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Title Problems of Zamindari and Land Tenure Reform

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PROBLEMS OF ZAMINDARI AND LAND TENURE RECONSTRUCTION IN INDIA

BY

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WITH A FOREWORD

BY

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M A. (Cantab.), M. Litt. (Cantab.).

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Dedicated

To

VICAJI D. B. TARAPOREVALA

Philanthropist,

Large-Hearted Patron of Learning

and

Truest of Friends.

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FOREWORD.

It is with pleasure that I respond to the invitation of Prof. Driver to write a Foreword to his publication. The publication deals with, what may be termed, the central problem of Indian economy—the basis of the organisation of Indian agriculture; and it deals with the problem in a comprehensive manner. Prof. Driver sketches the growth of the Zamindari system in India and points out how the class of Zamindars has no claims to consideration on grounds of either an honoured lineage or past services or present social utility. He dilates on the proved failure of mere tenancy legislation to deal effectively with the evils of Zamindari and indicates that nothing short of abolition will meet the situation. He draws attention to the creation of surpluses as a result of the permanent settlement, to the consequent sub-infeudation and to the social and political dangers inherent in the existence of a class of small rentiers. **He deals in a realistic manner with the problem of compensation and rightly stresses the great danger of a legalistic approach leading to unfairly liberal compensation.**

Prof. Driver travels over ground not frequently covered in India when he deals with the problem of the ryotwari tracts. A discussion of the basis of agricultural organization is urgent even in relation to the ryotwari areas. It is often facilely assumed that the abolition of Zamindari would lead to the establishment of a society of peasant proprietors and that in the ryotwari area nothing need be done except to remove abuses which have crept into the system during the last 100 years. The aim of the creation of a regime of peasant proprietors also underlies a considerable amount of recent agrarian legislation, e.g. that in Bombay Province. Prof. Driver challenges the assumptions which lie behind this advocacy, explicit or implied, of the peasant proprietorship system. That system, in his opinion, cannot subserve the fundamental aims which Indian economic policy has to set before itself. He points out that in view of the facts of our land resources and population numbers such a system is neither practicable nor desirable.

Prof. Driver does not content himself with destructive criticism of unsound notions and loose thinking. He indicates

a positive approach which, in his opinion, is likely to prove most fruitful. He assumes, of course, that reconstruction of the Indian economy will proceed according to a plan and that industrialisation and investment of considerable capital in agriculture will form integral parts of the plan. On these assumptions, Prof. Driver advocates collectivisation achieved on co-operative lines as the only basic form of agricultural organization suitable to Indian conditions. It is pleasant to observe that his essential realism does not desert Prof. Driver when he is putting forward his own constructive proposals. He faces squarely the main problem of co-operative organization in India and frankly admits the need for an element of external direction and compulsion if planned progress in the spread of co-operative organizations is to take place. He does not also shirk the problem of incentives, the most formidable obstacle in working out a system of collectivised agriculture.

Realism, comprehensive outlook, and a forthright manner of expressing his views are the obvious distinguishing features of Prof. Driver's work. Prof. Driver discusses each problem with reference not only to economic conditions but also to its political and social setting. The resulting gain in understanding is heightened by his refusal to be led away by mere slogans. I know Prof. Driver to be actuated by high ideals; this does not detract from his ability to plant his feet firmly on the earth while expounding basic problems of Indian agrarian economy.

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D. R. GADGIL.

PREFACE.

However keenly aware a man is of his shortcomings when he has finished a job he set himself to do, it is interesting for him to detach himself awhile and see his work in its proper perspective by noting how and why he started on it, what it has meant to him, and how far it is going to be of any use.

Personally I embarked on what has proved an arduous though interesting journey largely because of an overpowering feeling of disappointment which overtook me whilst attending an All-India Conference of Agricultural Economists in December, 1946. One of the problems before the Conference was "The Abolition of Zamindari." I had spent some time and energy studying the subject disinterestedly and had submitted a short paper on it. To my surprise when the time came to discuss the subject I found that the discussion was not managed as it should have been. I distinctly remember the talk I had with several friends and the deep dissatisfaction felt by some of us. But what is more important, it was evident that among the politicians who spoke on the subject there were some who seemed to have given no serious thought to the matter. The utter futility of unacademic Conferences dawned on me then as also the fact that in spite of all the talk of the Abolition of Zamindari, there was abysmal ignorance on the subject even among some who call themselves experts and who should know better. On the other hand, there were others who, with very laudable motives and sincere enthusiasm, were trying to tackle the practical side of the problem without having the background to see the question in its true All-India perspective. These latter were eager to have expert guidance on the matter but none seemed to be forthcoming just then. This made me feel that perhaps it would be worth my while to write a small booklet based on my studies and writings. I was, however, impelled to look into the problem a little more minutely for my own satisfaction. This, however, led me to deeper studies than I had anticipated or even desired and as an outcome of this I became convinced that the basic problem in our country was that of the changes required in land tenure, and that we must get down to its very root and lay bare some of the facts that interested parties were finding inconvenient to face.

I have not put down my thoughts in this book dogmati-

cally, as the last word on the question, but merely as a considered point of view which seems to me to be worth-considering. It has sometimes meant treading on the corns of holders of pet theories and a few vested interests but in the interest of truth this has had to be done. The book is necessarily addressed in the main to those who are acquainted with economics and elementary political theory, though there is much I feel which will interest the lay reader who is anxious to understand the problem.

The unavoidable delay in publishing the book is likely to be a source of some misunderstanding. It must be borne in mind that several points were written as far back as 1946 and the whole book was finished several months ago. It was hoped to place it as evidence before the Congress Agrarian Reforms Committee and parts of it were actually embodied in my answers to the Questionnaire of the Zamindari Abolition Committee of the United Provinces Government. Unfortunately the publishing of a book requires more than the will and effort of the author to have it done and takes much more time than is allowed by the march of events in India.

I owe a deep debt of gratitude to three persons. First, to my dear friend, Mr. Vicaji F. Taraporevalla of the New Book Company without whose help this book perhaps would never have seen the light of day or at least would have taken another year to be published. I also owe much to my teacher and friend, Principal D. R. Gadgil for his kindness in writing the Foreword. Last but not least I must thank my wife who patiently went over the proof-sheets and made a few important corrections.

It is a pity I have not had the time to be short. The book was written at tremendous speed in the midst of all my other duties at the College of Agriculture and I hope to be forgiven for some of the evidence of this which can be seen clearly enough. I may also state that the views expressed by me in this book are my own and not those of either the Government of Bombay which I have served till now or of the Government of India which I have the honour to serve temporarily at present as the Consul for India in the Portuguese Possessions in India.

CONSULATE FOR INDIA,
GOA, 31st August 1948.

PESHOTAN N. DRIVER.

Ointment of the Britisher's Honest Mistake. Zamindari a Product of Differing Intentions. Romesh Chunder Dutt and the Zamindari System. The Common Aims Underlying the Establishment of Zamindari. The Legal Lie to Gain a Political Ally. The Economic Appeal of the British compared to the Technique of the Portuguese and the French. Economic Gain the Predominant Motive. How Zamindari Proved Economically Useful. The Difficulties of Direct Contact with the Cultivators. The Other Side of the Shield. Why the Growth of the Middle Class was Favoured. The Idea of having a Class of Loyalists. The Question of Capital Investment and Extension of Cultivation. The Idea of Security in Collection of Land Revenue.

