CHAPTER - I

BACKGROUND INTRODUCTION, IMPORTANCE, OBJECTIVES, METHODOLOGY AND REVIEW OF LITERATURE.
CHAPTER - I

BACKGROUND INTRODUCTION: IMPORTANCE, OBJECTIVES, METHODOLOGY AND REVIEW OF LITERATURE

I. INTRODUCTION

Assam is a north-east frontier State of Indian Union. After her last reorganisation in 1972, Assam comprises eight plains districts (Kamrup, Goalpara, Darrang, Lakhimpur, Dibrugarh, Sibsagar, Nowgong and Cachar) and two hill districts of Karbi-Anglong (erstwhile Mikir Hills) and North Cachar. The total geographical area of Assam is 78,523 square kilometres representing about 2.39 per cent of the total area of the country. The plains districts are spread over an area of 63,301 square kilometres and the two autonomous hill districts cover an area of 15,222 square kilometres.

The Brahmaputra river which flows through all the Assam Valley districts along with its numerous tributaries, makes the valley a fertile region for the cultivation of a number of crops, particularly paddy and jute. Agriculture and allied activities are the chief sources of employment absorbing 76.68 per cent of the working force as against 72.05 per cent in the country as a whole as per 1971 census. Out of the total of 40.88 lakh workers as per 1971 census, agriculture
and allied activities (comprising agriculture proper, tea cultivation, animal husbandry, forestry and fishery) account for 31.35 lakhs. Agricultural workers alone constitute 26.88 lakhs representing 65.7 per cent of the total workers. Agriculture and allied sectors contribute about 49 per cent of national income in Assam.

Soon after the attainment of independence of the country in 1947, increasing attention was paid by the National Government to the removal of all socio-economic impediments to rapid economic development. In the case of agriculture it was found that the agrarian structure was defective and was not only retarding agricultural development but also perpetuating social and economic injustices and disparities. Large areas were cultivated through tenants-at-will called "undar-reiyats" and share-croppers called "adhiars". According to the 1961 census, 37 per cent cultivators were either tenant cultivators or part owner-part tenant cultivators.

The agrarian structure which was inherited by independent India from the British was semi-feudal, characterised by heavy concentration of ownership of land with a large number of intermediaries between the owners and the actual tillers of the soil. Assam was no exception to this all-India pattern. It was realised that far reaching agrarian reforms were necessary to change this pattern not only on grounds of production but also for ameliorating the conditions
of the under-riyats and the adhiars who constituted the bulk of the rural population. Consequently the Directive principles of State policy embodied in Article 39 of the Constitution of India stressed that the ownership and control of the material resources of the community were to be distributed in a manner as to subserve the common good and prevent the concentration of wealth and means of production in a few hands to the detriment of the community. Subsequent policies of the Central and State governments incorporated in the successive Five Year Plans, bear a clear imprint of the Directive principles mentioned above. The question of land reforms assumed tremendous importance in this context.  

The achievement of economic growth with social justice, which is the main goal of economic planning in India, required a thorough transformation of the system and structure of production and distribution. The presence of dualism in Indian agriculture in the form of the unhappy co-existence of marginal farmers and landless cultivators on the one side and large land-owners and absentee landlords on the other perpetuated inequalities in the distribution of land and reinforced disparities in levels of living. This dualism was both

\[1\] It may be noted that this importance of land reforms was also stressed by the Congress Agrarian Reforms Committee which was of the opinion that the welfare of the Indian peasantry and the progress of Indian agriculture depended to a large extent on whether the peasantry was secure on their lands, the main source of their livelihood, and whether the tenurial system provided sufficient incentives and opportunities for agricultural development.
structural and institutional. In India, agriculture is a private enterprise and the right of private property and landownership has institutionally existed and is constitutionally guaranteed. The schism created by this dualism has tended to widen and perpetuate the inequalities in landownership over the years. The state of affairs was unfortunately reinforced further by the introduction of new technology in agriculture and the consequent "green revolution." Farmers having large holdings have technical dynamism as well as the economic capacity to take advantage of the new technology whereas the small farmers lack the necessary resources to be receptive to the new technology. As a result, over the years big and large farmers have technologically outcompeted the small and marginal farmers reducing their status to that of the landless labourers.

The share-croppers were paying exorbitant and disparate rates of rent in kind from a long period. In event of failure to pay the prescribed rent, share croppers were evicted from the land they cultivated. In order to protect these share-croppers from rack-renting and to put certain restrictions on eviction of share-croppers, different State Governments initiated legislative measures.

Assam's agriculture was feudalistic in nature in the pre-independence period. Between the actual tillers of the soil and the owners there were numerous intermediaries and the tenants were at the will or mercy of these intermediaries.
Such a land tenure system perpetuated insecurity of tenure and rack-renting. Thus soon after independence it was felt necessary that through legislative device the feudalistic type of land tenure in the state should be brought to an end.

As in other parts of India, land was very unevenly distributed in Assam. A few rich landowners were having large areas of land under their ownership. Unfortunately most of them happened to be absentee landlords. They co-existed with a multitude of tenants cultivating for their masters' land on the small and marginal cultivators tilling their own land, a great many of which were uneconomic for profitable cultivation. For the vast majority of the cultivating population was landless and peasant proprietorship was almost absent.

