly—that leases should be declared void *ab initio* unless they have been made by a widow, a minor whose father is dead, a person of unsound mind, a person who is physically unfit to cultivate his own lands, a prisoner in jail or by a person who is forced to remain absent from home, but no longer. To lessees of such persons no right shall accrue or continue after termination of the lease.

Thirdly—that if the holder does not sell his land to the State, nor does he come within the exceptions enumerated above, but lets it to a third person, the land shall be forfeited to the State without compensation.

Fourthly—that land shall be allowed to be attached, mortgaged or auctioned only for debts advanced by the State or credit associations and institutions recognized by the State as was provided by a law of March, 1925, in Rumania and proposed in Article 5 of the Nazi Manifesto, and not for private debts.

Fifthly—that no ex-proprietary rights of occupancy shall vest in a proprietor if his land is confiscated by the State or sold in execution of a decree of a court.

These proposals secure the right of the State to take over land which cannot be, or is not being, cultivated by the occupant himself, without enmeshing the State in litigation, because the price is fixed in case of voluntary giving over and no price is to be paid in cases of confiscation. They further avoid the necessity of a '*priori*' decision whether a particular individual is or is not a *bona fide* cultivator or whether he is likely to take to cultivation or not; for everybody, whether his father and grandfather were agriculturists or not, is to be judged by his own act and profession. If he actually cultivates, the land is secured to him; if he does not, then the fact that he belongs to a hereditary agricultural class will not protect him, and the community, through the State,

will intervene and settle the land on one who will himself ply the plough. Article 33 of a post-war Transylvanian decree in Rumania similarly laid down that land might be taken back from those who should prove incapable of working it.

A man who does not cultivate himself has, in addition to the right of private sale, the honest, straightforward course of voluntarily handing over the land to the State and through it to the people; if he does not follow this course, well, he will be punished with expropriation. This extreme penalty of expropriation without payment has been devised in order to eliminate attempts at subterfuge and evasion of the prohibition against letting.

A supreme merit of these proposals lies in the fact that the most vital possession of the nation becomes secure against the secret and sinister operations of the private usurer, for, in view of the provision requiring a person holding the land to till it himself, land will cease to be an object of speculation and an attractive field of financial investment. The possibility of middlemen exploiting the labour of the peasantry is thus eliminated, and 'an iron pen dipped in the blood of the Mahajan' need not be used.

Once the big landlords disappear and the above safeguard against the appearance of middlemen in the future are adopted, provisions in the existing law giving certain ex-proprietary rights of possession to a cultivator become useless; they rather diminish his credit in a similar manner as an entailment and, as the cultivator knows that his holding will still remain in his possession, sale notwithstanding, he has a tendency to become improvident and get into debt. The deletion of these provisions will, on the contrary, enhance the credit of the peasant-proprietor and, while restoring mobility to land, will also help to throw out inefficient farmers from the profession.

The critic may say that the provision of forfeiture in case of letting is very harsh; a right to his share of the land in the village ensures a person a retreat and a livelihood if he becomes incapable of earning his living in the outside world. So long as a peasant retains his stake in the village, he can never become an outcaste or a destitute; by taking away this right to land, we are, in a way, taking away his old age pension and insurance. Our reply is that national interest requires such a provision; that an unmitigated right of letting is the source of so many evils. That is a country where land is scarce and claimants too many, it cannot be that one man can engage in a non-agricultural avocation and retain his land too, while the other goes without any occupation at all.

CHAPTER VIII

REGULATION OF THE SIZE OF HOLDINGS

Once peasant proprietors have been created and steps taken to see that they do not deteriorate into tenants, the question is—how to maintain them in prosperity? As far as the land system or distribution of land is concerned—and it is with this that we are concerned here—regulation of the size of holdings and their internal organization are the measures that readily suggest themselves to a student of agricultural economics. State policy in this connection may aim at the prevention or abolition of unduly small farms, at the prevention or abolition of large farms or at the re-arrangement of farms which are uneconomically laid out through being scattered or divided into too many plots. This is the fourth set of measures dictated by the second fundamental principle governing peasant proprietary.

CONSOLIDATION

To take in the reverse order, i.e., to take consolidation first. Holdings in our country, as in many other countries, by themselves too small in at least one-third of the cases, are further subjected to fragmentation and are scattered in tiny plots over the whole arable area of the village. 'Consolidation' may be defined as the concentration of scattered parcels of land belonging to the same owner in a single block, or, at any rate, in a smaller number of parcels.

The chief advantage of the system of non-conti-

guous plots is that it prevents some farmers from having all good land and others all inferior land, or land adapted only to one kind of crop. But this advantage is so outweighed by disadvantages that consolidation has been regarded as the very first step towards improvement of agriculture by agrarian economists all the world over. A system of dispersed or scattered holdings is obviously wasteful of labour; consolidation would lead to more intensive cultivation and help in the better tending and protection of the crops.

"The advantages of having in one area all the land farmed by one family", says John Lossing Buck, "while of utmost importance need be only briefly mentioned. Boundary lines would thus be reduced in number and extent, saving land and diminishing boundary disputes; larger fields would be possible and time saved in making trips to fields. Further, if land were all in one piece, barriers, such as fences, hedges or ditches, could be erected to obtain privacy and prevent trespassing, thieving and gleaning. The control of irrigation and drainage water would be more easy; for instance, fields are now so scattered that often it is not economical for a farmer to dig a well for a small plot of ground and it is not always easy for several farmers to co-operate in using the same well. Control of pests, such as rodents, insects and diseases, would also be less difficult".[1]

During his evidence before the U. P. Agricultural Re-organization Committee (1939-41), the Consolidation Officer of the Balrampur Estate claimed that after consolidation, which reduced the number of fields from 314,200 to [illegible] its [illegible], the cost of labour had gone down by 27·75 per [illegible]sy to [illegible]hile the produce had gone up even more appreciably, [illegible]., by 41·5 per cent. Germany, where this reform had covered over 382,000 hectares, obtained from 1933 to 1936 an increase in gross return amount-

[1] Chinese Farm Economy" (1930), pp. 27-28.

ing to the equivalent of nearly 96,000 hectares, reckoning at 25 per cent the increase in yield in the areas consolidated.

Many Provincial Governments in India have enacted Consolidation of Holdings Acts, yet the State cannot be said to have shown any enthusiasm in carrying consolidation through. In Poland official encouragement takes the form of exemption of consolidated properties from the State Land Tax and the cost of consolidation is borne by the parties concerned in the form of small annual instalments distributed over five years. Here it is only in the Punjab that some sort of success has been achieved in this direction (more than a million acres, out of a cultivated area of 30 million acres, having been consolidated), the reason being, as the Royal Commission on Agriculture points out on page 139 of its report, the comparative homogeneity of soil and *simplicity of tenure*. Almost half the land in the Punjab, as the reader must know, is cultivated by peasant proprietors and about the other half by non-occupancy tenants; the complexities arising out of the vested interests of the middlemen are therefore largely absent.[2] In order to quicken the pace of consolidation the Punjab Government decided to grant a partial remission in land revenue of the holding subjected to consolidation.

The Government and the landlord-tenant system, however, are not entirely to blame; although the consolidation of small holdings is always advantageous, it nevertheless often encounters in agricultural circles obstacles which are sometimes difficult to overcome. The reason is that the procedure of compulsory consolidation through legislation, besides being costly, expensive and tedious, involves acts of ejectment and forcible ex-

[2] (Here, by the way, we have still another argument against the present zemindari system; as long as it lasts, consolidation of holdings is difficult of achievement).

propriation which violate the very fundamental aspects of the institution of private property. The opinion of the country-side can only be won over to consolidation where its practical advantages are successfully explained and proved, and such persuasive demonstration of practical advantages is possible only through voluntary co-operation. It is interesting to note what Professor Birzi has said in this connection about the Italian Campagna—

"Merely for the purpose of our investigation", he writes (1933), "we have from time to time asked peasant proprietors their opinion as to the propriety of consolidation. It would not be correct to say that they were against such a course. It would be more true to say that they did not even regard it as a possibility. So powerful and unshakable in the peasant mind are the conception of *meum* and *teum*, particularly in connection with land. But this particular obstacle should not be over-rated. A properly conducted experiment on a large scale might well convince the peasant who is very intelligent and always ready to discuss and to learn".

As is obvious, however though undiluted compulsion would involve stupendous expenditure of money and effort, not giving an equivalent economic return in terms of increased production or saving of time and labour to better purpose, and persuasive co-operation is a better way, yet even this is not an easy task. With regard to this scheme in the Punjab, where the owners of land who desire consolidation form themselves into a Society, pool their holdings and prepare a scheme of re-arrangement which must be accepted by at least two-thirds of its members, Darling[3] says:—

"It is easy to chronicle these results but most difficult to produce them. For everyone has to be satisfied

[3] Darling: "The Punjab Peasant in Prosperity and Debt", p. 253 quoted by Nanavati and Anjaria on p. 136. "The Indian Rural Problem".

and all conflicting interests reconciled. The ignorant have to be enlightened and the stubborn conciliated. The poor, the weak and the speechless have to be as much regarded as the rich, the strong and the vocal. The only weapon is the tongue and the only means persuasion. Moreover, technical difficulties abound; and underlying all is the peasant's passionate love of his land with the jealousy of neighbours that passion breeds. In such circumstances the work must be slow. The marvel is that it is done at all".

It seems that a combination of compulsory and co-operative methods—i.e., provided a section of cultivators agrees to consolidation, compulsion may be used against the rest, as provided in the U. P. and Punjab laws coupled with the taking over by the State of the cost of consolidation, or a very large part of it, would, perhaps, accelerate the process of consolidation at the desired pace. A national or governmental drive from the top and a staff of honest and competent consolidation officers and surveyors, amins, etc., possessing imagination, interest in their work and sympathy for the cultivators, are, of course, the two *sine qua non* of the success of the scheme on any national provincial scale.

But while the economic value of consolidation of holdings is undoubtedly great and it is one of the reforms essential to better and intensive farming, yet there is a definite limit to its advantages and scatteredness of holdings cannot be regarded as one of the main causes of rural poverty.