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GENERAL INTRODUCTION.

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In an agricultural country like ours the way in which land is owned and cultivated either makes or destroys prosperity. The main problem, both in production of wealth as well as in the administration of this country, is that of dividing the produce of the soil justly between those who create it. To achieve this just distribution is, however, a difficult task for it depends on the way in which the problem of land tenure and of the general ownership of land is handled. Factors like the value of land are by no means static and due to increase of population and other causes all conditions of agricultural production change continuously. What we need is a system of land tenure which can provide for the just distribution of the fruits of labour expended in agricultural production under the changing conditions of productive technique and population increase.

The Problem of Land Tenures is one of Great Complexities.

The question of land tenure is a complex subject and its complexities can fool even experts. It neither permits the building of conservative barricades around it for preventing change nor does it allow any blind imitation based on wide generalisations. It may readily be conceded that a particular system that works well in one country under certain conditions may not prove workable under other conditions in another country. But what is more important, conditions in the same country do not also remain the same for all time. A particular system may work well at one time and not at another time in the same country. There are certain stages of development when the private ownership of land may not only be harmless but even justifiable if it leads to extension of cultivation. Likewise, certain conditions may arise which may permit modifications of landlordism like the giving of the power to own land to **many** persons rather than to a **few** only. There is, however, a basic factor that should always limit our enthusiasm for private property in land—the danger of the absence of any margin of safety in the quantity of land available in relation to the population. The fact must not be ignored, as it is ignored in India, that economic circumstances ultimately necessitate a change in our enthusiasm for private ownership of land. A rapidly increasing population must mean sooner or later a rapidly increasing tempo of uneconо-

mic cultivation of privately owned lands since of all factors of production it is land alone which cannot be increased as population increases and cannot be cultivated profitably and productively irrespective of the shrinkage in the size of each holding or in the crop area per capita.

The Relation Between Land Tenure and Agricultural Productivity has been Neglected.

The time has come to-day for a revision of our traditional ideas about the private ownership of agricultural land. Unfortunately the human mind has such a tremendous aptitude for shirking issues which are not palatable that, voluntarily or involuntarily, we in India have avoided discussing the relation between methods of land-holding and productivity of land. The amount of work done on land tenure appears to be considerable but most of it is on its fiscal and legal aspects only. It is true that Dr. Voelcker had examined the problem of productivity and arrived at his own conclusions suitable to the conditions at the end of the 19th century. But since then we have shirked an exhaustive re-examination of the question in our own time of relative over-population. The Royal Commission on Agriculture was not even allowed to discuss the question of systems of land ownership and when it did touch the question it missed its mark completely.

There is a strong tendency in India to ignore the part played by the land system in the causation of the evils of our agriculture. We all admit that evils such as sub-division of land, rural indebtedness, low productivity of land, etc., are our chief enemies but we do not like to look upon them as connected with our pet notions of private property and landlordism. For the evil of sub-division and fragmentation we like to blame our laws of inheritance and our customary methods of land partition but we do not like to be told that our land system helps the evil to grow by accelerating the process. For solving rural indebtedness we want new institutions for supplying credit but very few of us seek a change in our land system as a part of the solution of the problem of defective rural credit.

Some of our cleverest thinkers and writers have no hesitation in saying that though we need agricultural reforms there is no need whatever to overhaul our land system. Dr. Radha Kumud Mookerji (not Dr. Radhakamal Mukherjee), speaking of Zamindari in Bengal, confidently assures us that, "I find that the ills of the peasantry are due to causes and circumstances for which the existing land system is not responsible." He doubts whether any change in the

land system of Bengal, however radical or revolutionary, can effect a material change in the lot of the peasantry.* Dr. Mookerji admits that the pressure of population and our uneconomic holdings are the main causes of our distress and he also feels that there is no future for our agriculture if reform merely means the redistribution of land among the cultivators on the basis of uneconomic holdings. It is however not easy for him to see that if uneconomic holdings are bad and are due to overpopulation the solution of this is not the retention of the **present** land system but a radical change in it, a change much beyond ryotwari and peasant proprietorship in the form suggested by the Floud Commission.

It is important to note that though men like Dr. Mookerji assert that the present land system is not responsible for the evils of our peasantry, they cannot avoid admitting at the same time that "the chief defect of the existing land system is its indifference to agricultural improvements." Even when honesty compels these men to criticise the Zamindar and to admit that the country is going to rack and ruin for want of proper care on the part of the landowner, they do not want to change the land system. They admit that one of the solutions is to prevent land from becoming private property and yet the solution is side-tracked on the ground that it is not possible.

Landlordism—The Most Important Cause of Backwardness of Asiatic Countries.

Such indeed is the power of delusion of our lovers of private property that they fail to realise that landlordism is one of the most important of the causes of the backwardness not only of India but of all Asiatic countries today. If large parts of India and of the Middle East cannot rise above the level of the poverty of the beast the chief cause of this is the landlord. Impartial observers like Mr. H. B. Allen, Director of Education, Near East Foundation, New York, have admitted this. It is feudal landlordism that prevents social and economic improvement. In fact the very security of many countries in the Near East and in India is seriously threatened by this outmoded form of land tenure.

Asia Faces Famine.

The question of landlordism and private property in the form of uneconomic holdings is directly connected with that of food production. The problem of producing more food

* Note of Dissent by Dr. Radha Kumud Mookerji, Report of the Land Revenue Commission, Bengal, Vol. 1, Page 311.

is important for the whole world and those who have studied this problem realise that it is in Asia that the immediate food problem is most serious and is likely to become worse in the future. In the Far East alone, from India to Japan, we have half the population of the world concentrated on about one-sixth of the land area of the world. Not only are these areas overcrowded but the populations are increasing at a terrifying rate. Modern science and hygiene have reduced the death-rate but have not succeeded in introducing "birth-control" of any kind. The results are terrifying. Since the rate of population increase cannot easily be brought under control and even to-day there is relative over-population there are only two alternatives before countries like India—more food production through scientific large-scale joint farming or a succession of famines of ever-increasing intensity.

The Triumph of the Congress must become the Triumph of Justice.

The conservative mind finds it difficult to understand that Zamindari in its modern form is a British product manufactured in India for British purposes. Now that the British have left India it is up to us to abolish the different forms of parasitic landlordism. The triumph of the Congress has to be the triumph of justice against all reaction. In this parasites can have no place or part to play. If our goal is the just distribution of the produce of the soil among those who create it, let us remember that the Zamindari system has not only given the just reward of labour of the cultivator to the landlord but the increasing pressure of population has increased the reward of the Zamindar who does no work and decreased the reward of the cultivator who does most of the work. We cannot afford to allow this any longer—particularly when the masses are becoming class conscious. As we know, in the heart of rural India a storm is gathering strength and a rebellion of the belly is being organised by General Poverty.