With a view to providing land to the landless (who were the actual tillers of the soil) land legislation was passed to acquire land from big landlords. The intention behind such legislation were also to bring the tenant into direct contact with the government. Further, the subdivision and fragmentation of agricultural holdings precluded introduction of scientific methods of cultivation. The agricultural holdings in Assam were too small and uneconomic and they were decreasing smaller with the passage of time due to the prevalence of line of inheritance. The government also felt it necessary to meet a law to consolidate the fragmented holdings and to prevent future fragmentation.
In the temporarily settled areas of Assam the rights and protections given to the tenants have been found to be inadequate. The "adhiars" were not able to acquire the status of occupancy "raiyats" and thus they were not regarded as tenants. Desperate rates of rent were charged. Land, being private property, the landlords were free to fix the rate of rent according to their whims. Moreover, the practice of sub-letting of lands swelled the number of intermediaries. The landlords were mostly absentee landlords and the tenants were the actual tillers of the soil. The Government belatedly realised the necessity of enacting a law whereby the sharecroppers could be brought under the purview of tenants in order to help them enjoy those benefits which the other tenants were entitled. Among the other aims, mention may be made of those relating to the fixation of maximum rate of rent payable by tenants to landlords, prohibition of sub-letting and, lastly, the acquisition of intermediary as well as ownership rights by the occupancy tenants and under-tenants. In sum, the intention behind the legislation was to secure the rights of tillers on the land they cultivate.

In addition to the inequalities in the distribution of cultivable land which leaves a large number of cultivators either without any land or with uneconomic holdings, among the other defects in our agrarian structure are (1) the existence of intermediaries between the Government and the tenants;
(2) insecurity of tenure among small cultivators due to indebtedness, mortgages, and absence of ownership rights preventing them from effecting permanent improvement in land; (3) rack-renting and share-cropping which leaves little incentive to cultivators to produce more; (4) fragmentation of holdings which act as a severe constraint to increased production as well as towards improvement in land. The Food and Agricultural Organisation of the United Nations, in one of its publications, has rightly mentioned that a defective agrarian structure stands as an obstacle to economic development. In an economy with defective agrarian structure the tenant has little incentive to increase production because a large share accrues to the landlord almost as a windfall thereby leaving a very small portion of the produce for the cultivator. This reduces the cultivator's ability to invest capital in agriculture. The tenants do not secure the benefits of working with better equipments and better seeds.2

The remedial measures taken for solving agrarian problems and transforming the existing agrarian structures include, among others, the various land reform measures designed primarily to restructure and modify the laws, rules and procedures governing the rights, duties and liabilities of individuals and groups in the use and control over land and water

in order to make the land tenure system consistent with the overall requirement of economic development. Land reform measures seek to remove defects in the institutional framework and evolve a system which would promote rapid growth of the agricultural economy. These measures purport to correct social injustices inherent in a feudalistic land tenure system. The various land reform measures deal with the abolition of intermediaries, tenancy reform, ceiling on landholdings, a progressive land settlement policy for settlement of land to landless cultivators, consolidation of holdings, assistance to ahoojan and Gramdan movement etc. All these measures are intended to impart security of tenure, better relationship between the landlord and tenant, reasonable rate of land revenue and peasant proprietorship.

II. The Present Study

The intention behind the enactments of the land laws is to protect the tenant against tenurial insecurity, fix fair and equitable rent, provide land to the actual tillers of the soil and confer ownership rights on them. The extent of their actual impact on the agrarian economy as revealed by the relevant data of indicators over a period of time since independence has not been examined and assessed so far, particularly for the State of Assam. After all, the legislative
enactments only provide for different measures of land reform. Their ultimate impact on the agrarian economy would depend upon their proper and comprehensive enforcement and implementation. The latter fact strengthens the need for the type of study undertaken by us. In this study an attempt is made to examine the economic implications of land legislations of Assam and to assess their impact.

The study on the impact of legislative enactments in changing the land relations and in remedying the various defects and deficiencies in the agrarian structure in Assam is therefore justifiable on its own. An examination and discussion on the various provisions of land legislations and progress made in their enforcement would also enable us to find out the loopholes and shortcomings in them which might be acting as obstructions to the realisation of their intended impact. It must be noted that though land reform laws were enacted by the Government of Assam soon after independence yet it could not effectively implement and strictly enforce their various provisions for a long time. This indicates that there must have been some shortcomings or inadequacies in the existing legislations in addition to the weaknesses and failures in implementation of provisions by the State's administrative machinery. It may be mentioned here that local participation, i.e. farmers' participation in the implementation of various land reform measures is a pre-requisite for bringing effective land reforms. 


pointed out that "effective local participation is easy to prescribe but difficult to achieve. Much of land reform is in terms of Central Government measures to promote development. Unless there are rural pressures of the type generated in Mexico, Bolivia and perhaps Venezuela, the principal commitment to land reform may be at the capital city and intellectual level. The net effect may be only increased uncertainty and insecurity at the village level. This seems to be the case in India, where reform efforts are typically from the top down."³

Thus, in addition to an analysis of the economic implications of the land laws and their impact, the present study is expected to reveal the loopholes and inadequacies in the various enactments and also their enforcement procedures.

III. Objectives

The present study is undertaken with the following objectives:

(1) To review the various land reform measures undertaken in Assam in particular, keeping in mind similar measures in other States.

(2) To analyse the system of land revenue administration in Assam and the changes proposed in it by various enactments.

(3) To study the impact of land reform measures on landholdings.

landownership, tenurial arrangements and land utilization.

(4) To examine the effect of various incentives and disincentives inherent in the Acts.

(5) To suggest better effort of land management and effective implementation of land reforms.