Abolition and Prevention of Large Property

We have seen that large-scale farming with paid labour has proved unremunerative, and that in order to obtain the maximum out of the land, small-scale intensive farming is essential. Further, that such land economy also serves to keep a larger number of persons on

the soil than any other. Therefore large farms—though they be very few in this country—should be broken up into small holdings and after, say, fifty acres at the outside, out of the Sir and Khudkasht area, if he possesses any, have been set aside for the proprietor for his own cultivation, the remaining area be acquired by the State at the rate of, say, fifteen times the land revenue or even less, and distributed, first, among uneconomic holdings of the village so as to make them economic and then the rest be settled upon landless agricultural workers to the extent of, say, six acres and a quarter each. The governing principle of distribution of land would be that no man should have more land than he could himself farm or less than is essential for the maintenance of himself and his family, and, if possible, a reasonable surplus. Large property may, however, be allowed to continue as model or demonstration farms which shall serve solely for experimental purposes or as schools and colleges for cultivators and their sons.

Next, we have to provide a safeguard against the re-emergence of large farms in future. Such provisions against the creation of unduly large holdings exist in many countries. In Rumania, according to a measure promulgated in March 1935, a purchaser of land should not own more than 25 ha arable land including the area to be sold. In Denmark the existing laws put insuperable difficulties in the way of adding of one small holding to another so as to make a large farm. In Latvia, in cases where, as a result of succession, several properties, the total area of which exceeds 50 ha, are concentrated in the hands of a single person, the latter must liquidate them voluntarily within three years of the day on which he entered into possession of the deceased's property. He is free to choose one or other of his properties upto a total of 50 ha. In New Zealand, some of the Canadian provinces and the State of Oklahama in the U.S.A. taxes are levied at higher rates on large than small holdings.

Such restriction of large property has, in fact, been considered essential in almost all countries where peasant proprietary has been created; it is essential in India as well. And it is heartening to note that Bengal Land Revenue Commission has recommended in para 151 of its report that land should in future be transferable only to families which possess less than 20 acres altogether. We propose that land should not be allowed to pass to an individual, except through inheritance or survivorship, so as to make his holding larger than 12½ acres altogether. In no case, however, as said before, shall the agricultural property of a person exceed 50 acres.

Abolition and Prevention of Uneconomic Holdings.

It is, however, the question of uneconomic holdings that is most baffling. The splitting-up of agricultural holdings into uneconomic units is admitted on all hands as one of the main causes of the peasant's poverty; it is the curse of Indian agriculture in particular. But before we deal with its causes and suggest remedies, let us put ourselves the question—what is an uneconomic holding?

The lower limit of a farm is determined by the necessity of providing continuous use for the labour and machinery employed, that is, by the necessity of full use being made of essential and indivisible factors of production so that these factors will not be wasted through idleness. Any farm, therefore, that does not provide full employment for one unit of organization, or, in other words, whose area is less than what a peasant can effectively cultivate with the minimum of agricultural equipment that he must inevitably maintain in all circumstances, and with the labour that an average peasant family has usually at its disposal—is economically too small. As regards labour, American writers agree that the farm should never be so small as not to provide continuous work for two men. Now an agricultural

family in our country has 2·2 workers on the average, and an indivisible factor of production in Indian conditions, as in many other countries too, is one yoke of oxen, irrespective of the area that the cultivator possesses. What area is best that will afford full employment for two agricultural workers and one yoke of oxen depends on numerous local conditions like the fertility of the soil, the nature of the crops or type of farming, the irrigation facilities, situation in respect of markets or traffic, etc. An economic holding, therefore, will differ in area for the various regions and for various agricultural purposes.

There is, however, another consideration which weighs with many writers on Agriculture while discussing the minimum size of holdings. A small holding has been defined by Venn as "that area of land which by their own labour supports its occupier, his wife and family". Such writers insist that that holding alone is economic which, after allowing for rent or revenue, seed, manure, depreciation of cattle, implements and other expenses of cultivation, can maintain the cultivator and his family in reasonable comfort from one end of the year to other. We would not quarrel with this definition but for the fact that it is unscientific, for it takes no regard of the utility or wastage of the factors of production and makes the area dependent, in addition to fertility of soil and irrigation facilities, etc., on the skill and industry of the cultivator and also on his standard of reasonable comfort, each of which will vary considerably from one individual to another; and that a holding which is economic this year may, with a change in the prices of agricultural produce or in the incidence of taxation, not be able to support the family, and thus be rendered uneconomic next year. That is, it envisages more variable determinants than the definition previously given. It would be more correct to call such a holding a 'subsistence' holding rather than an 'economic' one. It may

also be called a 'living' holding in the sense in which one speaks of a living wage. An economic unit should obviously be determined by the play of factors of production while a subsistence unit can be ascertained only after taking into consideration many monetary and also non-monetary factors. This difference, however, should not deter us from determining an area which shall not be sub-divided further, for it cannot but be, in the nature of things, untimately more or less arbitrary in both cases. And also because what is an economic holding must also be in most cases a subsistence holding and vice versa. We shall, therefore, for convenience sake, confine ourselves to the word 'economic' hereafter.

Whatever be the minimum limit, this much is certain that the possessor of an area below it shall remain comparatively poor and may ultimately have to be sold up and to join the ranks of landless labourers. Sir Malcom Darling gives the small size of holdings and the way in which they are sub-divided as one of the four main reasons for borrowing by the peasant. It is, therefore, a legitimate function of the State to take action to prevent such uneconomic holdings from coming into being and to abolish them if they already exist.

As regards the minimum limit of a farm fixed in other countries we find that in Prussia, according to legislation associated with the name of Stein and Hardenberg (1807-16), an area worked by at least one yoke of oxen was held to constitute a complete peasant holding. In France where medium-sized or peasant property tends more and more to become the predominant farm, "medium-sized" has been defined as "sufficient to provide work and a livelihood for the entire family". Similar is the principle followed in Poland where the average size of the newly-formed holdings is 9·4 ha. In Czechoslovakia the area of family properties depends upon economic conditions in the region concerned, the underlying principle being that undertakings should be

large enough to provide a livelihood for a peasant family. The average area required for this purpose is estimated at from 6 ha to 15 ha. In Denmark an Act of 1919 definitely took up the position that a holding should usually be a self-sufficient one. It was laid down that "the land should, as far as possible, be divided into holdings sufficient to maintain a family without the help of outside labour". The ideal is the independent family farm, and official calculations there assume that 5 ha, i.e., 12½ acres will on an average be enough; in no case was a holding created by the State to exceed 7 ha. In Rumania in the reform of 1907 the limit of peasant lots was fixed at 5 ha and in the hills at 3 ha. In the reform of 1921, the size of the typical re-settlement hodings was fixed at a maximum of 9, 10, 12½ and 15 acres in the various provinces. "Experts considered", says David Mitrany, "that 3 has was the smallest area on which machines and implements could be rationally used".

"The most general view was", says the Bengal Land Revenue Commission in para 172 of its report submitted in April, 1940, "that 5 acres would be the minimum area required to keep an average-sized family in reasonable comfort, but if the land is capable of growing nothing but *aman* paddy the area required would be about 8 acres". Here it is suggested that the minimum area for the plains may be fixed at 6¼ acres and transfer or subdivision as would render a part less than 6¼ acres be prohibited. In practice, therefore, holdings would usually vary between 6¼ and 12½ acres. Those who are conversant with rural life will agree that 6¼ acres of good soil can keep an efficient peasant and his pair of bullocks fully occupied and also keep him and his family in bread and clothes throughout the year, while 12½ acres of poor soil will serve in unfavourable circumstances. In the Gorakhpur division where the soil is fertile and intensively cultivated, the average area of a holding

is 4·8 acres whereas in the Jhansi division where the soil is unfertile, it is just over 12 acres.

In this connection Dr. Radhakamal Mukerji says:–[4]

"Meticulous agricultural surveys that have been carried out in various parts of India indicate that the minimum subsistence family holding here would be 4 to 6 acres. Differences in soil productivity and agricultural water-supply, crop rotation and agricultural practice and skill of the cultivator, alter the size of the subsistence holdings. For the whole of India 5 acres could be fairly accepted as a fixed point round which the argument for saturation can centre. Improvement of agricultural methods, migration and industrialization make the subsistence holding somewhat of an abstraction, but such an abstraction has its uses in the economics of both changing and stationary worlds."

The area of an average holding in European countries in hectares is expressed by the following figures which relate to the year 1929 or 1930—

Italy	6.25
France	11.6
England	26
Germany	8.7
Denmark	15.5
U. S. A.	157

In the U. S. A. with the growth of industrialization and use of machinery on the farms the number of workers in agriculture has decreased and in the past fifty years the average area per worker has risen from 32 acres to 49 acres or nearly 50 per cent.

As regards the size of agricultural undertakings in India, the following figures taken from the census report of 1921, giving the number of cultivated acres per agricultural worker speak for themselves—

[4] "Food *Planning for* 400 *Millions*", pp. 4-5.

Bombay	12.2
Punjab	9.2
C. P. & Berar	8.5
Burma	5.6
Madras	4.9
Bengal	3.1
Bihar & Orissa	3.1
Assam	3.0
U. P.	2.5

According to the Agricultural Journal of India for the year 1926, page 109, only 24 per cent of the holdings in India have an area of more than 10 acres each. During the last twenty years the area per agricultural worker and the percentage of holdings above 10 acres must have been reduced greatly.

India will thus be seen to compare very unfavourably with other countries, but even in India the U. P. stands at the end of the table. The average number of workers in a peasant family, as we have seen, being about 2·2, the average holding comes to 5·5 acres in the U. P.; this is also the figure arrived at by the Provincial Banking Enquiry Committee. According to another calculation, leaving out allotments, the average holding over the whole province (excluding the States) comes to 6·7. "These holdings" (sic), says the report of the Agricultural Re-organization Committee, U. P. (1939-41), "are now so small that barring parts of China, most of Japan and parts of Italy, they are perhaps the smallest in the world" (p. 45). It is to be remembered that 5·5 or 6·7 acres is the average; a great number of holdings are below this figure. "In the United Provinces" says Dr. R. K. Mukerjee[5], "it has been estimated by the Banking Enquiry Committee that the majority of the holdings are uneconomic, i.e., below 5 acres, which are the minimum necessary for maintaining a peasant's family. Thirty-five per cent. of all cultivators of the United

[5] "Food Planning for 400 Millions", p. 8.

Provinces are living below the economic level, and cannot even in the best of years make both ends meet. Another 52 per cent. are living at a just above the economic level, making ends meet in a good year but not in a bad one".

Undoubtedly undue division of the land renders sound cultivation impossible and increases the cost to a point at which cultivation ceases to pay. It is clear that a fairly large number of holdings in the country have been reduced to this condition and if further subdivision is allowed to go on unchecked, a stage will be reached at no distant date when very few economic holdings will be extant. In addition to the nature of the land, the farmer's welfare or standard of living is closely dependent upon the size of the holding (which in turn is determined by the density of farming population). It should, therefore, be the endeavour of statesmen to preserve to the farmer, land sufficient in the circumstances to enable him to live in reasonable comfort.