The choice before us in India is clear. Either we reorganise agriculture by abolishing Zamindari and the uneconomic cultivation of land as our first step, or we remain inactive and let agriculture be reorganised by the historic forces of mass struggle about which history warns us. In this connection the cry of the Zamindar against the abolition need not frighten us. It is the cry of a dying man and a decaying society. After all, crying cannot always be avoided when new life is born. Let us rather welcome this cry as the birth-cry of new life, since the abolition of Zamindari and its pain is the beginning of a new society.

A Note of Warning.

A note of warning is necessary here. The abolition of Zamindari is only the first step in fighting poverty and this fight cannot end merely by the substitution of peasant proprietorship in place of Zamindari. The problem before us all over Asia is to produce more and raise the standard of living of the toiling millions. It is impossible to do this if we do not bring the small man into an ever-increasing sphere of large scale production. Our goal cannot be peasant proprietorship. The latter seems to be the goal of many people who are prone to deify private property in land. The abolition of Zamindari has to be followed by several other reforms of great magnitude such as the abolition of **all** forms of landlordism and the uneconomic cultivation of land. We have to avert two great pitfalls—an overestimation of the importance of Ryotwari and peasant proprietorship and an underestimation of the danger of relative overpopulation. There is no salvation for us unless we give up our pet notions both regarding population as well as private property. The abolition of Zamindari is thus only one step in a long process that requires great political strength, wise planning and constructive thinking. It is the humble object of this book to help in this planning and thinking at least.

CHAPTER I.

THE ORIGIN AND HISTORY OF ZAMINDARI.

One of the tragedies of British rule in India is that it separated our people from their own ancient traditions. As it has been said of us, we lost our old world and we gained no new one. Among the ancient traditions from which we separated were two particularly important ones—the tradition of agriculture blended with industries and that of agriculture based on the common possession of land.

The Tradition of Agriculture Blended with Industries.

We often forget that for 2,000 years or even more India was one of the great industrial countries of the world and, according to some, even the most industrialised country in the world.[1] India was a manufacturing country even before the Pyramids were built. We had practically the monopoly of the manufacture of cotton goods for hundreds of years right uptil 1500 A.D.[2] In fact according to Moreland cotton-weaving in India was one of the great facts of the industrial world even in the year 1600 A.D. No other country could compete with us in the quality and quantity of our goods till the dawn of the industrial revolution in England and the introduction of the cotton plant itself in America as late as the end of the 18th Century. In the ancient Empires of Egypt and Assyria, Indian cottons were used and their use in ancient Greece and Rome is well-known. Just as Dadabhai Naoroji spoke of the drain of wealth from India to England, the Roman writer Pliny spoke of the drain of wealth from Rome to India. The Romans had to pay in gold coins for our cloth and, according to Pliny, we sold to Rome goods worth eighty lakhs of rupees every year.

We may not dispute the assertion made by some of our most brilliant economists that India has always been an agricultural country.[3] But equally, it cannot be disputed that India was as great a manufacturing country as she was an agricultural one. The blending of industries with agriculture meant that a large part of the rural population engaged in agriculture was also engaged in industrial occupations. Besides there were great manufacturing towns with a highly organised guild system. Certain handicrafts like textiles were spread all over

1 cf. C. A. Kincaid.
2 Arno S. Pearce: *Cotton Industry of India:* page 15.
3 D. R. Gadgil: *Industrial Evolution of India:* 1st Edition: page 2.

India. Almost every village produced its cotton cloth and 50 per cent of the people of Hindustan were engaged in this work where no caste was considered disgraced by spinning and where weaving was honourable for all and enlisted men and women of every rank, if we are to believe English writers like Robert Orme or Dr. Francis Buchanan-Hamilton. A careful study of the occupational distribution of the population in several provinces of India before the beginning of this century clearly shows that the percentage of people engaged in agriculture was much less than it is to-day. It is with some surprise that one reads that the percentage of the population engaged in agriculture in 1871 in Bengal, Bombay, Madras and U.P. was no more than 36.68, 38.32, 31.1 and 50.0 respectively.[4] Even if these figures are not taken as absolutely accurate they are immensely significant.

The Tradition of Common Ownership of Land.

Coming to the second great tradition, many of us do not realise the importance of the fact that over many parts of this big country there were village communities which owned land jointly, a fact noticed by almost all writers—from the conservative law-maker Maine to the revolutionary law-breaker Marx. Though these communities differed in practice in the actual use of land there were examples where the land was also tilled in common and the produce divided among its members.[5] From the Punjab right down to South India the tradition of common possession persisted and in South India land was regarded as common property to such an extent that it could be sold to strangers only with the consent of other villagers.[6] The existence of joint-village authorities was so common in Madras that the Board of Revenue in 1818 actually argued in favour of Settlements with entire villages on the ground that this would adapt the revenue administration to "the ancient institutions of the country."[7] Whilst the importance of the undoubted fact about the common possession of land has been ignored, much noise has been made regarding the private cultivation of land. It is forgotten that even if there had been much of private cultivation of land this practice had an entirely different significance from what it has to-day for it was circumscribed at every step by the limitations imposed by common possession of land and the utter impossibility of transferring land as a

4 See, P. R. Ramchandra Rao: *Decay of Indian Industries:* page 124.
5 See, Marx's *"Capital"*, Vol. I, Chapter XIV, section 4, for a description of the Indian village system.
6 Sir H. S. Maine: *Ancient Law* (Oxford World's Classics): page 218-219.
7 Baden-Powell: *Land Systems of British India:* Vol. III, page 31.

"property" from hand to hand. As Sir George Campbell has told us, the right of cultivating land was only a privilege and the Hindu land system never made it a property right in the sense of right to sell land as a transferable marketable commodity.[8]

Introduction of Two Conflicting Elements.

Apart from separation from our ancient traditions, the British introduced two elements in our economic life which could not go together and which may be regarded as having remained in conflict with each other ever since. For purposes of their own they introduced the concept of private property in land with the rights of sale and alienation supported by the principles of the criminal code of their own country. Almost at the same time, without much thought of what this would lead to, they broke the domestic union of agriculture with industries with which there commenced the phenomenon of the pressure of population on the soil. When they created the institution of agricultural landlordism based on private property rights in their modern forms they did not realise that this could not long go well together with their other policy of converting a manufacturing country into a purely agricultural one. The idea of destroying the industries of India for the sake of England should have taught them that to avoid the evils that would follow from the pressure of population on the soil the old traditional system of common possession of land should be maintained and developed. India however was a land of vast spaces compared to the population in those days and this could have easily misled any one.

The Background of Pre-British Land Revenue History.

To understand the history of Zamindari it is by no means necessary to enter into all the details of fruitless controversies such as the true meaning of property right before the British came, to what extent the State was the owner of land, to what extent India was a land of peasant proprietors, etc. Baden-Powell pointed out long ago that there has been no natural or universal standard of what "property in land" really is. Sir George Campbell was quite justified in telling us that this was a question of the meaning to be applied to words, some meaning one thing and others other things. We are too apt to forget that property in land as "a transferable marketable commodity" is not an ancient institution but a very recent development reached only in a few advanced countries like England. Even in case of such an advanced country like

8 *Essay on Indian Land Tenures:* quoted by Baden-Powell Vol I page 219

England the ownership of land never meant any **absolute** ownership. Sir Frederick Pollock tells us in his **English Land Laws**, "no absolute ownership of land is recognised by our law books, except in the Crown."