IV. Methodology

The present study is primarily based on data collected from official sources, both published and unpublished. Information was collected from the Library of the Assam Legislative Assembly on the different Acts and the amendments made thereto. The period covered from 1948 to 1982. In addition, the information relevant for our study was also culled out from the resolutions and debates of the Assam Legislative Assembly when the principal laws effecting land and related issues were discussed/passed. Similar information was also collected, compiled and collated during the debates and discussions in the State Legislative Assembly when the amendments were proposed and passed. The data relating to the achievements and failures in the field of land reform legislations during the various phases of their implementation was collected from the Tenancy Branch of the Revenue Department of the Government of Assam. Whereas the data collected from the Assam Legislative Assembly were from published sources and documents, most of the data collected from the Revenue Department of the State Government were in unpublished form and had to be laboriously compiled, collected and collated.
Besides the above-mentioned sources, the other chief source of data for our study is the World Agricultural Census, 1970-71. The object of this Census was to obtain internationally comparable agricultural statistics based on operational holdings. In pursuance of the Government of India's decision (as a sequalee of recommendation of Food and Agriculture Organisation) to completely enumerate the number and size distribution of holdings, area under crops, land utilisation, irrigation, land tenure and land tenancy, the Government of Assam undertook the World Agricultural Census in 1970. The data on the above-mentioned variable were collected on a district-wise basis. The Census results were published and made available only in 1976.

In so far as the data compiled by us from the records of the Directorate of land Requisition, Acquisition and Reforms are concerned, these pertain to the State as a whole and their district-wise break-ups were not available. This applies particularly to the data on Bhoodan and Gramdan.

*4* It may be mentioned here that the first step towards an agricultural Census was initiated in 1924 by the International Institute of Agriculture, Rome. Thus the first Census results were for the year 1930. The Second Census was conducted in 1950 under the guidance of the Food and Agricultural Organisation of the United Nations with which the erstwhile International Institute of Agriculture was merged. The third Agricultural Census was done around 1962. However, Assam was for the first time covered only by the 1970-71 Census.


In 1975-76 also another round of World Agricultural Census was conducted in Assam. But the report of this is not yet published in detail.
Further we have also used the data available in the various records of the National Sample Surveys conducted and published from time to time. Though the data obtained through NSS are not strictly comparable with the World Agricultural Census and other data, we have tried to make the best possible use of this data too. Besides, certain relevant information available in the Statistical Handbook of Assam published by Directorate of Economics & Statistics of the Government of Assam have also been used by us wherever possible. It will therefore be seen that we tried to utilise all sources of relevant information, from disparate sources, so as to obtain as comprehensive a picture as possible of the economic impact of legislative enactments in the field of agricultural land in Assam since Independence. In our study we have had to also rely upon the relevant literature on land Reforms published by the Government of India, Food and Agricultural Organisation of United Nations etc.

The study is conducted both from descriptive and analytical angles. Although the present study is concerned with the economic implication of land reform measures in Assam, it also examines the various land reform measures in other States of India. In addition, an historical overview is attempted to serve as a preliminary background for the changes in land reform legislations. A purely descriptive study may have a low validity and high generality whereas a purely analytical study may be more intensive possessing high validity but suffering from a low level of generality. Therefore we have tried to strike a balance between
these two approaches. Owing to the disparate sources of data and the consequent problems of comparability, our study suffers from the usual limitations well-known in the field of empirical economic research. We have therefore tried to remove the limitations arising out of the relative lack of comparability by effecting the necessary sifting in data, as far as possible.

We must also mention here that though land legislations mean legislations relating to all lands, yet our study does not cover urban lands, municipal lands and town lands. It is restricted to agricultural lands. Our study therefore is concerned exclusively with the economic implications and impact of only those legislative enactments which are directly related to agricultural lands and which go by the general name of land reform laws.

This thesis is divided into twelve chapters. This, the First Chapter is introductory in nature. It briefly outlines the importance and usefulness of the study and describes methodology including the nature and sources of data and their limitations and a review of existing literature on the subject, all India and Assam. The Second Chapter deals with the land reform programmes initiated and implemented in the various States of India since independence. The Third Chapter is intended to provide an historical background specifically, the land systems during the Ahom rule (1228-1826) and during the British rule (1826-1947) in Assam are described and discussed. In this chapter the relevant provisions of the four principal Acts, viz., the Assam Land and Revenue
Regulation of 1886, the Goalpara Tenancy Act of 1929, the Assam (Temporarily Settled Districts) Tenancy Act of 1935 and the Sylhet Tenancy Act of 1936 have been briefly discussed. In the Fourth Chapter an attempt is made to describe the various provisions of the land legislations of Assam passed by the Assam Legislative Assembly after the attainment of independence, emphasising particularly the economic aspects. In the Fifth, Sixth, Seventh and Eighth Chapters the economic implications relating to revenue, compensation, size of holdings (including ownership, utilisation and tenurial aspects) are discussed and analysed. In the Ninth and Tenth Chapters the incentive and disincentive implications of the legislative enactments are brought out, discussed and analysed. The Chapter Eleven embodies a discussion on certain aspects relating to peasant proprietorship, co-operativisation and socialist management and ownership of agricultural land. Chapter Twelve deals with the summary and conclusions of the study and offers suggestions for improving the existing land legislations by removal of loopholes or shortcomings inherent in them. It also offers suggestions for proper implementation and enforcement of land reform measures in Assam.
V. REVIEW OF LITERATURE

It is necessary to enquire into the nature and type of studies undertaken in the field of land reforms, chiefly emphasising the economic aspects particularly in India, so that we are in a position to know in what ways and respects our own study fills a gap and is therefore research-worthy and justifiable. With this purpose in view an attempt is made to briefly review and examine the existing literature on land reforms emphasising particularly such aspects as the effects of legislation on abolition of intermediaries, security of tenure, size of holdings, peasant proprietorship, revenue, consolidation of holdings, adoption of new technology etc.