What direction then should our endeavours take in this country? To find out an answer to this question, we shall have to look to the causes. Briefly put, the excessive sub-division is due to the laws of inheritance, prevalent both amongst Hindus and Musalmans, according to which land, however little, is liable to be divided amongst all the heirs of the deceased, to the fanatical attachment of the peasant to the land of his forefathers and to the absence of an industrial outlet for the population and the consequent concentration of overwhelming numbers upon agricultural land for their means of livelihood.

Need of Industrialization

To deal with the latter cause first. Everywhere the agricultural class has always been comparatively poor, i.e., poorer than the industrial, trading and other sections of the community. Mihail Manoilesco, Presi-

dent of the Union of the Chambers of Commerce and Industry, Rumania, in his book entitled "Theory of Protection and Exchange", published in 1929, bases his entire argument in favour of protection of agricultural produce on the greater productiveness of labour in industry than in agriculture.

He quotes statistics showing the total income of twenty-two countries, the proportion of agricultural income to total income, and the proportion of agricultural workers to the total number of workers in each country. Taking the twenty-two countries together, it is found that 20 per cent of the total income was produced by 52 per cent of the total number of workers, and 80 per cent of the total income by 48 per cent of the total number of workers. A simple calculation shows that "all other human activities are on an average approximately 4.35 times more productive than agricultural activity" (p. 61)

In the U.S.S.R. also, according to the statistical department of Gozplan, in 1933 agriculture created only 16 per cent of the national income, industry being credited with 52 per cent.

In justice, or in a just society, labour should be rewarded according to its quality, that is, the amount of energy expended and the skill required, so that an hour's labour devoted to, say, ploughing, ought to earn about the same reward as an hour's work by an ordinary factory machine-minder. But, in actual fact, the nett reward of farm labour is far inferior to that of factory labour, apparently because remuneration is determined by supply and demand and an agricultural labourer in a unit of time produces less than an industrial worker as he has much less machinery to work with. (Farm income are not low, it will be seen, because farms are too small; farms remain small mainly because agriculture can never be expected to earn the same rates of return as industry does—because the scope for making profit in

agriculture in general is low, and in consequence the investment of capital in large units is not profitable, apart from exceptional circumstances.)

Industrialized countries, therefore, stand to gain on account of the intrinsic superiority of industry over agriculture as a source of income. That is why the government of every country has tried to develop its own industries and manufactures and to find employment for its nationals in business and avocations other than mere production of raw materials.

The movement of population from the country to the towns and cities is one of the signs of the change from an agricultural to an industrial state. (That standardization and electricity have made it possible, in future, for a country to become industrialized without its population being herded into big cities, is, however, irrelevant to the point in issue.) To show how this shifting of the population from agriculture to manufacturing and commerce has gone on in some of the European countries we quote from the final report of the Agricultural Tribunal of Investigation set up by the British Government in 1923—

"In all countries, even the most agricultural, rural population has, in the last fifty years, become a constantly smaller proportion of the whole population. In Denmark between 1880 and 1921, it fell from 71 to 57 per cent., in France between 1875 and 1921, from 67·6 to 53·6 per cent; in Germany between 1875 and 1921, from 61 to 37·8 per cent.; in England and Wales between 1871 and 1821, from 38·2 to 20·7 per cent." (page 175).

In India the percentage of the urban population to the total according to the census of 1941 is hardly 13.

As regards the relative decline of agriculture in the U.S.A., the *Businessmen's Commission on Agriculture* writes on pages 132-33 of its report—"This movement of population from the less profitable rural to the more

profitable urban pursuits (sic) has been going on for many decades and is reflected in the rapidly declining ratio of farm workers to the more gainfully occupied which in 1820 was 86 per cent and by 1920 had fallen to 26 per cent".

The following table indicates the position of India in the matter of occupation of her population, in relation to that of some of the western countries—

Country	*Percentage of working population dependent on agriculture to the Total Working Population*
United Kingdom	6
France	35.6
Germany	28.8
Italy	47·7
Canada	28.7
U. S. A.	22.0
India	67.2

These figures have been taken from statistics prepared before the last World War—the first four from League of Nations' Publication, Series No.3, "Population and Agriculture, etc." (Document No.I), page 8, and those for Canada and the U.S.A. from year-books for the year 1939 and that for India from the census of 1931. The figures for India will rise to 71 if those who follow agriculture as subsidiary to some other occupation are included.

According to figures quoted by Sir M.Vishveshwaraya in his address delivered at the All India Manufacturers' Conference held in Bombay in March, 1941, while th rcentage of the population engaged in industry and . mmerce is 73·1 per cent. in the United Kingdom and 52 per cent. in the United States of America, in India the comparable percentage is 16·9 per cent. As regards per capita income, while in India it is taken as

Rs. 58/- from agriculture and Rs. 12/- from industries for a total of Rs. 70/-, the corresponding figures for the United Kingdom are Rs.68/- from agriculture and Rs. 463/- from industries or a total of Rs. 531/- from both, and for the United States of America the figures are Rs. 219/- from agriculture and Rs. 830/-[6] from industries or a total of Rs.1049/- from both. And finally Canada which has only 3 per cent of the population of India has a bigger industrial production than India.

As the figures quoted above show, all progressive countries in the modern world are moving towards greater and greater industrialization. Their economic centre has shifted, or is shifting, from the side of agriculture to that of industry. India, on the other hand, tells a different tale; here, although there is progress of manufacturing production in certain lines, the tendency has long been in the opposite direction and the figures point to the progressive de-industrialization of the country due to decay and extinction of rural arts and handicrafts. The census returns from 1891 to 1931 show that the proportion of the population depending directly upon "Pasture and Agriculture" has steadily increased. The figures are :—

	%
1891	61
1901	66
1911	72
1921	73
1931	71

The reader should not be misled by the figure for 1931, as in the census of that year several changes were made as regards the collection and presentation of occupational statistics. According to the census report of 1931, 9·7 per cent. of the population was supported by industry, while in the report of the 1880 Famine Com-

[6] (By 1943, the figures rose respectively to 15,800 and 1000).

mission the percentage of the male population engaged in industry is given as 12·3. The decline in rural industries which had the effect of driving people back on the land is only explanation of this occupational trend.

"Many economic forces", say Nanavati and Anjaria[7], "such as the steady increase in population, the decay of indigenous industries, lack of other avenues of employment and the rise in land values have been responsible for this increasing pressure on land. Available statistics show that most of the rural workers from occupational castes who have been compelled to abandon their traditional occupations have now taken to cultivation.

[7] "The Indian Rural Problem", pp. 13-14.

	Caste, tribe or race	Traditional occupation	Total number of workers in the caste, tribe or race	Workers engaged in traditional occupation	Workers engaged in exploitation of animals and vegetation	Percentage of	
						4 to 3	5 to 3
	1	2	3	4	5	6	
A.	1. Chamar ..	1. Skinners & Tanners.	6,710,365	1,199,732	4,028,941	17.8	60.0
	2. Nai	2. Barbers.					
	3. Bhangi ..	3. Scavengers.					
B.	1. Khatik ..	1. Pig Breeders.					
	2. Gujar	2. Herdsman.	1,599,436	674,853	1,141,698	25.9	43.9
	3. Teli etc. ..	3. Oil pressers.					
C.	1. Pinjara ..	1. Cotton Carders.					
	2. Darzi	2. Tailors.	2,827,147	959,194	1,110,094	33.9	39.2
	3. Momin, etc. ..	3. Weavers.					
	4. Dhobi	4. Washerman.					
D.	1. Kumhar ..	1. Potters.					
	2. Od, etc. ..	2. Earth workers	1,045,920	392,362	400,278	37.5	38.0
E.	1. Barhai	1. Carpenters.					
	2. Lohar	2. Blacksmiths	1,797,697	772,985	416,496	42.9	23.1
	3. Sunar	3. Goldsmiths					
	TOTAL (including other castes.)	non-cultivating	16,650,410	4,487,538	8,043,375	26.9	47.1

This statement is based on Table XI "Occupation of selected castes", pp. 414-419, census of India, 1931, Vol.I Part II.

It is thus found that in 1931 only 27% of the workers were engaged in their traditional non-agricultural occupation and that about 64% of those who had given it up had taken to agriculture and allied pursuits."

At the root of much of the poverty of the people of India and of the risks to which they are exposed clearly lies the unfortunate circumstance that to-day agriculture forms almost the sole occupation of the masses of the population. The Bengal famine of 1943-44 is, in a way, a living witness to the horrid truth of these risks.

In a speech in Birmingham on 15-10-43 on the food situation in Bengal, Mr. L. S. Amery, the then Secretary of State for India, made himself responsible for the following statement—

"In the years between 1931 and 1941, the population of India increased by 50 millions, more than the whole population of the British Isles. Every month there are some 400,00 new mouths to be fed. The vast majority of this new population, possibly 40 millions, have had to find their living off the same land which barely sustained a smaller population in the past. *Even with every effort to develop industry, to exploit irrigation and to improve agricultural methods the menace of famine has never been wholly removed*". (Italics are ours).

So Mr. Amery admits that 80 per cent of the population have no other occupation than agriculture. And how grateful would the Indians have felt only if the italicized statement was true. It will not be wholly irrelevant to our purpose if we examine it a bit closely.

The 'efforts' of Britishers in their own country led to the fall of the proportion of agriculturists in the gainfully employed population from 15·1 per cent in 1891

to 8·5 in 1911, 7·1 in 1921, 6·4 in 1931 and 5·6 in 1941, whereas in our country those 'efforts' had quite an opposite result, as the figures given above prove. What a commentary on their 'efforts'!

As regards irrigation, it is sufficient to state that of the total area of 248 million acres under crops in British India in 1940-41, only 55·8 million acres were irrigated from all sources, i.e., a bare 22·5 per cent out of which Government irrigation works were responsible only for 32·5 millions, i.e., only for 13·1 per cent. The rest 77·5 per cent. depended on the monsoon. In the States which have a cultivated area of 68 million acres, about 11 million acres or only 16 per cent of the total is irrigated. The pace of progress in irrigation in British India will be apparent from the fact that whereas the average irrigated area in 1911-12 to 1915-16 was 44·34 million acres, twenty-five years later in 1936-37 to 1940-41 it had risen only to 53·52. No single factor can influence crop production to the same extent as irrigation supply, whether artificial or natural. 'The production of irrigated crops per acre is on an average 50 to 100 per cent higher than that of irrigated crops in the same locality. As 4/5th of the cultivated area is unirrigated, it is roughly estimated that the provision of irrigation facilities alone can increase crop production by about 60 p.c.; or if certain rice areas are excluded, the increase in production would be about 50 p.c. if all water resources—existing or potential—are fully utilized.' Supply of water not only greatly increases the yield but also enables land which would otherwise be uncultivated owing to inadequate rainfall, to be brought under the plough. Further, irrigation increases the double-cropped area.