It is enough to remember that whatever may be our views regarding the traditional land system of the country before the British came, the pre-British Zamindars were by no means the true proprietors of the soil. Even in areas like Bengal where there may not have been much of communal holding of land, the land **did not** belong to the Zamindars who had no absolute right of property in the soil. It would be truer to say that in areas like Bengal the land belonged to the cultivators of the soil than to say that it belonged to the Zamindars. The Zamindars never had such power as was given to them later by the British. They never possessed the power to alienate estates, to raise money on them by mortgage and the like. It would be enough therefore if we begin the history of Zamindari not by entering into fruitless controversies but by recognising the unchallengeable fact that there were Zamindars before the British came but they were neither the proprietors of land nor had they all the private property rights which the British gave to them so freely for their own purpose.

One of the amazing things about the history of land revenue in India is that almost upto the death of Aurangzeb in 1707 A.D. we had a remarkably stable land revenue system which could withstand the shocks of political instability without much trouble. The period between the death of Aurangzeb and the establishment of British rule was however a period of great political weakness and disunity and when the British conquered Bengal there was neither a strong Central Government nor a uniform system of land revenue which they could inherit.

It is often asserted that the Zamindari system was not a British invention and that it was a Mughal and even a pre-Mughal heritage. This view is wrong for it ignores completely both the exact position of the pre-British Zamindar as well as the most noteworthy methods of revenue collection in pre-British times.

Of all methods of collection of revenue before British rule, the most noteworthy was that of collecting it direct from the cultivators through the Heads of villages. Land revenue administration both during pre-Mughal as well as Mughal times was bound to be affected considerably by the favourable fact that the supply of land was more than the demand

for it. There is very little evidence to show that in pre-Mughal times there were many rent-paying **tenants**, for example. In Mughal times too the number of tenant cultivators was not at all considerable and the **Ain-i-Akbari** not only contains no regulations about them but also recognises no intermediary between the cultivator and the State. Baden-Powell looks upon the Mughal system as essentially a rayatwari system which "went straight to the cultivator." The Mughals wanted as far as possible to avoid intermediaries in the good old tradition of the past.

There is no doubt that direct dealing with the cultivator was most marked in the time of Akbar whose instructions to the revenue collectors were quite specific and intended to avoid the "malpractices of low intermediaries." There are no traces or evidence of the existence of **revenue-farmers** in the time of Akbar. The records of land revenue administration in the time of great kings like Sher Shah and Akbar or in the time of wise ministers like Todar Mahal in the North and Murshid Kuli Khan in the Deccan show great advance in the principle of treating the cultivator justly and fairly.

It is important to note that the direct method of land revenue collection without the help of intermediaries did not and could not mean that there were absolutely no intermediaries between the State and the cultivator at any time. In fact there were three principal types of intermediaries in the pre-British period and it is the existence of these intermediaries which is often regarded as the most important historical and economic factor which led to the development of Zamindari.

A careful study of the relative position and power of these intermediaries alone can help us to avoid the fallacy of thinking that Zamindari in its modern forms is a pre-British institution. We have to realise very carefully why writers like Moreland are wrong in this matter. Moreland goes to the limit of saying that only during 50 years out of the six centuries of Muslim rule were the peasants looked after by the State directly and that during the remaining period the peasants were exploited by the intermediaries.[9] There is a tendency among some Indian writers to accept this view wholesale and also to take for granted that in the Muslim period revenue was collected **only** through intermediaries. Like the concept of private property in land, the word "intermediary" is also misleading. Thus whilst Baden-Powell himself looks upon the Moghul system of managing the country

9 See, *Mysore Economic Journal*, Vol. XV (1929): page 132.

by State officers who collect the revenue from the cultivators through the Heads of villages as a rayatwari system that "went straight to the cultivators," other writers like Dr. Radha Kumud Mookerji interpret the same system as a system of collection only through **intermediaries**. Not only can intermediaries themselves be of all kinds but what is more important, an intermediary whose work can be supervised efficiently and who can be removed, is different from an intermediary like the modern Zamindar.

The intermediaries who deserve special attention were mainly of three kinds: (1) the ruling Hindu Rajas or Chiefs, (2) the revenue-assignees, and (3) farmers of revenue. The existence of some of these was inevitable. The Muslim rulers had under them various Hindu Rajas who were permitted to rule over their territories provided they paid a fixed tribute to the Islamic sovereign. The revenue-assignee was a different type of an intermediary. He was usually an officer of the State entitled to a fixed remuneration given to him in the form of a territory estimated to yield him a revenue equal to his salary. Such a territory was usually called a **Jagir**.

There is a tendency to look upon the assignee as a tyrant, a tendency which has led to a very serious failure on our part to note the tremendous difference between him and a Zamindar of to-day. Moreland takes an unnecessarily pessimistic view of this type of intermediary when he tells us that more than three-quarters of the country was in the hands of such assignees whom he regards not only as ordinary intermediaries but as exploiters of the masses. Fortunately not all our economists share this wrong view and some of them have been clear-headed enough to realise that the assignee cannot even be regarded as an **intermediary** in the ordinary sense. It is interesting to realise that some rulers did their best to discourage the system and even when it could not be set aside completely it was shorn of its potential poison by such wise measures as shifting the assignee from time to time and in assigning him various duties which made him in Akbar's time a protector rather than an exploiter of the masses.

The type of intermediary who requires a very serious notice in the study of Zamindari is the revenue-farmer. This was a person who undertook the responsibility of collecting the revenue of a fixed territory (which could be a village or more) in return for certain privileges. He was armed with large and arbitrary powers to collect the revenue and thus save the Government the trouble of either controlling the Revenue Officers or of checking their accounts. His respon-

sibilities were ordinarily as great as his privileges for he was subject to severe punishment, such as torture or even being flayed alive, if he did not fulfil his contract.

It is said that revenue-farming is of old standing. But it is important to note that there is little precise knowledge as to when and how the system came into vogue.[10] It was so dangerous that it was not encouraged by strong rulers and in the time of Akbar, for example, there is not much evidence of the existence of this system. It is also important to note that the system is the product of political weakness and there is no doubt that very few of the worse aspects of it were seen before 1707. It developed considerably between 1707 and 1740 largely due to the relaxation of control over the administrative machinery by the Moghal rulers who succeeded Aurangzeb.[11] The death of Aurangzeb was the death of law and order in India. Those who succeeded him were mere puppets who were powerless phantoms of the former glory of the Empire.

Revenue-farming deteriorated step by step as political weakness set in. When it began the Empire had not yet collapsed completely and at that time the revenue-farmers were appointed with great care, their duties were specified as also the revenue from each area and the legal deductions for collection costs, remuneration, etc. There was also supervision over them which could be quite strict. The office was also not hereditary and there were other checks. Unfortunately as the Government became weaker and weaker the position of the revenue-farmer became stronger and stronger and his tyranny increased in direct proportion to the decrease in the checks over him.