Abolition of Intermediaries:

In most of the research works on land reforms in India we find an unanimity of opinion so far as the question of abolition of intermediaries is concerned. While some eminent economists emphasise the importance of abolition of intermediaries, others discuss the defects that exist in Zamindari and Jagirdari systems and some others point out to the loopholes of legislations abolishing the Zamindari system. Likewise, Committees and Commissions constituted from time to time by the Government of India also discuss the above-mentioned problems.
Mukherji⁶ highlights the defects of the Zamindari system and contends that instead of creating stability and prosperity among the cultivators, it created and perpetuated the evils of rack-renting, sub-infeudation and absenteeism and put opposition to all kinds of land reform measures.

Sen⁷ contends that feudal landlordism is an obstacle to the capitalistic development in Indian agriculture. The feudal landlords are interested only in ground rent.

Boruah⁸ mentions that the Zamindars had no interest in actual cultivation of the soil or in the long-term improvement of the land. Thousands of people cultivating this type of land were reduced to tenants on their own fields while the non-cultivating owners were living on the fruits of the actual tillers without any productive investment on land.

Khusro⁹ says that the Zamindari system conferred proprietary rights in land to such persons who were non-cultivators but had sufficient influence in the region to collect revenue from the cultivating peasantry. The Zamindari system admitted, on the one hand, three interests on land, viz., the Government, the Zamindars, and the tenant-cultivators, and on the other, it

---

allowed for two payments, the payment of rent by the tenant-cultivators to the Zamindars and the land revenue payable by the Zamindars to the Government, the former being subjected to enhancement from time to time with increase in population and consequent pressure of population on land. This is because in permanently settled areas government had no control on rent payable by the tenants to the Zamindars. The absentee Zamindars preferred consumption to investment and frittered the surpluses away from the cultivating-tenants. Thus Zamindari system retarded permanent improvement on land.

In order to remove the defects inherent in the Zamindari system and to bring the cultivating tenants into direct contact with the Government, some writers advocated the elimination of all intermediaries and also emphasise the good effects that would accrue after abolition of intermediaries.

The Congress Agrarian Reforms Committee\textsuperscript{10} which was set up immediately after independence to enquire into the defects of the agrarian structure of the country and to suggest appropriate measures for removing them, emphasised, among others, the importance of abolishing intermediaries. The Committee advocates for the elimination of all intermediaries between the State and the actual tillers of the soil and contends that land must belong to the actual cultivators. The Committee recommends that in future, sub-letting of land should be prohibited except in case of minors,

\textsuperscript{10} All India Congress Committee, \textit{Report of the Congress Agrarian Reforms Committee}, Delhi, 1949.
widows and disabled persons.

Patel\(^{11}\) contends that abolition of intermediaries will convert all cultivating tenants into peasant proprietors by conferring proprietary rights on them. This will enable the tiller of the soil to come into direct contact with the Government and prevent rack-renting, oppression, forced labour etc.

The Planning Commission\(^{12}\) mentioned that the abolition of intermediaries had far-reaching effects on the redistribution of land. Not only the share of cultivated land belonging to the Zamindars was reduced but vast areas of waste-lands and grazing grounds were also acquired. These lands are now administered by the State Government or Village Panchayats.

The Planning Commission\(^{13}\) in yet another publication contended that the social and economic position of the tenants have considerably improved as a result of abolition of intermediaries and establishment of direct relationship between the cultivators and the State. In some cases the tenants have acquired full ownership rights including the right of transfer.

Dutta\(^{14}\) mentions that the elimination of intermediaries and establishment of direct relation between the State and the

\begin{itemize}
\end{itemize}
tenants is expected to create a stronger sense of ownership in the minds of the tenants and result in a greater interest for the improvements via investments in land. Abolition of intermediaries will also enable the Government to obtain exact knowledge, about the needs of the cultivators and in the light of which facilitate formulation of programmes for all-round rural reconstruction. It will simplify tenures and achieve a uniform method of revenue administration.

Some writers point out the loopholes of legislations for abolition of intermediaries on certain grounds.

Sen\textsuperscript{15} is of the opinion that the legislation abolishing Zamindaris and Jagirdaris have not been able to divest the feudal landlords of their large landholdings. On the contrary, they have been permitted to retain large areas of agricultural land which were not tenanted but cultivated by themselves through hired labourers. While the State has acquired only the rent-receiving interests, the landlords still retain the untenanted holdings. The central task of taking away the surplus land of the big landlords and redistributing it to the actual tillers still remains unfulfilled.

Kalra\textsuperscript{16} criticises the legislation for abolition of intermediary tenures on the ground that the tenants and sub-tenants who have come into direct relationship with the State hold their

\begin{footnotesize}
\begin{itemize}
  \item Sen,\textsuperscript{15} Op.cit., p.2.
\end{itemize}
\end{footnotesize}
rights under the State on the same terms and conditions as were applicable to them under the Zamindari system. They continue to pay the same rent to the Government which they were previously paying to the Zamindars. Thus the tenants are not materially benefited from the abolition. In Zamindari areas, the rent payable by raiyats represented the customary levels of rents and were not based on any systematic method of assessment.