As for their 'efforts to improve agricultural methods', the following comparative figures speak for themselves :—

YIELD PER ACRE IN TONS—1939-40[8]

	Rice	*Wheat*	*Sugar cane*	*Cotton*
U. S. A.	1.01	0.37	20.06	0.11
Canada	..	0.52	..	..
Australia	..	0.42	..	..
Japan	1.61	..	..	..
Egypt	..	..	..	0.23
Java	..	..	54.91	..
Egypt	..	..	..	0.23
Java	..	..	54.91	..
India	0.35	0.32	12.66	0.04

The following tables are given by Wadia and Merchant in "Our Economic Problem" on page 140:—

[8] The Bombay Plan.

QUINQUENNIAL AVERAGE (1932-36) IN QUINTALS PER HECTARE

Crop	China	Japan	France	Italy	USSR	USA	Total average of all countries	India	
								Absolute quantity	Index number
Rice	25.6	36.0	..	..	..		30.8	13.7	44.4
Wheat	11.1	13.8	15.9	14.3	7.8	8.3	11.9	7.0	58.8
Barley	12.1	20.4	14.6	10.6	8.9	10.5	12.8	9.4	73.4
Maize	13.7	13.8	14.4	19.6	10.1	13.2	14.1	8.7	61.7
Cotton	2.4	..	..	..	2.4	2.1	2.3	0.9	39.1
Linseed	..	..	4.6	5.9	2.8	3.5	4.2	2.7	64.3
Ground-nut ..	18.2	21.5	..	..	..	7.9	15.8	10.0	63.3

Yields in lbs. per acre of some crops for 1938

Crop	Siam	Egypt	Korea	Italy	Argentina	Germany	India
Rice	1299	3136	2464	4928	..	..	834
Wheat	..	1882	..	1434	1053	2464	728
Cotton	..	440	..	..	156	..	97
Rapeseeds	..	..	..	..	..	1769	420

The following two tables further prove that in nearly all other countries the yield of rice and wheat per acre is either increasing or almost constant, but in India it registers a definite decline, as time passes—

AVERAGE APPROXIMATE YIELDS OF RICE IN LBS. PER ACRE

	1909-13	1926-31	1931-36	1936-39
India (including Burma)	982[9]	851	829	805
Burma	..	887	845	868
Siam	..	1017	961	878
U. S. A.	1000	1333	1413	1482
Italy	1952	2797	2963	3000
Spain	2969	3749	3709	..
Egypt	2119	1845	1799	2079
Japan	1827	2124	2053	2307

AVERAGE APPROXIMATE YIELDS OF WHEAT IN LBS. PER ACRE

	1909-13	1924-33
U. S. A.	852	846
Canada	1188	972
Australia	708	714
Argentine	596	780
Europe	1110	1146
Russia	612	636
India	724	636

[9] 1914-19 to 1918-19.

In Germany the average production of wheat was 1500 lbs. per acre in 1921 and went up to 2200 lbs. in 1941. Similarly in the same period it increased in Italy from 900 lbs. to 1350 lbs. per acre. The economic loss to India on account of this low yield in respect of wheat alone is well explained by Sir Mac Dougall in his note to the Central Banking Inquiry Committee—

"If the output per acre in terms of wheat were raised to that of France, the wealth of the country would be raised by £s. 669,000,000 a year. If the output were in terms of English production, it would be raised by £s. 1,000,000,000..... In terms of Danish wheat production, the increased wealth to India would be £s. 1,500,000,000 per year".

Mr. K. C. Neogy stated in the Central Legislative Assembly in November 1943 that "it was also revealed by figures that the yield per acre of land had not progressed since the days of Akbar, although Japan with the same problems of over-population and uneconomic holdings, has a yield per acre of three times that of Bengal, and China more than double that of Bengal'.

As far as wheat is concerned, its yield per acre has decreased since the days of Akbar. Dr. R. K. Mukerjee gives the following figures[10]:—

	Average yield of Wheat per acre in lbs.	*Source of information*
Akbar's times ..	1555	Ain-i-Akbari.
1827-40	1000 (irrigated) 620 (non-irrigated)	Thornton's Settlement report of Muzaffarnagar.
1917-21	1280 (irrigated) 840 (non-irrigated)	Later Settlement Report of Muzaffarnagar.
1931	1000 (irrigated) 900 (average)	Average yield of crops in India (quinquennial report).

[10] "*India Analysed*", Vol. III, 1934, p. 169.

The reader will be surprised to find that in British India while the acreage under Rice and Wheat shows a slightly rising trend, their total production has fallen:—

Average for years	RICE		WHEAT	
	Millions acre	Millions Tons	Millions Acre	Millions Tons
1911-16	67·3	26.08	24.2	7.98
1938-43	69.76	23.16	26.26	7.44

Next to irrigation, the use of manure offers the most important single means of increasing the yield of crops. "*The Journal of Scientific and Industrial Research*" points out in a recent issue that "considering the application of nitrogenous fertilizers alone, whereas in Holland and Great Britain, 60·4 pounds and 8·8 pounds of nitrogen are added to every acre of the soil, the corresponding figure in India is hardly half a pound". In the same connection, the "*Hindustan Times*" writes on 15-6-44.

"The world consumption of nitrogen bearing materials, principally sulphate of ammonia, in 1936 was just over 12 million tons, while the consumption of phosphates amounted to 25 million tons. Indian consumption just before the war was a bare 100,000 tons, though India had half the world area under rice, 13·4 per cent under wheat, and 29·4 per cent under cotton. She had also considerable areas under oil-seeds and sugarcane. According to the rate of world consumption Indian agriculture would need at least three million tons of nitrogenous fertilizers and five million tons of phosphates".

It took ten months of 'efforts' on the part of our rulers after three millions and a half of people had died for want of food, to get to the stage of making plans and sending out to India a technical commission com-

posed of experts drawn from two British firms to recommend sites for location of factories for producing chemical fertilizers to the quantity of ·35 million tons a year!

In his Birmingham statement Mr. Amery has slyly hinted that the population in India has increased at an alarming rate and a rate higher than in other countries, and, perhaps, that is why the 'efforts' of our rulers have been unavailing. This suggestion, however, has no bottom. Here are the population figures in millions for India and some of the Western countries:—

Countries	1815	1890	1935	Area	Density per sq. mile
U. S. A. ..	9.8	62	137	3,738,000	36
France	30.4	38	41	213,000	192
Italy	..	30	43	120,000	358
Germany ..	21	49	66	182,200	372
Great Britain ..	14	33	44·5	95,030	468
India	..	279	358	1,581,410	246

Germany lost some of her territories after World War I; so in fact the rate of increase in the period 1890-1935 was greater than the figures indicate. In 1941 the population of Great Britain had risen to 46·75 millions and that of India to 389 millions. These figures clearly prove that India is still far less densely populated than Great Britain, Germany or Italy. Statistics further prove that during the last three centuries the population of Great Britain had increased more than eight times as against that of India which had grown four times only. The population of Europe as a whole (including Russia) increased from 188 millions in 1800 to 266 millions in 1850, 401 millions in 1900 and 505 millions in 1930. And in the last 50 years while the increase in the population of the U. S. A. has been 136 per cent., the increase in the population of Great Bri-

tain, viz., 40 per cent. is not less than that in the population of India which was 39·4 per cent.

Also, our big population, instead of being an argument in justification of the backwardness of the country, should be a compelling circumstance of our progress. The pressure of the increasing population on the resources of a country has been, in the West, one of the most potent causes of industrial advancement. It should be a reason for spurring us also to greater and greater efforts.

To-day India has a population of more than 400 millions and it is over-populated in relation to the existing stage of her industrial and agricultural development. But India has a large area and vast natural resources; the primary problem that faces us is not that of over-population, though it is serious, but that of under-development of resources, both agricultural and industrial, in a wide sense of the term. The existing situation only emphasizes the need for developing the resources of the country rapidly and to the fullest possible extent.

To knock the argument of over-population on the head: it is pointed out in a recent issue of the "*British Medical Journal*" that if all the advantages of civilization were applied, Indian Agriculture could produce nearly 4½ times as much food which would be sufficient for a population three times that of present-day India.

The problem of food shortage ought to have been much more serious in England which produces a very much smaller percentage of its requirements of food than what India does. Yet, according to facts culled by Sir Shri Ram from an official publication, "*Home Front Handbook for England*", in an article in the "*Hindustan Times*", dated September 11, 1943, the success that attended the efforts of the British Government during the first three years of the last War is illustrated by the following results:—

The area under cultivation has increased by six

million acres. The acreage under wheat has recorded a 35 per cent. increase over the average of the previous 10 years.

The area under potatoes has been extended by 60 per cent. The production and consumption of milk is on a scale much greater than in normal times.

Taken as a whole, production has been increased by 70 per cent.

The "*Leader*" in its issue of 2nd December, 1945 has the following news:—

"Since the army of the land was called to action in Britain on September 3, 1939, says the 'Land at War', 300,000 farming 'strong points in the battle against hunger were armed, equipped and manned'; 6,500,000 new acres have been ploughed up; 117,000 women have replaced 98,000 skilled farm hands who were called to services; milch cows increased by 300,000, other cattle by 400,000. But sheep, pigs and poultry went down by one million. Many crops were doubled; wheat 109 per cent.; barley 115 per cent.; potatoes 102 per cent.; oats, sugar-beet, vegetable and fruit 34 to 58 per cent".

The question of potential increase in yields has been discussed by Dr. Burns, who served for some years as Agricultural Commissioner with the Government of India, in his monograph on "Technological Possibilities of Agricultural Development in India (1944)". According to this authority, yields of rice could be "increased by 30 per cent., 5 per cent. by using improved varieties, 20 per cent. by increasing manure, 5 per cent. by protecting from pests and diseases. There should even be no difficulty in increasing the present average outturn by 50 per cent., viz., 10 per cent. by variety and 40 per cent. by manuring". Potential increases in the yield of wheat and millets, according to this authority, are of the order of 30 per cent.; for cow and buffalo milk, 75 and 60 per cent. respectively. The present average yield of sugar-cane is about 15 tons per acre. Dr. Burns

thinks it possible to produce yields of 30 to 55 tons per acre according to the part of India. These are technological possibilities, illustrating what might be achieved by the application of thoroughly efficient agricultural methods.