There is a tendency to regard the use of intermediaries as only a Muslim institution. It is true that among the old Hindu Rajas the use of intermediaries was almost unknown. It is also true that rulers who came as foreigners, like the Muslims, required intermediaries more than any indigenous State with its roots deep down in the heart of the people. But in as much as the use of intermediaries also springs from political weakness both Hindus as well as Muslims used revenue-farmers and other intermediaries extensively in this period. The more India as a whole came to be broken into bits by the assumption of independent political power by

10 cf., K. T. Shah: *Sixty Years of Indian Finance:* First Edition, page 5.

11 Baden-Powell refers specifically to the time of the Emperor Farukhsiyar who ascended the throne in 1713 A.D. in midst of the decline of the Empire.

different rulers the more did the institution of revenue-farming spread in this country. It is true that the Maratha Power became a strong political factor for some time but the tragedy of it is that the Marathas broke the Mughal Power without having the strength to sustain their freedom or to remain united for long. Raghunathrao carried the Maratha arms up to the North-West Frontier, the Marathas even captured Lahore and the Maratha flag defied the might of the Afghan. But the seeds of disunity were developing and even the tragic defeat of Panipat in 1761 could not unite the Marathas. Far from that, "the houses of Sindhia, Holkar, Gaikwar and Bhonsle, as independent of the Peshwa" date from that day. If revenue-farming became common in the North, it was also adopted by other rulers in other parts of India when their position became insecure. It thus spread over many other parts of the country.

In the territories of the Peshwa and Bhonsle, villages were farmed out to the highest bidders and whatever rights the village headman might have had in the past were almost entirely effaced.[12] The Settlement Reports of these areas describe these village lessees as a race of speculating farmers against whom the cultivator "had no redress at all."[13] Rack-renting of the tenantry to the utmost was not a rare phenomenon in those days.[14] Political disunity and quarrels among rulers like Sindhia and Bhonsle and administrative inefficiency which permitted depradations by the Pindaris prevented all protection to the cultivator in areas like Nimar district and Khandwa pargana. In the South, as in Northern and Central India, revenue-farming spread with the same intensity. It is said that the Karnatak districts were "mercilessly farmed" and other districts, whether held by Nawabs as vassals of Hyderabad or by the Mysore Sultans or by other Hindu rulers like the Marathas, were also more or less farmed.

The Pre-British Zamindars.

As we have seen it is an unchallengeable fact that there were **Zamindars** before the British came but here again we are in a danger of being fooled by a mere word. There has been considerable trouble about understanding the position of the Zamindars of the pre-British period and most of the trouble has been due to the confusion caused by the word itself. The word "Zamindar" had no definite and uniform

12 See, *Introduction to the Land Revenue and Settlement System of the Central Provinces* (Government Press, Nagpur), 1924; page 7.

13 cf. *Damoh Settlement Report*, para. 50.

14 cf. *Betul Settlement Report*—referred to in the above.

meaning all over India. According to Shore, the origin of Zamindars was uncertain and according to Baden-Powell no Moghal ruler ever created an official collector of rents or invented the word "Zamindar." Anyone who had some real estate was spoken of as "Zamindar." Those who held a dependency, i.e. land which was not an independent estate, were called "taluqdars." Originally many of the Hindu chiefs were called "landholders" or Zamindars. It was largely during the period of political weakness after 1707 that all the intermediaries—the Rajas or chiefs, the revenue-assignees and the revenue-farmers came to be called Zamindars. Even court favourites, bankers, and other officials came to be called Zamindars.

All the Zamindars of the pre-British period had not the same rights, prestige, or origin. One can understand a dignified Hindu chief of the old Moghal era claiming hereditary power and prestige at the end of the 18th Century. But whilst this was an exception, most of the Zamindars were ordinary revenue-farmers who never had originally any real right to the land. They were no better than officials appointed merely to collect revenue. There were even robbers among the Zamindars—men whose origin could be traced to robbery and blackmail. Here is a passage of great significance from Campbell's **"Land Tenures in India,"** 1876,:— "Native leaders, sometimes leading men of Hindustan who have risen to power as guerilla plunderers, levying blackmail, and eventually coming to terms with the Government, have established themselves under the titles of Zamindar, polygar, etc., in the control of tracts of country for which they pay a revenue or tribute, uncertain under a weak power, but which becomes a regular land revenue when a strong power is established. **This is a very common origin of many of the most considerable modern families, both in the north and in the south.** . . . . . It is wonderful how much in times such as those of the last century, the robber, the Raja and the Zamindar run into one another."

There always was a tendency for Zamindars to usurp power and become tyrants and nothing suited their purpose better than the end of law and order after 1707 A.D. It is easy to see how a powerful Zamindar could gradually usurp more and more power. No wonder in course of time the Zamindars even claimed hereditary rights. Their favourite method of consolidating their position was to begin cultivating, in addition to their own "sir" land, a large part also of the waste lands of the village which belonged to no one. Wherever possible they also bought out their neighbours by

fair means or foul. It is believed that only Bengal was the home of the regular revenue-farmer who converted himself into a landlord or Zamindar. But to a greater or lesser degree the revenue-farmer secured this position in other parts of India also.

The British Zamindars of Bengal.

If Zamindars have shown a tendency to usurp power and take advantage of political weakness of the country, no Zamindar ever did this on a larger scale than the British. It was in 1698 that the British, in the name of the East India Company, first became Zamindars of three villages, Calcutta, Sutanti, and Govindpur. Later they acquired the 24-Parganas and in 1765 got the control of Bengal, Bihar and Orissa. The cultivators of this area thus came in the grip of a commercial joint-stock company of British merchants who were as puzzled as our own Tata Company Ltd. or Birla Bros. Ltd. would be if asked to govern Japan or Brazil. The East India Company had come to buy Indian goods and now found itself buying up the freedom of Bengal from its simple-minded Nababs and its treacherous army generals. It had come to sell British goods and now found itself selling the protection of British arms, and armaments, to a people who no longer could protect themselves in the absence of a strong Central Government.

Clive's Early System.

The difficulty facing the East India Company can be imagined from the fact that though the power of supervising the provinces was acquired, Clive decided that it should not be exercised at all. There were two reasons for this. The civil administration required three times the number of Civil servants then available. Secondly, Clive seems to have felt that it was not advisable to rouse the suspicions and jealousy of the French pre-maturely. Hence the actual collection of the revenues was left to the officers of the Nawab, the obvious advantage of this being that the Company would get the revenue and the Nawab the responsibility for the territorial jurisdiction. The Company had its own Naib-Diwan, in the person of Muhammad Reza Khan who was paid a salary of nine lakhs of rupees, and also other subordinate officers to look after its interests. This system however proved a failure. Neither the British nor the Nawab could protect the cultivators of the soil and what made the Company realise the unsatisfactory position was perhaps the large arrears of revenue.

The British Supervisors Who Needed Supervision.