Warriner\(^1\) also criticises the legislation for abolition of intermediaries on the same grounds as Kalra and mentions that payment of same rents by the tenants to the Government as they used to do to the Zamindars seems surprising since the case against Zamindars was that they imposed exorbitant rents on the tenants. The abolition of Zamindari, according to Warriner, did not change the distribution of ownership as it did not mean the appropriation of lands of big landlords and the redistribution of the same among the landless cultivators. What in fact was abolished was not large property as such but the rights of the Zamindars as superior land holders over lands on which the tenants held occupancy rights. Tenants continued to hold their lands on the same basis and their status was not altered except that they now acquired the right to purchase the land they held if they so desired.

Nanda\(^2\) points out to the problems arising out of


abolition of intermediaries. After abolition of intermediaries, certain problems crop up immediately like assessment and payment of compensation to the intermediaries, survey and settlement operations in areas which were under permanent settlement, preparation of tenants records-of-right and creation of an efficient revenue administration.

**Security of Tenure:**

The Congress Agrarian Reforms Committee\textsuperscript{19} while supporting full security of tenure contends that persons cultivating land continuously for a period of six years should get full occupancy rights. The owner may be given the opinion to resume his holding for personal cultivation, but in no case he should be allowed to reduce the tenant's holding below the economic size. The tenants should have the right to purchase the land. The Committee lays special emphasis on the immediate prevention of all evictions and the preparation of records-of-right. The tenants should be protected from rack-renting and illegal exactions. Provision should be made for fixation of reasonable rent as well as for commutation of commodity rents into cash rents. The Planning Commission\textsuperscript{20} also emphasised security of tenure while allowing the landowner to resume land for personal cultivation. It was realised that the right of resumption for personal cultivation would lead to ejectment of tenants unless adequate safeguards were

\textsuperscript{19} Report of the Congress Agrarian Reforms Committee, \textsuperscript{op.cit.}, p.3.

\textsuperscript{20} Planning Commission, India, \textsuperscript{op.cit.}, p.4.
provided. Therefore, in the Second Five Year Plan it was recom-
mended that in the event of owners resuming land for personal
cultivation, a minimum area should be left with the tenant or
some suitable alternative land is provided to him.

Balasubramanian\(^2\) emphasizes the need of security of
tenure. The proliferation of middlemen as a result of sub-letting
has lowered the economic status of the raiyat. There has been
rack-renting on the one hand and mounting indebtedness on the
other. Better relations between landlords and tenants can only
be established if rents are reduced to a level that the cultiva-
tor is left with an adequate surplus.

In a survey of the progress of land reforms in India,
Nanda\(^2\) finds three distinct patterns of security of tenure
resulting from legislative measures, namely (i) in some States
all tenants have been given full security of tenure without any
right to the landowners to resume land for personal cultivation;
(ii) in some others owners have been given the right to resume
limited area for personal cultivation subject, however, to the
condition that a minimum area of the land is left with the
tenants; (iii) in the rest a limit has been placed on the extent
of land which a landowner may resume but the tenant is not enti-
tled to retain a minimum area for cultivation.

\(^{21}\) Balasubramanian, M., "Effectiveness of Provision in the
Tenancy Legislation for (i) Security of Tenure
and (ii) Improvements in Tenurial Status of
Tenants", *Indian Journal of Agricultural Economics*,
Vol.XII, April-June, 1957, No.2.

\(^{22}\) Nanda, Gulzari Lal, *op.cit.*, p.6.
The Food and Agriculture Organisation (FAO)\textsuperscript{23} also emphasises the importance of tenurial security. A good tenancy system should not only give adequate security of occupancy to the actual cultivator, it should also provide security to all classes of investors in land. It will thereby contribute considerably to the agricultural development since the secure cultivator\textsuperscript{2} is likely to have a highly positive attitude towards his land. Further, the security of capital already invested in agricultural production will invite more capital for new investment. The degree of security which a system of land tenure provides to the cultivator will have manifold effects on land utilization, since only the farmer with secure tenure is interested in sustained agricultural production. The FAO document further emphasises that security of tenure is one of the conditions which encourages good soil conservation.

Size of Holdings:

According to N.C. Dutta\textsuperscript{24} uneconomic size of the farm is one of the major defects in the agrarian structure in Assam. He contends that it is the redistribution of land which alone can bring about a change in the structure of ownership holdings and release the productive energies of the owners of small holdings and landless cultivators. The success of land reform in improving

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{23} United Nations, Food and Agriculture Organisation, \textit{Interrelationship Between Agrarian Reform and Agricultural Development}, Rome, 1953.
\item \textsuperscript{24} Dutta, N.C., \textit{op.cit.}, p.4.
\end{itemize}
\end{footnotesize}
the economic conditions of the cultivators and increasing agricultural efficiency is greatly dependent on land redistribution aimed at making the size of holdings economic.

Warriner\textsuperscript{25} emphasises that for ensuring increased agricultural production, farms should be made economic in size by organising credit, better farming or joint farming societies.

Khusro\textsuperscript{26} introduces the concept of a minimum feasible holding. According to him farms must be of a size which are capable of maintaining the family at a reasonable standard of living, after making due allowance for depreciation and production costs including the maintenance of animals, especially a pair of bullocks. He terms this size as "income unit" of land in contrast to a farm size called "employment" or a "work unit". The latter is a size below which the family manpower, including managerial labour cannot be fully utilised. And lastly the size of farms called the "Plough Unit" of land is one below which the farm income is too small to absorb effectively the services of a pair of bullocks. Khusro states that for different crops and for different soils the income unit will be different. Under average conditions of soil and climate in India a farm of less than 5 acres is incapable of reconciling the above-mentioned minimum of income, employment and animal use. He considers this size as the floor limit. The maximum permissible size of farms is obviously

\textsuperscript{25} Warriner, Doreen \textit{op.cit.}, p. 6.
\textsuperscript{26} Khusro, A.M., \textit{op.cit.}, p. 72.
determined by ceiling on land holdings. The ceiling limit should be above the optimum size of farms so that the most productive and least average cost farms are not affected by the ceiling. In case there are large number of landless and "below-the-floor" peasants, the ceiling should be fixed at a lower level so that sufficient land is made available for redistribution in order to raise the size of uneconomic farms to the floor-level. The level at which ceilings are to be fixed depends upon how much surplus land outside the scope of present ownership is available for redistribution among small farmers and landless cultivators and how many big landholders having large acreage under their control are there.