If it is humanly possible to multiply British food production by seventy per cent. or even more during the last War, it cannot be impossible in India. It is not over-population that is responsible for our poverty or for millions of deaths from hunger in 1943-44; in the last analysis it is political subjection that is responsible. The right to self-government is a necessary preliminary to improvement in the food situation and, for the matter of that, in everything else.

"The prosperity and development of a country", says Dr. N. Gangulee, "are ultimately dependent upon two factors, namely, the natural resources the country possesses and the capacity to utilize them to the best advantage. The wealth of India's natural resources is vast and yet the poverty of the bulk of the people is phenomenal . . . . . For an expanding population the preponderance of agriculture as a means of livelihood is bound to give rise to an unbalanced economy".[11]

The story of the destruction of India's industries is a painful chapter of the Indo-British connection of the last well-nigh two centuries about which it is difficult to write with restraint. What we are here concerned with, however, is to prove that one baneful result of this unbalanced economy where almost the whole population has been crowded into agriculture, has been the undue reduction in the size of holdings making them uneconomic.

In industrialization lies the clue to a solution of the problem of agricultural overpopulation in a large degree. Industrialization, therefore, is a major remedy of the

[11] The Indian Peasant, 1935.

evil of uneconomic holdings, but it cannot be applied unless economic freedom is first achieved which, in turn, hangs on political freedom. At the same time it is a long-term or distant remedy; for even if we have the power to-day, India cannot be industrialized over-night; it will take a considerable time. Further, even after all possible industrial development has been carried out, we can envisage no time when agriculture will cease to engage, say, less than half or two-fifths of India's vast millions. Still further, apart from its possibility, it is not desirable for more than one reason to carry industrialization beyond a certain point. For a considerable time, particularly since the First Great War, agrarian policy in such industrialized countries as Britain, France and Germany, though it has not met much success, is directed to checking the flight from the land by improving the distribution of agricultural undertakings.

Law of Inheritance to be Changed

Despite industrialization, there will still be uneconomic holdings leading to poverty of occupants and waste of national energy. The appeal that the land has for the son of a cultivator, his inborn attachment for the village, his conservatism the comparative independence of a farmer's life—these and other things will still bind many a peasant's son to his land, however uneconomic it may be and however large and various the openings that industrialization may offer. There are some people, however, who regard industrialization as the only or complete remedy. To such we would address a definite question, viz., whether they expect in every case one of the two brothers who inherit between them, say, eight acres of land only, to move to the city of his own accord, and leave the other in full enjoyment of an economic holding? Obviously they cannot so expect; one of the two brothers, it is submitted, shall have to be compelled to leave the land. Legislation, there-

fore, has to be undertaken to cope with the evil, industrialization notwithstanding; the law of inheritance has to be changed. To clinch the argument, such a measure was found necessary even in over-industrialized countries and in those where agricultural land is in abundance.

Here we may usefully quote the views of Sir Mani Lal. B. Nanavati, a member of the Famine Inquiry Commission (1945):—

"The continuing increase in the number of uneconomic holdings is a serious evil. It is not only a question of the unsatisfactory economic position of the owners of such holdings who are compelled to eke out an uncertain livelihood by cultivating land as crop-sharing tenants, by working as day-labourers, by driving carts, etc. Uneconomic holdings also constitute a serious obstacle to efforts to increase the productivity of the land. The cultivator who lives on the margin of subsistence, cannot be expected to possess the resources necessary for increasing the outturn of his crops by the addition of improved farming practices requiring capital. From this point of view it is desirable to take steps to prevent a further increase in the number of uneconomic holdings. It is true that the provision of employment alternative to the cultivation of land by the development of industries will provide a solution to the problem, but this does not remove the necessity of undertaking other remedial measures while industries are being developed. I think it is essential that the medium holding should be defined within certain broad limits and that legislation should be undertaken for the purpose of securing that the right to such a holding passes to a single heir, the excluded heirs being allowed a right of maintenance. I have no objection to holdings which are larger than a medium holding sub-divided under the present laws of succession, provided the sub-division does not result in the creation of holdings smal-

ler in size than the medium holding. Even in respect of holdings which are smaller than a medium holding, I would extend the scope of impartibility to them." (Final Report, P. 259).

It is proposed then—

Firstly—that no holding shall be partitioned, gifted or devised or shall devolve on heirs in such a manner as to render any single share or portion allotted, gifted or devised to any co-sharer, donee or legatee or devolving on any heir less than six acres and a quarter in extent inclusive of any other land that he may be already possessing;

Secondly—if co-heirs cannot each get six acres and a quarter or more, then male co-heirs, and, as between male co-heirs, sons, and, as between those so entitled, the eldest ones in the descending order, shall be entitled to get the property and shall be liable to maintain till majority a minor heir or heirs, if any, that have been so excluded;

Thirdly—that a holding whose area is six acres and a quarter or less shall for ever remain impartible and shall be held absolutely and in severalty by the one person entitled for the time being.

There are several other minor proposals subsidiary to the above. All these proposals shall apply equally to all holdings whether old or coming into existence through State action under the scheme of acquisition.

The principle that property should not be divided if by such division it is rendered incapable of use has been recognized, in regard to non-agricultural property, in the Partition Act of 1893, Section 2 whereof lays down that, whenever by reason of the nature of the property or of any other special circumstances, a division of the property cannot reasonably or conveniently be made, the court may direct a sale of the property and distribution of the proceeds. One sees no reason why this prin-

ciple should not apply to agricultural holdings as well whose division into such units should be avoided as will preclude them from being used, cultivated or exploited properly or economically. Even now the devolution of the interest of an agricultural tenant is governed not by the personal law, which, particularly in the case of Mohamedans, prescribes too many heirs, but according to a special rule of succession (vide S. 35, U. P. Tenancy Act, 1939). One of the objects of this departure from the personal law is obviously to avoid undue sub-division of the holding. This inroad into the sacred domain of personal law should be carried further in the larger interest of the country and its agriculture.

The Land Revenue Committee appointed by the Punjab Government in 1938 to find, *inter alia*, whether the land revenue system can be revised so as to give relief to small holders came to the conclusion that any scheme of exempting uneconomic areas from land revenue would be impracticable; one of the main objections being that such a scheme would give rise to fictitious partitions and increase the number of uneconomic holdings. The Committee approve in theory the suggestion that exemption should only be allowed if the holder's land (a) has been consolidated into a single field, (b) constitutes an economic holding, and (c) is declared impartible for ever. Exemption on these conditions, they say, would be in line with policy followed in Germany and Denmark.

By a law of 1891, further sub-division below 8·3 acres was prohibited in that part of Poland which was incorporated in Russia before the First Great War (1914-18). In 1893 a law was passed in Russia forbidding the private redistribution of nadiel land, to prevent the sub-division of a single nadiel into several diminutive holdings. In the northern part of Estonia properties of less than 5·3 ha are indivisible. In the case of small farms, the restriction of succession to one

of the heirs has been found necessary in Belgium, Czechoslovakia and Burma also. The Irish Congested Districts Board in re-settling the areas under its control re-arranged the estates which it transferred from the landlords to the occupiers in such a way as to abolish the old uneconomic farms.

In Rumania the 1921 Law decreed that land shall not be divided by inheritance below 2 ha in the lowlands and 1 ha in the mountains and hills (Article 120). In the second place each land-owner was given the right to leave the property, whatever be its area, to one of his heirs alone, the others being compensated by the new owner in money. Provision was made for the fixing of compensation in such a way as to prevent excessive obligations being incurred by the new owner. If the deceased failed to indicate an heir in this manner, and the division of the holding would conflict with the provisions of the previous article, the law empowered the judicial authorities to designate among the heirs one who would take over the holding on the conditions fixed by this Article (Article 127). Thirdly, small holders were empowered to leave the indivisible minimum to a single heir even if its value exceeded the individual's proportional share, and without obligation for the testator or heir to contribute the difference in money. A law of 1925 added that the small holdings could be bought and sold only to the full extent in which they were originally obtained. The Law of March 22, 1937, on the Organization and Encouragement of Agriculture, while making certain changes in the existing law, re-affirmed that agricultural properties not exceeding 2 ha may not be divided after sale or succession.

In Denmark the law on the subject took final shape in 1769, and it has remained in force ever since. Peasant holdings must not be let down. Their maintenance is defined as involving not only the physical maintenance of farm building, but also the maintenance of the neces-

sary farming stock and the employment thereon of the necessary labour. Moreover a farm is deemed to be let down if it so divided that the main block is insufficient to support a peasant family. All changes in the size of properties have, therefore, to be approved by the Minister of Interior. The maintenance without undue sub-division of the peasant properties is really brought about by the deeply-rooted sentiment of the the Danes who, like the peasant population of the German lands to the South, cling to the thought of the farm as being a unit which ought to pass without undue diminution to one of the sons. The excluded children are compensated by the new recipient, but in order to prevent his overburdening, the valuation laid down may be below the "true value", i.e., the price at which it could be sold. All small holdings created under the legislation referred to previously also pass undivided to a preferred heir.

In Germany too, the Nazis had taken action in pursuance of Article 7 of their manifesto of 1930 which ran—"A law of inheritance will be required to prevent sub-division of property". According to the Law of September 29, 1933, on Hereditary Peasant Holdings, which modified the previous laws on rural property and inheritance, all agricultural or forest properties capable of providing a living for a peasant family—which, in general, means properties not exceeding 125 hectares in area—are declared to be peasant holdings, and are entered in the Land Register as such, if they belong to persons entitled to the description of 'peasant'. The owners of hereditary peasant holdings are alone entitled to the appellation of peasant. Proprietors or possessors of any other agricultural or forestry undertaking are described as agriculturists. A hereditary peasant holding may not be divided on succession, but must pass as a whole to the eldest son or the nearest male relative, who must provide a living and an education to younger brothers

and sisters until they reach their majority. Excluded co-heirs are, however, entitled to share in other property. There are about 700,000 of these hereditary peasant holdings, covering roughly half the total area of cultivated land in Germany. This law, in addition to confirming or re-enacting a previous law of June 8, 1896, re succession to, and indivisibility of, small peasant holdings created by the laws of 1886 and 1890-91, simply codified an ancient custom obtaining in extensive areas of Germany, amounting in all to some four-fifths of the whole country, in accordance with which land passed to a single heir, usually the eldest son, the co-heirs receiving compensation which, in general, was less than what each of them would receive, if the property was equally divided, and was calculated on the basis of earnings accruing from the undertaking, and not on that of its sale value.