In 1769 it was decided to appoint British "Supervisors" in the important Districts. They were to prepare rent-rolls, examine titles, and look to other revenue matters. Unfortunately it turned out that the supervisors themselves needed supervision and in the absence of it they used their position to make money by monopolizing the trade of the country side. They created artificial scarcity even in rice and other necessities and thus entered the records of Indian history as the first White black-marketeers of corn. There was a famine in Bengal in 1770-1771 in which, according to Sir W. W. Hunter, half of the agricultural population perished. The horrors of it have been described in a poem by Sir John Shore himself. The idea in monopolizing the supply of rice has been well described in a famous document:—"Some of the agents saw themselves well situated for collecting the rice. .... They knew the gentoos (Hindoos) would rather die than violate the principles of their religion by eating flesh."[15] In a time like this one would expect the amount of land revenue collected to decrease and yet we find that the amount collected in 1771 exceeded the collections for 1768. It was suspected that the revenue was being extorted in some cases under torture.

The beginning of the Idea of Letting Land on Long Leases.

The Court of Directors in England had become aware of the failure of the indigenous agency for revenue collection as early as in 1768 when they seem to have come to the conclusion that what was needed was a system of "letting the lands on long leases." The failure of the attempt to supervise the collection of land revenue through British officers became known to them soon after the famine. In 1771 they censured the Naib-Diwan and dismissed him and expressed the opinion that henceforth the Company should assume the work of the Diwan and manage the revenues directly. They took some more time to dispense with the English supervisors and it was only in 1773 that their withdrawal was ordered.

The Revival of Revenue-Farming under the British.

"We now arm you with full powers to make a complete reformation." This is what Warren Hastings was told when he succeeded Cartier in 1772. That a reformation was needed goes without saying but Hastings had to face a situation where mere ideas of reformation were not enough. The decision to manage the revenues directly could be made more

15 *Short History of British Transactions in East India*, page 145, quoted by Major Basu in his History.

easily than carried out. There were two possibilities; either to collect the revenue directly from the cultivators through paid tax-collectors or to collect it through intermediaries like the old Zamindars and revenue-farmers.

There is no doubt whatever that the first system was by far the best but it required direct contacts and intimate knowledge which a set of foreign rulers who were no better than ordinary merchants could not be expected to have. The British had relied entirely on their own Supervisors and had done nothing to train Indians for this work. They had not even the necessary facts and figures about village conditions which could help them to establish direct contacts with the cultivator whose language was different from their own. There was also no desire it seems to spend either much time or money in order to establish direct relations with the cultivators. Hence it was felt that the easiest and cheapest method of knowing the exact value of land and of the revenues and rent which it could bear would be to auction to the highest bidder the right to collect the revenue for a period of about five years each time. Any one who took part in this bidding would naturally know what he could get out of his bid and the amount thus fixed would be the best way of knowing how much the land could bear.

Acting on this assumption, it was decided that each "pargana" should be let out to Revenue-farmers for a period of 5 years. A pargana was to be divided only when it yielded more than one lakh of rupees as revenue. To receive the revenue, servants of the Company known as "Collectors" (instead of Supervisors) were appointed, and each Collector was to be advised by an Indian Diwan. The work was to be superintended by Revenue Councils established at Patna and Murshidabad. Further, a Revenue Committee was appointed to visit the Districts to arrange the details of arriving at the Settlement.

Warren Hastings knew that there were a large number of Zamindars in the villages who had acquired certain rights. The Board of Directors had expressed a desire to safeguard their interests, a desire that was probably based on political more than other considerations. Perhaps Warren Hastings himself was anxious that as far as possible the Zamindars should become the new revenue-farmers because by establishing themselves in the District they had "acquired an ascendency over the minds of the ryots" and would have greater interest in the villages and their prosperity than any other new revenue-farmers. But it is interesting to see that the Zamin-

dars were not differentiated from revenue-farmers in the working of the system. No distinction was made between the farming (ijara) system and the Zamindari system. It was assumed that the Zamindars would automatically become the revenue-farmers by taking part in the auctions for the settlement of the revenue. A large portion of the country was actually farmed to the Zamindars themselves. But in cases where the Zamindar's offer was not the highest or was delayed very much it was set aside in favour of any new bidder. In the very first public auction, for example,—at Krishnagore —the Zamindar's offer was **not** accepted.

The Causes of the failure of Revenue-Farming in 1772-1777.

As we shall see later in Chapter 3, this English revenue-farming was different from Mughal revenue-farming and it was the beginning of the deprivation of the cultivators' rights to the soil rooted originally in the age-old practice of common possession of land. The new system was doomed to fail from the very hour of its birth because those who bid the highest proved to be no better than speculators in land who hoped to get uncontrolled power to take what they liked. Those who were good Zamindars refused to contract for the very high sums bidded and kept out. Those who bidded beyond the value of the real revenue were not able to collect the promised revenues and some of them used barbaric methods to get their dues from the cultivators. To make matters worse the land was not always auctioned to genuine bidders but to agents acting on behalf of the high officers of the Company. The Banian of Hastings himself was granted the pargana of Baharband whereas the grandfather of the novelist Thackeray farmed the revenues of Sylhet under the name of a native agent.[16] The absence of honesty in lessees like these was fatal. The absence of the fixation of land revenue according to the capacity of the land to bear it was still more fatal. To these must be added the absence of proper supervision of the type prevalent in the past which was one of the strong points of the Mughal system in the days of political strength and stability.

Warren Hastings tried to make this system successful by several safeguards and changes all of which failed. If the "native-agents" of the Naib Diwan before 1772 were corrupt, the English collectors proved equally unreliable. They were in turn replaced within a very short time by "native" officers called Amils, but if this was a good step it was followed by

16 Dr. Radha Kumud Mookerjee: *Note on Indian Land System: Report of Land Revenue Commission, Bengal*, Vol. 2, page 195.

another step which negated it—the removal of all District control implied in the abolition of the Collectors. No doubt six Provincial Councils were set up in different places with a Central Committee of Revenue at Calcutta but this also was a failure and did not result either in more revenue or less atrocities in the villages. When the five year settlement expired Hastings tried annual settlements for the next few years but even these yielded no good result. In 1781 the six Provincial Councils were dissolved and district control brought in again in the form of the restoration of the Collectors. A new Committee of Revenue was appointed with Sir John Shore as Chairman to report on a new mode of settlement.

Why Revenue-Farming after 1772 led to the Climax of Suffering.

One of the peculiarities of the system of revenue-farming is that it cannot be successful without great care in avoiding over-rating of the lands, great political strength in the State to prevent exploitation, and great honesty among the officers of the State appointed for the purposes of supervision. Unfortunately it is not possible always to have these safeguards because revenue-farming itself is the result of political weakness. In this respect however the British proved even weaker than the Mughals for as has been noted before and will be discussed in details later the Mughal system of revenue-farming had several safeguards which the British failed to enforce or adopt. Warren Hastings took certain steps which were good, such as the issuing of orders to prevent revenue-farmers from taking more rent than that sanctioned in the customary rent-roll,[17] and the dismissal of the English Collectors when they proved a failure. But on the other hand he failed to enforce his own orders and could not prevent the over-rating of the lands. We may admit that the task facing the E. I. Company was a gigantic one for which it could not have been prepared, and yet there is the other fact that Hastings himself was not above corruption and naturally was not best suited for work which required control of the corrupted and the corruptible in the revenue organisation. This then is the real cause of our terrible sufferings which have been recorded by historians in terms which make us feel that they were the climax of the tragedy of a people conquered by merchants who did not know, then, in the infancy of their political power, how to govern a people having a different language, outlook, and civilisation from their own.