Jha\textsuperscript{27} speaks of the economic effects of ceiling as a measure of land reform. Ceiling measure will open up more opportunities for cultivation to a large number of landless cultivators and provide incentive to them to intensify production. It will reduce disparities and unfairness associated with property rights and enable a number of cultivators engaged so far on others' land to enter into active farm operation. Fixation of ceiling will give rise to the acquisition of surplus land the distribution of which among the landless and uneconomic holders will provide economic incentive for cultivation to the beneficiaries.

Singh\textsuperscript{28} stresses the need for breaking the large landed

\textsuperscript{27} Jha, S.C., \textit{A Critical Analysis of Indian Land Reform Studies} \hfill \\

\textsuperscript{28} Singh, Charan, \textit{Abolition of Zamindari}, Kitabistan, Allahabad, 1947.
property for ensuring maximisation of production which, according to him, small-scale intensive farming alone can guarantee. Such a land economy also serves the additional purpose of keeping a large number of persons on the soil than any other system. Therefore, large farms though they are very small in this country should be broken up into small holdings. Setting aside a minimum area for the proprietor for his personal cultivation, the rest should be acquired by the State and redistributed first among peasants having uneconomic holdings so as to make their size economic. The remaining, if any, should be redistributed among the landless agricultural workers. The underlying principle is that no man should have more land than he can himself cultivate or is essential for the maintenance of his family.

—Appu puts forward certain economic justifications for fixing ceiling at a low but viable level. The Directive Principles of State Policy aim at securing that the citizens have the right to adequate means of livelihood and the ownership and control of the material resources of the community are so distributed as will serve the common good, that the operation of economic system does not result in the concentration of wealth and means of production in a few hands. The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work. All these economic objectives, Appu feels, can be subserved by fixing a ceiling on

agricultural holdings and redistributing the surplus land to the landless peasants. Further the smaller holdings under owner-cultivation absorb relatively large number of labourers and the intensity of work or labour utilisation is higher. Crops on small holdings receive greater care and constant attention. Thus, according to him, the redistribution of surplus land will ensure a better sense of responsibility among the new assignees of land thereby enhancing productivity.

The Planning Commission's Panel on land Reforms also emphasises the need for fixing ceiling on land holdings. The supply of land is limited and the claimants for its possession are numerous. Therefore, there should be a limit to the amount of land which an individual may hold. The Panel further mentions that the imposition of ceiling will fulfil objectives like meeting the widespread desire to possess land, reduce inequalities in agricultural income, ownership and use of land.

Ladijinsky has also placed importance on ceilings as an important measure of land reform. According to him it will act as a powerful corrective for the inequalities existing in the Indian agricultural structure. To him, the important argument in favour of ceiling in India is that since she has a narrow industrial base, ownership of land and security of tenure is the minimum security an underprivileged farmer can look forward to.

This is the principal economic justification for ceiling as a measure of land reform according to Ladijinsky.

The Planning Commission\(^{32}\) had also contended, while arguing the case for ceiling on land holding, that Zamindari abolition and tenancy reforms would not, by themselves, solve the problem of land hunger in our country. There are a large number of landless labourers in addition to those who possess uneconomic holdings. To meet this situation the First Plan contemplated that there should be a ceiling on the area of land which an individual may hold and that the land in excess of that limit be redistributed among landless agriculturists. The limit suggested was three family holdings.\(^{33}\)

Reviewing the land reform measures in Assam, Baruah\(^{34}\) favours the fixation of ceiling on land holdings on the basis of the recommendations of the Congress Economic Programme Committee of 1947-48. Justifying ceiling he highlights the argument that the availability of agricultural land being very limited, it is necessary to bring about a more equitable redistribution of the land. Fixation of ceiling on individual holdings and distribution of the surplus over the ceiling will be of great help for bringing about this redistribution. Where there are standing tenants


\(^{33}\) In the first Five Year Plan, a 'family holding' was described as an area equivalent, according to local conditions and under existing conditions of technique, either to a plough unit or to a work unit for a family of average size working with such assistance as is customary in agricultural occupations.

cultivating the surplus land they should be declared the owners of such lands so that they may feel a sense of security and get incentives to make permanent and long-term improvements on the land.

S.K. Srivastava\(^{35}\) contends that agriculture cannot develop so long as the unit of management, i.e., size of holdings is made large. In order to increase the size of holdings he suggests four alternative ways, namely, (1) land may be nationalised and made available for collective farming, (2) ceiling may be imposed on agricultural holdings and the surplus land used for increasing the average size of uneconomic holding, (3) land may be used on a co-operative basis, small farmers may be induced to become the members of co-operative farming societies, and (4) each village may be considered a big unit of co-operative management. It should be treated as a single farm, divided for cultivation purposes into blocks.