In France, the peasant population has laid itself under a voluntary ban. In an anxiety to avoid the splitting-up of his property among several heirs, the small holder tends to limit the size of his family, some of the districts where the fairly prosperous peasant owner or comfortable farmer predominates being those in which the birth-rate is the lowest. Still, legislation was found necessary, and a decree was issued on June 17th, 1938, declaring that an estate or estates forming an agricultural undertaking of less than 200,000 francs in value may be declared indivisible subject to certain specified conditions, despite the opposition of a joint owner or the parties entitled to benefit on his account. The period of the declaration of indivisibility applied for may not exceed five years, but the declaration may be renewed until the decease of the surviving spouse or the coming of age of the youngest descendant. The decree further gives certain exemptions from taxation to co-heirs in cases where it has been found possible to avoid the parcelling of an estate or the division of an agricultural under-

taking. By the laws of March 31, and December 31, 1935, fiscal exemptions were granted on successions in the direct line of descent to small rural properties and artisans' properties not exceeding 50,000 francs in value. A decree of April 21, 1939, has extended these exemptions to the surviving spouse and has raised the value-limit of the exempted properties to 100,000 francs.

In our own country in the State of Bhavnagar which provides the best example of rural reconstruction yet carried out here, "the evil of sub-division of holdings tending to make them uneconomic will be more or less effectively stopped by the recent orders which prohibit both undue fragmentation and also transfer by sale or otherwise of a part of a holding when the area of such holding is less than a prescribed number of bighas"[12]

The question of questions, however, is:—

What shall happen to the excluded heir and his rights in the patrimony? In Belgium, Denmark and certain other countries, the succeeding heir buys out the rest, if he cannot pay cash down, through the agency of mortgage-bonds; in Burma he has to pay the compensation in cash. In Rumania he has to pay nothing if the share that he receives is the indivisible minimum; in England, as we saw earlier, where the law of primogeniture prevails in regard to all landed estates, no compensation is paid to the younger brothers and sisters. In Germany the preferred heir has simply to provide a living and education to younger brothers and sisters until they reach their majority. We, too, propose that there should be no compensation, whatever, except that the successor should be laid under a statutory obligation to maintain the excluded minor heirs, if any, till they attain majority.

It may be said that the proposal is manifestly un-

[12] "*Agricultural Debt Redemption And After* in *Bhavnagar State*", 1937.

just to the excluded heir; the reply is that it is based on three very good reasons, viz., firstly, that if the successor is required to pay compensation he shall have to incur debt which, as has been found by the Provincial Banking Enquiry Committee in the case of Burma, he will, in all probability, be not able to pay off during his lifetime unless he sells his holding to raise the amount. Secondly, that the reform is being advocated in national interest before which individual interest must yield, and there is no question of justice or injustice where the good of society as a whole is concerned. Thirdly, that, rather than have an economic holding divided between, say, two heirs and each of them starving or see an owner of an economic holding start his life with an incumbrance round his neck which he will not be able to shake off, it is far better to start one of the two as an owner of an economic holding free from handicaps and to put the other on his mettle. The father, lest his disinherited son fall into a lower economic class than that into which he has been born, will direct his efforts to equipping him as well as he can by training and education for his future career. The excluded heir, too, if he has any guts, will strenuously resist economic degradation and will do his best, aided or unaided, to qualify himself for the battle of life that lies ahead.

"I agree", says Sir Manilal B. Nanavati in this connection, "that public opinion is likely to be opposed to my proposal on account of the adverse effect of such a change on the younger sons. It should, however, be possible to educate public opinion to appreciate the necessity for such a proposal in the permanent interest of the country. The proposal is not put forward as an alternative to a programme of industrial development which I consider essential. The proposal is, in fact, complementary to such a programme. It is complementary because it would compel the junior members of the families owning medium holdings to seek non-agricultural

employment at a time when the resources of the family are still adequate for giving them the necessary training as well as the means of support while they are seeking employment. It would prevent tendency to accept a gradual decline in living standards as inevitable, and help to arrest the drift towards indebtedness and ultimate insolvency which occurs when the family is outgrowing the land".[13]

Such excluded heirs will form the intellegentsia of India; they will fill the learned professions, man the higher services, provide the managerial and technical staff of large-scale industry and start small-scale industry all over the country-side. Those who cannot seize the opportunity, or have none, will find employment in the lower ranks of services or will be absorbed in cities and manufacturing centres as wage-earners. Still others are likely to turn farm labourers and it is a matter of common observation that, as often as not, an agricultural or farm labourer is financially better off than the owner of an uneconomic holding, for the former gets the full return of his labour and has not to incur the extra expenditure of maintaining a complete agricultural equipment. There is yet another way out, viz., by emigration to sparsely populated areas of the world, which, however, depends on the political status of our country and world conditions.

There is still another reason in favour of prohibiting division of holdings below a certain minimum. If consolidation of holdings is a desirable thing, as admittedly it is, then the time, energy and money spent on such consolidation shall have been spent in vain, i.e., compactness, once achieved, shall not last long, unless a complementary step is taken to check in the future this disintegrating

[13] Final Report of the Famine Inquiry Commission 1945, pp. 259-60.

process, i.e., unless the present laws of succession are changed.

In the end we may observe that continual subdivision of holdings has become an urgent national problem; it is not only ripe for remedy, but with passing time grows progressively more intractable. To lose time, therefore, in making up the mind what to do is, in the circumstances, simply criminal.

Before leaving the subject we must admit that a final or perfect remedy for the too small or uneconomic size of farm business is difficult to find; there may be much to be said against the remedy suggested in the preceding pages. Reclamation and colonization, however, seem scarcely the solution, since lands for such extensive colonization as would be needed are limited. Moreover, unless something is done to check the growth of population, colonization will do little permanent good. The same may be said of drawing men from the land to industry and professions. As industries develop and professions expand, a certain number of the country people will be absorbed into them; yet it can scarcely be hoped that sufficient numbers of them will be so absorbed as to relieve the agricultural situation for any considerable period of time. Nor does it seem very practicable in the present world conditions to emigrate to sparsely peopled parts of the earth. All these methods being temporary, the best future solution of the problem, therefore, would seem to lie in some method of population control.

While discussing the population problem, the Famine Commission (1945) has come to the conclusion that a rise in the standard of living is the primary means of checking the rate of population growth. All experience in other countries supports this conclusion. In India, as elsewhere, a fall in the birth-rate will tend to follow rather than precede economic betterment. The Indian middle classes have already begun to reduce their

families from prudential motives. At the present time, a deliberate state policy with the objective of encouraging the practice of birth-control among the mass of the population (e.g., by the free distribution of contraceptive devices) is, however, impracticable. For religious reasons, public opinion is not prepared to accept such a policy. Further, the low economic condition of the poorer classes and their lack of education, together with the factor of expense, seem to make the widespread encouragement of birth-control a practical impossibility. Another remedy suggested by the Commission is the postponement of the age of marriage which tends to lower the birth-rate, not only because it reduces the effective child-bearing period, but also because women are more fertile in their earlier years.

However taking all in all, there can be no better immediate solution of the problem of multiplication of uneconomic holdings in future than the one suggested here, viz., that the right to such a holding pass to a single heir and sub-division below a certain minimum be disallowed. These steps are to be coupled with more intensive methods of raising crops, improvement of land and the growing of crops that produce more food per unit of land. As for the existing uneconomic farms, co-operative farming coupled with small scale village industry is regarded by consensus of opinion as the best method of mitigating or even eliminating their evils.

Co-operative Farming

Co-operative farming, however, to this day, 'is little more than a phrase, which is seldom defined and is always vaguely understood'.

One method reommended is wherein peasants' right to the ownership of their existing holdings shall remain intact, but cultivation operations would be carried on jointly, and, provided a majority of, say, two-thirds or three-fourths of the cultivators of a given village or

area agree to a merger, compulsion may be used against a refractory minority. "The expenditure would be met from a common fund and deducted from the gross income. The net income would then be distributed among the cultivators in proportion to the land belonging to each".[14] The individual rights in land shall thus be converted into shares in a joint enterprise in a way. The cultivators shall be induced to merge their plots tentatively at first and, if success is assured, permanently. Thus advantages of large-scale production are sought to be attained without having to abolish the uneconomic holdings (for their identity shall remain, at least, on paper) or straightaway asking the owners to sacrifice their sense of pride in their lands. In this way the collective farm idea is sought to be adopted to Indian conditions.

But if farming operations are to be carried on jointly, how will work be distributed and how differences in individual performance are to be provided for ? And how will functions be evaluated ? Will these questions be answered as they have been in Russia ? The idea is not very clear and we do not know whether this system has been successfully demonstrated anywhere in the world, but as it means pooling of property for the purpose of all the work of production, we are afraid it must ultimately gravitate towards the kolhoz—which will be a consummation to be devoutly avoided. It should not be forgotten that once a system of production of the type above mentioned is established, it offers a short, tempting cut to centralized control to a future Indian Stalin. "Control" may be the solution of the problem, but then we should know what we are aiming at, for the solution can be realized only by the total sacrifice of

[14] "Memorandum on the Development of Agriculture and Animal Husbandry, 1944" Imperial Council of Agricultural Research.

the individual.

It may not be out of place to mention here that, although the communists are fond of calling the kolhoz a Producers' Co-operative, it is not a co-operative organization in the accepted sense of the term. The members of a Soviet producing co-operative possess no personal and inalienable rights in the property of the organization; they can be deprived of membership and packed off at any moment; their remuneration consists of whatever net income remains after the State has taken its share. It is the State which regulates what crops shall be sown and what prices shall be paid for them; the members of the so-called co-operative have no voice. The kolhozniki can at best be called working co-partners or share-croppers with the State in an agricultural enterprise in which the State provides the capital.

As has been pointed out before, land shall not produce more—at least, materially more, if we take conservation of moisture and destruction of weeds into account that deep ploughing implies—simply because it is ploughed by a tractor in large blocks, instead of by a simpler instrument or in small plots by animal labour. Production being a biological process, mere use of machinery or concentration of property will not enhance it, and, in addition to facilities of marketing, the main advantage of large-scale farming is saving of labour which is not our aim here in India. It is abundant water, application of manures, preferably organic, and use of other "modern chemical discoveries", improved varieties of seed and measures for control of pests and diseases, and the ability or personality of the farmer that affect actual production per acre, not the use of 'mechanical inventions' which the advocates of joint farming have largely in view. The application of scientific methods to the culture of soils and the processes of agriculture has given very high yields—higher than machinization or collectivisation has made possible in the land of Soviets—in

Belgium and Holland where small holdings are the rule. Tractors and machinery may with advantage be employed only in the eradication of deep-rooted weeds like *Kans, hirankhuri* and *motha,* in opening up and colonization of new areas, i.e., in bringing cultivable, but hitherto uncultivated, wastes under cultivation or in clearing land originally under jungle and in anti-erosion works, but not to make the soil yield a large output which it otherwise would not. They are redundant and uneconomic in areas where intensive cultivation is already being practised. Introduction of co-operative methods *in all other aspects* of the economic life of the cultivator is, however, to be welcomed; rather, it is "the best hope of India", as the Royal Commission on Agriculture put it. It is the surest guarantee against the exploitation of the peasants' ignorance and isolation, as also the best method of bringing the results of scientific research to the door of every peasant.