17 Also called "hast-o-bud" which is the Persian for "is or was,"

The Birth of the idea of a Permanent Settlement.

It must be said to the credit of the English people that their social conscience was not dead. In Parliament itself the misdeeds of the merchants of the E. I. Company were condemned—and condemned with great sincerity by men who were the very flower of England's manhood. The mighty voice of Fox, Burke, Pitt, Sheridan, and Lorth North was raised on behalf of the people Warren Hastings had governed, or rather misgoverned. In India itself there were individual Englishmen who were not prepared to go the way of the ordinary English merchant or even to allow Hastings to go his own way without challenging him. In the very Council of the Governor-General we had in Sir Philip Francis a man about whom it is said that "during the course of a century and a half that India has been under the British rule, no individual of that race has ever tried so sincerely to do good to its people as Francis."[18]

It was in the midst of all the terrible sufferings of our people and in the protests of both Parliament as well as individual officers in India like Sir Philip that the idea of a permanent settlement was born. Some writers believe that this idea first originated with Sir Philip himself. It should however be noted that the idea was not unknown to some at least of the English Collectors as well as the Presidents of the Provincial Councils. There had been considerable distress and uncertainty about land revenue taxation in the minds of the cultivating masses and the idea of a permanent settlement therefore appeared to the English administrator as the logical remedy of the whole trouble.

One of the major questions of importance was with whom the future settlement should be made. It appears that the choice lay between the appointment of new speculators who would become revenue-farmers for the sake of power and that of the old revenue-farmers and Zamindars. A large number of experienced revenue officials like Dacres, Hurst, Vansittart, Ducarel, Barwell etc. were in favour of a settlement with the Zamindars. Sir Philip Francis himself believed that if it was not possible for Government to come in direct touch with the ryot it was better to utilise the services of the Zamindars than of other unknown speculators. It appears that Sir Philip knew that it was theoretically possible for the Zamindars to exploit the cultivators. However he felt that since at that time the supply of land was more than the demand for it, it was the Zamindar who would run after the tenant

18 Major Basu: *Rise of Christian Power in India:* 1931 Edition, page 199.

and not vice-versa and therefore the tenant was not likely to be oppressed. Sir Philip like many other Englishmen of his time was misled into believing that the Zamindar was the "real owner" of land. As Hastings remarked (in 1786), "The public in England have of late years adopted very high ideas of the rights of the Zamindars in Hinduism."

The Controversies Regarding the Position of the Zamindars

The question of settlement with the Zamindar led to great controversies in India, first between Sir Philip and Warren Hastings and later between Mr. James Grant, Sir John Shore and Lord Cornwallis. Two theories became prominent in the earlier stage—the theory of Sir Philip that the land belonged to Zamindars and the theory of Hastings that it belonged to the State (or sovereign). Warren Hastings seems to have known at least the position of the Zamindars very well. One reason perhaps is that he had read the **Ain-I-Akbari**. He had forwarded a copy of the translation of this book by Mr. Gladwin to the Board of Trade in 1783. The Court of Directors in England were in accord with the views of Sir Philip on this question and favoured a permanent Zamindari settlement.[19]

When Hastings resigned and Lord Cornwallis came to India in 1786 he was given full instructions by the Directors, who wanted a settlement for 10 years to begin with and then a permanent settlement. They directed Lord Cornwallis to report on all the old Zamindars, Talookdars and others and to enquire into their rights and liabilities for rents, revenue, etc. and to grant the right to collect the revenue to these Zamindars only as their hereditary tenure would be a **good security** for the payment of the revenues.

The establishment of a Permanent Settlement required considerable data regarding value of land, amount of revenue and rent paid in the past, etc. This information was not readily available hence the Collectors were ordered to collect it and in the meantime Annual Settlements were continued—till the end of 1789. The search for the truth regarding the uncertain position of the Zamindar was also continued and led to the controversy referred to above. The Regulating Act of 1784 adopted a position favourable to the Zamindar which was changed by the Committee of Revenue in 1786 under the influence of Mr. Grant, which again was changed by the Board of Revenue some time later under the influence of

19 See *Kaye: Administration of East India Company* Chapter on Permanent Settlement.

Mr. Shore. Mr. Grant believed that the Zamindars had no right to property in land while Sir John Shore believed that the Zamindars should be treated as proprietors of the soil. Likewise Grant believed that Bengal had been under-assessed. whilst Shore believed that it had been over-assessed.

The Zamindars Favoured for Financial and Political Reasons.

Any new settlement that could be arrived at depended on the two questions—how far the Zamindars were the proprietors of the land and, secondly, what revenue demand should be permanently fixed. Both these questions were solved very unsatisfactorily. It is true that Sir John Shore wanted more knowledge and he proposed to Lord Cornwallis that the settlement should be for a period of only 10 years to begin with, but he did nothing to warn Lord Cornwallis regarding the doubtful position of the Zamindars.

There is no doubt that the decision to recognise the Zamindars as proprietors of the soil was taken not because there was convincing evidence of that fact but because of certain political and financial reasons. In fact the decision was taken at the very time when James Grant was drafting his arguments against such a recognition. If different men supported the Zamindari system it was because each of these men had his own reasons for the same, and not because the Zamindar was the proprietor. We have it on the unimpeachable authority of Mr. Baden-Powell himself that it was well understood by all that though the Zamindars were to be declared the proprietors of the soil their tenants really were not ordinary tenants but were in most cases "the original and hereditary possessors of the Soil".[20] The same author admits that if a settlement had been arrived at in 1822 instead of in 1789 it would have been different and would have excluded a large number of Zamindars who were not the proprietors at all. It is openly admitted that **the administrators of 1790 had nothing to do with the determination of a historical and accurate theory of the Zamindar's position**, nor was it their task to confer on the Zamindars a position comparable to what they were originally. In short it was admitted that the task of the administrator was only to legalise all the "original acts of illegality and usurpation" by which the Zamindar had assumed great power in the period of disorder just before the British came. The whole affair boils down to this. The usurpation of the period of anarchy was not punished in the period of peace and order but it was legalised and perpetuated.

20 Baden-Powell: *Land Systems of British India* Vol. I, page 285.

It was about 1789 and 1790 that Lord Cornwallis finally decided to issue separately the necessary orders for a decennial settlement of Bengal, Bihar and Orissa (as then constituted). He differed from Sir John Shore as to the period of 10 years and he wanted the settlement to be made permanent at once. However as the necessary permission of the Court of Directors had to be obtained he had to promise that the Settlement would be made permanent when the Court approved of it, which approval was given finally within two years in 1792.