**Peasant Proprietorship**:

For Singh\(^{36}\) peasant proprietorship alone can provide a workable solution to the agrarian problems of this country. The system has two underlying principles. First, land should be regarded not as a source of rent providing an unearned income for its owner but as a definite means of employment to the peasants occupying and tilling the land. Consequently, the person

---


who is willing to cultivate the land himself, be conferred proprietary rights. Secondly, land being a national asset, it should be used for the interest of the nation and nobody should have the right to misuse it. Singh further contends that peasant proprietorship will ensure a direct contact between the occupier and the Government eliminating the existing middlemen. This system will also eliminate oppressive landlords besides leading to the emergence of a peasant proprietorship under which tenants and landlords will cease to be two different classes. This system will promote more intensive production through investment in farming, livestock, etc. Peasant farming tends to increase the volume of employment as crop intensity is likely to increase under this. The family farm will be able to maintain soil fertility by intensifying livestock production and by providing organic manure.

Driver also favours peasant proprietorship on the following grounds. It will give maximum employment to the labour available, bring about economic decentralisation and provide an independent means of support to the majority of producers. Peasant proprietorship, according to him, guarantees higher yield per acre, soil fertility and intensified livestock production.

While discussing farm ownership versus tenancy, Jha


places greater importance on the owner cultivator. Taking into consideration the available man-land ratio, the dearth of non-farm employment opportunities and the immediate requirements to feed the growing population, he suggests introduction of such a type of tenure which will give maximum security and incentive as well as employment opportunities to the farming families. On the basis of historical experiences of tenurial reform in the various parts of the world, he suggests that it is the independent owner cultivator type of land tenure system which will be appropriate to fulfil the needs of small cultivators. This would entail transferring ownership rights of land through legislative devices to those who actually cultivate the land but do not hold the rights of ownership.

Discussing the question of endowing the tenants with the rights of ownership, Nanda supports the general policy that tenants of non-resumable areas should be made owners thereof. In fact this was the policy laid down in the First Plan. But as the progress in this direction was very slow, the Second Plan recommended that all tenants of non-resumable areas should be brought into direct relationship with the State and every State Government should have a programme for converting tenants on non-resumable areas into owners so that at an end is put to the vestiges of the landlord-tenants relationship. It must be mentioned that G.L. Nanda supported in his book the policies laid down in the First and Second Plans presumably because he was

during that period also the Minister for Planning, Government of India, and the Deputy Chairman of the Planning Commission.

Revenue:

Driver also discusses the probable gains and losses of revenue after the enforcement of Zamindari abolition legislation. The abolition of Zamindari will involve certain losses in some sources of revenue. The stamp revenue in Bengal based largely on title suits and rent suits is cited as an example. The likely loss of revenue through remissions necessitated by partial or complete failure of crops is also cited. Under Zamindari system the recoveries are almost full because the Zamindars in most areas are bound to pay the revenue. As a result of Zamindari abolition the anticipated loss was put at 17 per cent of the total demand in West Bengal and as high as 33 per cent in the erstwhile Madras Province. To this should be added the losses due to deterioration of soil and deluvion action. Grant of additional remissions due to political pressure cannot also be ruled out.

Dutta however contends that there is an increase of revenue after the abolition of Zamindari. The acquisition of Zamindari increased the revenue from land, minerals, forests and fisheries in the permanently settled areas of Assam. Dutta states

---

that the permanent settlement system deprived the Government of any share in the increased value of land consequent upon the extension of cultivation and higher prices of crops as the system perpetuated an assessment which had no relation to the productive capacity of the land. The direct settlement of land with the tenants under 'raiyatwari' system and acquisition of forests and fisheries led to a considerable increase of revenue to the State. But the compensation to the intermediaries was a colossal sum compared to the additional revenue to the State. The burden of this compensation will remain until the entire compensation is paid. Nevertheless, in the long run, according to Dutta, the State's revenue will increase after the payment of compensation is over.

Dantwala states that the legislation for abolition of intermediaries vesting the entire estate of the intermediaries to the Government involves some financial implications. Besides the tenant-cultivated land, the estates taken over included all waste-lands, forests, mines, minerals, wells, tanks, ponds, water channels and fisheries. Compensation was to be paid for all these rights acquired by the State. Those States which accepted direct responsibility for the payment of compensation to the divested intermediaries depended for financing the compensation amount on the increase in the land revenue collection consequent upon the abolition of the intermediary tenures. The

new title holders were required to pay to the State Government the same amount of rent as they were paying to the Zamindars as tenants. This amount was considerably larger than what the Government was receiving from the Zamindars by way of land revenue. There was no reduction in the rate of rent for the new title holders. In most of the States where the Zamindari tenure prevailed, the rents payable by tenants were fixed long time ago and though the tenure as a whole was inequitous in many ways, the burden of rent was not very heavy. In the context of the rising prices of agricultural commodities over the period, the incidence of prevailing rents cannot be judged as high. After the abolition of Zamindari, the tenants, however, are no longer to pay certain illegal exactions previously imposed by the Zamindars in the form of 'abwabs', 'nazrana' etc. But the State Governments, according to Dantwala are likely to suffer a decline in revenue from other sources such as agricultural income tax, and stamp duties directly attributable to land revenue.

Consolidation of Holdings:

Dutta\(^43\) contends that consolidation of holdings is the direct method of curing the evils of fragmentation. He suggests that after conferment of ownership rights on tenants and after redistributing the maximum possible land by lowering the ceiling level, a programme of consolidation should be effectively imple-

\(^43\) Dutta, N.C., op.cit., p.4.
merited. This will contribute considerably to the increase in agricultural productivity and output, according to him.