Peasants can join forces with their neighbours and organize co-operative banking and credit, mutual insurance work against loss of cattle or losses by frost and hail and against other farmers' risks, co-operative dairies and stock-raising societies, co-operative societies for land improvement, drainage and irrigation, co-operative use of agricultural machinery, etc. It is, however, in the improvement of marketing facilities, i.e., facilities for purchase of requirements (including improved seeds, improved agricultural implements or even machines, scientific manures or fertilizers and domestic supplies) and sale of produce—according to Adam Smith, "the greatest of all agricultural improvements"—that a co-operative society offers its members the technical advantages of a large-scale undertaking in the largest measure. Co-operative selling enables the farmer "to save time for other duties, to enjoy a wider market, to sell a properly graded product and thereby gain the benefit of a better price, to obtain the necessary financial facilities

which will enable him to spread his sales over a period of twelve months instead of disposing of his products immediately after harvest and, finally, therefore, to enjoy a wider market also in respect of time"[15].

Some sort of cottage industry (i.e., poultry, bees, silk-worms, textiles, embroidery or lace-work) may also be run co-operatively or even individually by agriculturists to keep the adults engaged during the off-season and also to afford an opportunity to the women-folk and children to contribute to the joint income. The raw materials can be provided at an advantageous price through collective purchase. Similarly the finished products can be sold at an advantageous price in a suitable market through joint sale.

That small-scale industry can hold its own at least in some spheres against large-scale industry admits of no doubt. Pointing out the advantage of handicrafts over specialized industry on a factory-scale, Lewis Mumford, the American sociologist, says:—

"And there is still a further reason to give an important position to the handicrafts and machine-crafts, as subsidiary forms of production, run on a domestic scale. For both safety and flexibility in all forms of industrial production it is important that we learn to travel light. Our specialized automatic machines, precisely because of their high degree of specialization, lack adaptability to new forms of production: a change in demand, a change in pattern, leads to the whole-scale scrapping of very expensive equipment. Wherever demand for products is of an uncertain or variable nature, it is an economy in the long run to use non-specialized machines; this decreases the burden of wasted effort and idle machinery"[16].

[15] "*Economics of Agriculture*": Van Der Post, p. 399.
[16] "*Technics and Civilization*", p. 416.

We may point out here that Marx's original prediction that the class struggle would be fought out on strict class lines between an impoverished international proletariat and an equally coherent international bourgeoisie was falsified by two unexpected conditions, one being the growth of the middle classes and the *small industries* which instead of being automatically wiped out showed unexpected resistance and staying power (the other being the new alignment of forces between country and country, which tended to undermine the internationalism of capital and disrupt the unity of the proletariat).

Small industry enjoys one peculiar advantage over big industry brought to light by the Second World War. The latter provides safe target to aerial bombing by the enemy, resulting in dislocation and destruction of the entire economy of the nation while small industry can be carried on undetected throughout the country-side. It was this discovery which enabled China in a large degree to brave the onslaught of Japan. Chinese Industrial Co-operatives established during the last War will give a new direction to industry throughout the world.

The State will, however, have to demarcate the sphere of large industry and restrict its operation beyond certain limits so that small industry, almost crushed out of existence in India to-day, may have an exclusive field in which to develop and consolidate itself. One criterian may be suggested here, viz., that only those industries shall be allowed to be carried on, on factory scale which cannot be run in small workshops or as handicrafts on domestic scale. For example, big existing textile mills should be scrapped or at best converted into mere spinning mills which will supply yarn to weavers. This step alone will give employment to twenty-five times the number of workers employed in these mills to-day—dispersed in their homes all over the country, masters of their time, and liberated from the choking

atmosphere of slums and over-crowded cities. Thus protected, the weavers of India will soon recover their old skill which was once the wonder of the world. The reader may be informed here that in ancient days the art of weaving was practised in India, for the most part, by cultivators as subsidiary occupation, particularly in Bengal and Bihar, in their off-seasons of agriculture.

Our aim should, therefore, be to set up a comprehensive co-operative organization of *independent peasant producers*, to perform the functions which can be done satisfactorily only on a fairly large scale (and to carry on subsidiary industry), and not to establish big undertakings which are unnecessary in agriculture where it is land that contributes more, if not almost wholly, than machinery to the product. It is such a system that is called "Co-operative farming" by most persons.

The distinguished European thinker, Count Coudenhove-Kalergi in his "Totalitarian State Against Man", has suggested the establishment of "Agricultural Co-operatives" as a final and lasting solution of all the ills of the war-weary world. Discussing the need for an 'economic revolution', he observes:—

"It demands a free economic system and operation. Its aim is the creation of the greatest possible number of *independent existences* bound together by the principle of co-operation. It rejects both economic anarchy and collectivism. Its model is to be found in the Agricultural Co-operatives, which combine all the advantages of private property with the spirit of brotherhood and reciprocal aid"[17].

According to the Woodhead Famine Commission also, the future development of agriculture in the case of small and medium farmers depends in a considerable measure on the organization of these classes into multi-purpose village co-operative societies. That is, we have

[17] Quoted in "*Gandhian Plan*" at p. 470.

to organize the Agrico (agricultural co-operative) as the prototype of Chinese Indusco in agriculture.

Agriculture is the most individualistic industry, but the Indian peasant, in spite of his intense individualism, has inherited certain co-operative instincts. For example, sugarcane pressing, well or tank irrigation, provision for drinking water, drainage, cultural centres, etc., can never be individual enterprises in a community of small cultivators that rural India has always been; therefore, cost and responsibility of such works have been shared in common from time out of mind. Ploughing and harvesting in groups and cultivation of crops according to a pre-arranged plan are still common features of our villages. Our panchayats, which simply grew and were not super-imposed, were the finest expression of the co-operative principle. The traditions still survive, if not the form. Introduction or reintroduction of voluntary—or even semi-voluntary—co-operation, therefore, will strike the deepest chords of our rural life, and will be in perfect accord with our heritage. We should, however, beware of pitfalls; co-operation in agricultural production, through and through, involving inevitable pooling of property, is foreign to the soil; history and agricultural economics do not confirm it and the experience of other lands so far has not been encouraging.

Concluding Remarks

In conclusion, it must be realized that reform of the system of land tenure alone, though of the forces contributing to the well-being of the agricultural industry in any country it is the most important, does not promise a final solution of the agrarian problem of the country; it will not usher the millenium for the peasant. The agricultural problem is vast and complex and has to be attacked on many fronts. The abolition of zemindari is only a beginning in a comprehensive plan for agri-

cultural development. It "should be followed", says the Bihar Government in its reply to the questionnaire of the Famine Inquiry Commission (1945), "by large-scale reorganization of agriculture including co-operative farming, large-scale irrigation and intensive and widespread application of all well-known methods of agricultural development, besides providing outlets for agricultural labour. There should also be extensive education, health and other facilities and amenities and the huge loss of wealth and capital caused by epidemic among men and cattle must be prevented. The increased resources of the State should render all these possible." In addition to the land system, the British Agricultural Tribunal of Investigation enumerated the following factors as responsible for the farmer's prosperity:—

A. The fiscal organization of the country and in particular the assistance to agriculture by tariffs or subsidies.

B. The system of general education and the special provision for agricultural education and research.

C. The economic organization of the industry and in particular the development among farmers of co-operative methods of purchase and sale, co-operative credit and co-operative insurance.

D. The institution of schemes for the improvement of livestock and crops, the standardization of produce and the control of weeds and vermin.

E. The organization of transport, the provision of power and wireless, the assistance of subsidiary rural industries and the development of afforestation.

F. The development of State or voluntary organization to provide the necessary central and local machinery for carrying out the various measures of agricultural policy.

The State will have to bend its energies in all these directions if it is in earnest. "If the inertia of centuries is to be overcome", says the Report of the Royal Com-

mission on Agriculture (1928), "it is essential that all the resources at the disposal of the State should be brought to bear on the problem of rural uplift. What is required is an organized and sustained effort by all those departments whose activities touch the lives and surroundings of the rural population".

But reform of the land system should take precedence; it is necessary and urgent as it is the first, indispensable step in relieving the peasant and giving him breathing space. It alone will lay the foundations of rural re-construction and of a democratic state. "In the Europe of the nineteenth century, the reconstruction of the fabric of the land system preceded the modernization both of production technique and of the business side of farming; nor, in the absence of the first, would the two last have been possible"[18]. We are at least half a century behind the times. The Tenancy and Debt Acts are good as far as they go; time is now ripe for the State interference to be extended still further and for a large effort to be made to establish peasant proprietorship and to maintain it. Shall we take the final step and release the peasant from his bondage once and for all?

As an appendix the reader will find a model bill intended to give shape to most of the ideas put forth in the preceding pages. It is a very sketchy thing; the provisions are merely illustrative; much may have to be changed and much else added.

[18] R. H. Tawney: *"Agrarian China"*, p. 18, quoted by Nanavaty, p. 318.

APPENDIX

Below is given a model bill for giving legal shape to the proposals enunciated in the last three chapters—

The U. P. Land Utilization Bill, 194. . . . .

Preamble—Whereas it is expedient in public interest that agricultural land may be possessed only by him who is prepared to cultivate it himself and thus cease to provide an unearned income for the big owner or a middleman, that it may be prevented from further subdivision into uneconomic holdings and that it be otherwise better utilized or administered, it is hereby enacted as follows:—

CHAPTER I

Preliminary

(*i*) This Act may be called the U. P. Land Utilization Act, 194 .

(*ii*) It shall come into force throughout the United Provinces on its publication in the Provincial Gazette.

In this Act unless there is anything repugnant in the subject or context—

(*i*) The expressions "Agriculture and cultivation" shall include horticulture and the use of land for any purpose of husbandry, inclusive of the keeping or breeding of live-

stock, poultry or bees, and the growth of fruits, vegetables and the like.