Vijayaraghavarya\textsuperscript{44} discusses the defects arising out of the subdivision and fragmentation of agricultural holdings and suggests certain remedial measures. Both subdivision and fragmentation are objected to on the ground that they are impediments to improvements in cultivation. Another objection to subdivision is that it reduces the size of holdings to uneconomic levels. In areas where land is valuable and population is rapidly on the increase, as in the delta areas, holdings are often very small and cannot support the cultivator and his family. One of the remedies, as suggested by him, is to establish primogeniture in place of equal inheritance. So far as fragmentation is concerned, consolidation of holdings is the most effective measure, according to him.

The Food and Agriculture Organisation\textsuperscript{45} in one of its publications, highlights the importance of consolidation and points out clearly to the evil effects of fragmentation. The obvious effect of dividing a farm into a number of separated parcels or fragments is to make the working of the farm unnecessarily difficult. Time is wasted and extra expense involved in moving workers, cattle, implements to and from farmstead and from one field to another, in carrying seed and manure to the various fields and crops from fields to the threshing floor.

\textsuperscript{44} Vijayaraghavacharya, T, \textit{Land and Its Problems}, Humphrey Milford, Madras, 1945.

Further, supervision is rendered difficult, depredation of animals and birds is difficult to control, expenses on fencing, water supplies, threshing floor, etc., are greater, comprehensive drainage or other improvement is rendered impossible, access to the different fields is made difficult, especially during the season when crops are on the grounds. These difficulties can be remedied by legislative measures dealing with consolidation of holdings.

FAO\textsuperscript{46} in another publication states categorically that consolidation of fragmented holdings has a direct and decisive effect of increasing the productivity of both man and land. It considerably reduces costs of soil conservation and costs of production in terms of capital and labour. While previously crops of the wrong type and untimely rotation were adopted in order to make possible simultaneous access to scattered fields, consolidation has offered the opportunity of using the land timely and economically.

Further discussing the economic objectives of land consolidation the FAO\textsuperscript{47} publication states that consolidation measures increase the productivity per man, since a high level of productivity is difficult to reach when farms are small and fragmented. In connection with irrigation and reclamation projects, land consolidation can tend to substantial increase both in productivity and output, particularly when such projects


\textsuperscript{47} FAO, op.cit., p.21.
facilitate more intensive land use and the expansion of the individual farm units.

The FAO\textsuperscript{48} in yet another publication favours consolidation and points out that in India good results have been achieved towards consolidation of holdings through the cooperative method. The laws enforcing compulsory consolidation are applauded. The FAO document says that the Indian experience proves that consolidation can achieve good results in increasing production.

Singh\textsuperscript{49}, while discussing the advantages of consolidation, points out that the costs involved in a system of dispersed or scattered holdings are high. Consolidation will not only economise the costs, it will also lead to more intensive cultivation and better tending and protection of crops.

Patel\textsuperscript{50} also discusses the defects of fragmentation and the need for consolidation of holdings. The smallness and scatteredness of the operating units in agriculture has impeded good cultivation and is responsible for the low income of the farmers.

The Second Five Year Plan\textsuperscript{51} amply emphasises the need for consolidation. During the First Five Year Plan it was

\footnotesize
\textsuperscript{48} United Nations, Food and Agriculture Organisation, \textit{Land Reforms Defects in Agrarian Structure As Obstacles to Economic Development}.

\textsuperscript{49} Singh, Charen, \textit{op.cit.}, p.11.

\textsuperscript{50} Patel, G.D., \textit{op.cit.}, p.3.

\textsuperscript{51} Planning Commission, India, Second Five Year Plan, 1956.
contemplated that in all the States programmes for consolidation of holdings would be intensified and vigorously pursued.

In another publication on the subject, the Planning Commission\(^5^2\) contends that consolidation saves considerable labour of the cultivator and plough cattle, provides efficient supervision and management. Further, consolidation enables application of scientific method in cultivation. This results in reduction of cost and increased production. In scattered holdings a considerable area is wasted in embankments and boundaries which becomes available as a result of consolidation. Consolidation also facilitates digging of wells and undertaking bunding along drains to prevent soil erosion. It offers special advantages in areas under paddy because rice cultivation needs water under control.

Adoption of New Technology:

Timmon\(^5^3\) analyses how defective land tenure institutions adversely affect technological and managerial innovations. Parcelling and fragmentation of land holdings to noncontiguous tracts, the cultivation of land on an intensive rather than extensive basis, and the inhibition of management decisions


impede the adoption of new technology and prevent innovations in managerial practices in agriculture. Further, the extremely small operational units tend to preclude the use of many improved technologies which yield economics of scale. According to Timmon defects in agrarian structure are the chief constraint to adoption of new technology for agricultural development. Defective titles to land and its resources, short-term leases with no assurance of renewal, possible loss of ownership due to heavy mortgage and price and field uncertainties impel the cultivator to use his capital and labour for short run productive efforts and impede adoption of new technology. Moreover, the cultivator is fully aware that he will not be rewarded for extending his effort and the additional product as a result of adoption of new technology will go to the landlord. Only a part of it will accrue to him. In order to bring technological development and increase in production Timmon suggests modifications of land tenure arrangements. Land in large holdings should be purchased and redistributed among the tenants and labourers. Sales of land to new owners should be restricted and provision should be made for land measurement, cadastral survey, registration of titles, improved leasing arrangements like written leases, fixed rents in cash, rent limitation, compensation for improvements, heritability of leases, automatic renewals etc. for correcting defective titles to land and water resources.

From the above discussion we found unanimity on the importance of different land reform measures like, abolition of
intermediaries, security of tenure, ceiling on land holdings, consolidation of holdings, establishment of peasant proprietorship etc. for bringing about a workable solution to the different agrarian problems of our country.