(*ii*) The expression "Land" means land which is occupied or let or can be used for agricultural purposes or for purposes subservient to agriculture, or for pasture, and includes–

(*a*) except in a town or village, the sites of buildings and other structures on such land,

(*b*) all trees standing on such land, and

(*c*) any interest in, or, right or easement in or over, such land.

(*iii*) "Revenue" means land revenue, and includes revenue assessed only for the purpose of calculating the local rate payable under the U. P. Local Rates Act, 1914.

(*iv*) "Rent" means whatever is, in cash or kind, payable on account of the use or occupation of land or on account of any right in land.

(*v*) "Tenant" means a person who holds a heritable holding, and by whom rent is, or but for a contract, express or implied, would be payable to the land-holder.

(*vi*) "Holding" means a parcel or parcels of land recorded as sir, cultivated as khudkasht or held by a tenant.

(*vii*) "Sale" means sale, whether by private agreement or by auction, and includes "mortgage by conditional sale" as defined in the Transfer of Property Act, 1882.

(*viii*) "Gift" does not include a gift for a religious or charitable purpose whether made inter vivos or by will.

CHAPTER II

Creation and Maintenance of Peasant Proprietary

3. A person shall, on application to the Collector in this behalf, be declared the proprietor of the land he holds as tenant, or of so much land as he holds as sub-tenant, whether of a sir-holder or a tenant, and as is left after reserving an area of fifty acres, both proprietary and tenancy, to his immediate landlord, on depositing to the credit of the land-holder, either in the court of the Collector along with his application a sum equal to three times the annual rent, or, in the Tahsil, a sum equal to one and a half times such rent continuously for five years any day before the agricultural year expires.

4. A tenant may, after surrendering one-fourth area of his holding, be declared proprietor of the remaining area provided such area is not less than six acres and a quarter.

5. A Collector may, *suo motu* or on the application of any person, after giving a notice of one year if he so deems fit, appropriate in the name of the Government, upon payment of a sum equal to fifteen times the revenue, or if it is held by a tenant, equal to six times the rent, to be divided half and half between the land-holder and the tenant, land which is held or cultivated by a person as sir or khudkasht or as a tenant in excess of fifty acres, or which, at the date of application or notice, has been lying waste or in a seriously neglected condition or has not been cultivated for the last two years, or of which such use is, owing to whatever cause, not made as it is capable of or as it may have been reserved for. The notice shall, in the latter case, vacate if the owner or holder shows to the satisfaction of the Collector that he has been making a proper use of the land or that he had made such use thereof within the period of the notice.

Provided that—

(*a*) Where the land so acquired is to be reserved for common pasture, the price may be calculated at ten times instead of fifteen times the revenue.

(*b*) Payment of price of land, if it comes to over Rs. 1,000, may, in the alternative, be made in State Bonds bearing 3% interest per annum and payable in sixty years.

(*c*) Corporate persons may be paid in perpetual bonds.

(*d*) The holding from which the land is severed for sale shall not be reduced below fifty acres, nor shall the severance depreciate in value the land left with the original owner or tenant.

(*e*) A land-owning or cultivating joint Hindu family shall be treated as one person if it consists of father and sons.

(*f*) No land shall be acquired by an order under this section which at the date of the order forms part of any garden or is otherwise required for the amenity or convenience of a dwelling-house or which at that date is the property of any local Authority or has been acquired by any corporation or Company for the purpose of a canal, road, railway or other public undertaking or manufacture or other object of archaelogical interest.

6. (*i*) All leases are void *ab initio* except when the lessor is a widow, a minor whose father is dead, a lunatic, an idiot, a recognized credit association or institution by which a usufructuary mortgage-debt might have been advanced, or a person incapable of cultivating by reason of blindness or physical infirmity or because he is confined in jail or is in the military, naval or air service of the country.

Provided that in the case of a holding held jointly by more persons than one the provisions of this sub-

section shall not apply unless all such persons are of one or more of the descriptions specified.

(*ii*) A lease which would be void but for the provisions of sub-section (*i*) shall in no case remain in force for more than three years after the lessor is dead or ceases to come within the descriptions specified therein or for more than one year after the mortgage-debt has been paid off. After the termination of a lease, the lessee shall be treated as a rank trespasser.

(*iii*) Land leased in contravention of sub-section (*i*) shall be forfeited to the State without compensation.

7. If a proprietor desires to sell his land, unencumbered by debt or tenant rights, to the State, the State will be under an obligation to purchase such land at fifty to hundred times the revenue payable thereon and pay the proprietor in cash.

8. The land acquired under section 5, confiscated under section 6 or purchased under section 7, and not meant for pasture, shall, after it has been reclaimed, if necessary, or so treated or such work has been executed thereon by the Government, as will enable it to be satisfactorily and economically used for agricultural purposes, be sold out on application, on payment of the price at which it has been acquired and of the cost of reclamation, if any, in the manner and subject to the conditions following—

(*i*) No land shall be sold to a person who might at the date of application be an heir, by rule of survivorship or otherwise, to a holding of six acres and a quarter or more in extent.

(*ii*) Land shall be sold to applicants in the following order:—

(*a*) Persons who on the date of sale cultivate less than six acres and a quarter in the village, land whereof is to be sold, or in the village adjoining thereto.

(*b*) Persons who on the date of sale do not cultivate any land and are unemployed and unable to obtain any suitable employment or are agricultural workers or have been members of the Indian Army, Navy or Air Force and who have satisfied the Collector that they will themselves cultivate the land and are able to cultivate it properly.

(*c*) Persons who on the date of sale cultivate six acres and a quarter or more.

Provided that—

(1) As between persons belonging to the same class, preference shall be given to those applicants who reside in the village in which the land to be sold is situated.

(2) No applicant shall be sold less than six acres and a quarter of land or more than twelve acres a half inclusive of the land, if any, that he may already be cultivating as an owner or a tenant.

9. If the purchaser cannot pay the money, or any part of it, that he may be liable to pay under section 8, it shall be secured by a charge on the purchased land in favour of the Government, and shall either be repaid by half-yearly instalments of principal with 3 per cent. interest per annum and within such terms not exceeding sixty years from the date of the sale, as may be determined by the Collector, or shall, if so stipulated, be repaid with such interest and within such time as aforesaid by a terminable annuity payable by equal half-yearly instalments. The amount for the time being unpaid may at any time be paid, and any such terminable annuity may at any time be redeemed, in accordance with the table fixed by the Government.

10. Money for the purchase of live-stock, feeding-stuffs, seeds, fertilizers and implements required for

the purpose of cultivating the land purchased under section 8 may also be advanced by the Collector as may be prescribed by the rules made in this behalf.

11. (*i*) If land acquired by a tenant under section 3 or by the Government under section 5 is subject to a mortgage or a charge, the creditor shall be paid that part of the debt or charge which attaches to the expropriated area, in cash or in bonds as the case may be, and the money shall be payable out of the compensation due to the proprietor. If the debt exceeds the value of the purchase money which the proprietor is to receive, the remaining debt shall become a charge on that part of the property, if any which the proprietor retains.

(*ii*) If land confiscated under section 6 is subject to a mortgage or charge, the State shall pay to the mortgagee or charge-holder such debt or charge to the extent of fifty times the revenue on such land, and no more.

Provided that nothing in this section shall apply to a charge for maintenance which shall not be extinguished by acquisition or sale and shall run with the land.

12. Land shall be attached, mortgaged or auctioned for debt only if it has been advanced by the State or credit associations and institutions recognized by the State.

13. No exproprietory rights of occupancy, as defined in the U. P. Tenancy Act No. XVIII of 1939, shall vest in a proprietor if he sells his land or it is confiscated by the State under sub-section (*iii*) of section 6, or sold in execution of a decree of a court.

CHAPTER III

Regulation of the Size of Holdings

14. Notwithstanding anything to the contrary in the U. P. Tenancy Act, 1939, a holding may be parti-

tioned or sold under this Act and gifted, or devised, to his heirs.

15. Land shall not be gifted or devised to, or purchased by, a person so as to make his holding larger than twelve acres and a half.

16. A person may, except for purposes of an industry (other than agriculture) and with the permission of the Collector, sell or let only either the whole of his land if it is less than six acres and a quarter in extent, or in lots thereof each not less than six acres and a quarter in extent, or to persons whose holding would amount to six acres and a quarter or more in extent when the land sold or let is included.

17. Notwithstanding any law or custom to the contrary a holding shall, after the commencement of this Act, be partitioned among members of a joint Hindu family, gifted or devised, or shall devolve on heirs in such a manner as to render each single share or portion thereof allotted, gifted or devised to a member, donee or legatee or devolving on a co-heir at least six acres and a quarter in extent inclusive of any other land, if any, that the member, donee, legatee or co-heir may already possess as an owner or a tenant.

18. If co-heirs to an undevised estate cannot each get six acres and a quarter or more, inclusive of the land they may already possess, then male co-heirs, and, as between male co-heirs, sons, and, as between those so entitled, the eldest ones in the descending order, shall be entitled to get the property, and the other co-heirs will get the property in the above order only if and when the co-heirs so entitled refuse to take it.

19. (*i*) The co-heirs, who get the property under section 18, shall be liable to maintain till majority a minor heir, if any, who would have got a share but for this Act. The maintenance shall be a 'charge' on the holding within the meaning of the Transfer of Property Act, 1882.

(*ii*) On sale for default in payment of maintenance, the excluded heir shall have a preferential right of pre-emption, notwithstanding anything to the contrary.

20. A holding whose area is six acres and a quarter or less shall for ever remain impartible and shall be held absolutely, and in severalty by the one person entitled for the time being.

21. Sale, partition, gift, will or lease or any other kind of transfer or agreement purporting to provide for the cultivation or occupation of a holding or land or any part thereof in contravention of the provisions of, or intended in any other way to defeat the intention of, this Act, shall be null and void, and the Collector may, suo motu or on the application of a person, summarily evict any such transferee or any one so in possession.

22. Notwithstanding anything aforesaid, no restriction shall be placed on partition, transfer or devolution of farm-yards, mansion-houses, orchards, plantations, gardens and the like.

CHAPTER IV

23. In areas that may be notified in the Gazette the Government may substitute any figure for six acres and a quarter and for fifty acres wherever used in this Act.

24. The powers conferred by this Act on the Collector may be exercised by any other Revenue Officer empowered by the Government in this behalf.

25. An appeal shall lie to the District Judge against an order of the Collector passed, or any act done by him, under this Act which shall not, however, be questioned otherwise in any other civil court.

26. The Government may frame rules for carrying out the purposes of this Act.