The Principles Underlying Permanent Zamindari Settlement

The Permanent Zamindari Settlement was based on the following principles:—

(1) Between the State and the cultivator there had to be some person who could take the responsibility for collecting the revenue punctually. This person was to be the Zamindar. In return for this responsibility he was to be given the assurance that he would not be removed from the land. In other words he was to be recognised as the proprietor of the land with the power to raise money on credit, and to sell his land or to pass it on to his children. The proprietary right was to give full security to the Zamindar, but it was subject to the prescriptive or customary rights of his tenants since the tenants were not ordinary tenants but had certain rights to the soil. These rights however were not defined though the State reserved the right to do this later and to pass laws for the benefit of the tenants.

(2) The Zamindar was to pay to the State ten-elevenths of the assets (rentals) which meant that he could keep one-tenth of the revenue. In addition the State gave to the Zamindar the benefit of any future increase in the assets due to extension of cultivation or other justifiable causes.

(3) The State promised that the amount of land revenue would be fixed for ever and that it would not make any further demand in consequence of any improvement on the estates of the Zamindars.

(4) In return for all the privileges given the Zamindars were to be made liable to have their estates sold for non-payment of revenue if such revenue was not paid by sunset of the last day fixed for each instalment. No argument could be used in defence of

non-payment, not even that of famine or failure of crops.

Insult Added to Injury by Unjust Settlement Procedure.

If the recognition of the Zamindar as proprietor was unjust, the settlement procedure adopted was even worse. The amount to be paid and the determination of the Zamindar's name were not based on any scientific inquiry with reference to area survey, or fertility, or value of the produce etc. The Collectors were simply asked to take up each estate as a whole and make the best estimate they could on consideration of what sums had been paid in the past. **There was no reference to any record of landed rights and in fact too much of local scrutiny into such rights was forbidden** on the ground that it would make the Zamindars suspicious and nervous.

The Collector sat in his office and as each estate came up for settlement the **Kanungo** was asked to give the name of the Zamindar of the village and, after a brief record of the accounts of previous settlements had been read the Kanungo gave his estimate of what should be the amount of revenue. The Kanungo sometimes named the actual owner of an estate as the Zamindar but most often the name given was that of the head of a village or even sometimes of a non-resident or of a man who had no connection with the estate. As the Collector was ignorant of local conditions the Kanungo could not be checked and he became the arbiter of the destiny of thousands of people. It may be added that the Kanungo of this time was not the same as in the time of the Mughals. He had ceased to be the supervisor of the work of the Zamindar and had become an official shadow, completely in the power of the Zamindar.

There was ofcourse greater strictness in the determination of the amount of revenue to be paid than in the determination of the name of the Zamindar, but that was because the former affected the Company and the latter mainly the cultivators. The settlement rules of 1789-93 laid down in theory separate principles for the assessment for Bengal, for Bihar and for Orissa but in most cases the reliance was merely on old unreliable accounts. Sometimes in certain parts of Zamindari India the true assets of estates were based on estimates of local **tahsildars** who tended to exaggerate the value since they were paid a percentage of the amount realized. This made matters bad for the Zamindar and worse for the cultivators.

Zamindari In Madras.

Territories in Madras were the next to be conquered and consolidated after Bengal, Bihar and Orissa. It is believed that in the revenue administration of the old Hindu Rajas there were no intermediaries, but intermediaries were introduced during the Muslim period. The Muslim rulers made use of the old Hindu officers known as Deshmukhs, Deshpandyas etc., who had been used before for supervision purposes and recognised them as revenue-farmers. This paved the way for them to become Zamindars of the British period. As in Bengal and elsewhere so in Madras the early Zamindars were only revenue collectors and not the proprietors of the lands. They were not hereditary nor had they the right to alienate the land. The death of Aurangzeb and the period of anarchy following it did for them what it had done for the Bengali Zamindar.

Conditions in Madras were however less favourable for the development of the Zamindari organisation than in Bengal. Compared to Bengal the number of **Zamindars** was much less and such Zamindars were concentrated mainly in the Northern Circars comprising the present districts of Vizagapatam, Ganjam, Kistna and Godavari. In these territories of course there were large Zamindari estates. In the southern portions of the Province lands were held by local chieftains called **Palaiyakkarar** or **Poligars** who were no better than semi-independent revenue assignees to whom originally assignments of revenue had been made in lieu of salary. The Poligars were not all of the same kind. Some of them were descendants of royal families, others were military chiefs who had resisted the conquest of the Muslims. Others again were ordinary District Collectors who had usurped sovereignty.

In most other parts of Madras Province, (except those mentioned above), the village communities showed considerable vitality and the position of the villages did not warrent any blind adoption of a Zamindari settlement. Almost the first territory acquired by the British was the non-Zamindari district of **Chingleput**. The Nawab of Carnatic assigned its revenues to the Company in return for military help but the district was not suitable for any Zamindari tenure. The Company first collected revenues on the old "native" plan and subsequently it adopted the system of leasing out farms on nine-year leases. The latter system was not at all suitable and Mr. Lionel Place, one of the important collectors, had to restore the ancient village organisation for revenue purposes. As in the case of Chingleput so in the case of Baramahal (Salem)—a territory which was acquired from Tippu Sultan

in 1792—it was almost impossible to ignore the collective basis of village life. The revenue officer Captain Read had to recognise the collective village organisation for revenue purposes and he issued a proclamation in 1798 by which all the resident cultivators in a village were declared to be collectively responsible for the revenue on all the lands.

The Ridiculous Method of Creating Zamindars Through the Auction-Room.

Mr. Place, Mr. Read and other officers of the Madras revenue administration were of the opinion that the Zamindari system was not at all suited to all parts of the Province. This sociological and economic fact was however completely ignored and orders were received from England that the Permanent Zamindari Settlement System was to be adopted throughout the Province. Lord Wellesley gave the threat that officers who did not adopt the system would be removed. The Zamindari system was therefore introduced under Regulation XXV of 1802. It was not difficult to introduce the Zamindari system in the Northern Circars and in certain parts of the south for reasons given above but in other territories such as Chingleput, Salem, Tanjore and the Ceded Districts the introduction of this system was very difficult as there were absolutely no individuals who could by any stretch of imagination be described as Zamindars. Not to be defeated in their enthusiasm for creating Zamindars even when they did not exist orders were issued to create them by the method of the auction-room. Lands and villages which were owned jointly were ruthlessly broken up into convenient bits called "moothas" put to the auction and sold to the highest bidder who became the Zamindar. All the old "Haveli" or Crown lands, the lands in Chingleput and also the Baramahal areas (Salem) were thus ruthlessly cut up and all evidence of joint ownership by village communities completely ignored. The Baramahal area, for example, was cut up into 205 "moothas" and later subdivided into 308 estates.

Under the Permanent Settlement the Zamindars got the authority to hold the Zamindari for ever. In return they had to make a fixed payment to Government called **peshkush**. The Zamindaris were made not only heritable but also transferable. The **peshkush** itself was not arrived at scientifically and no general rules were followed. The rights of the **ryots** were not defined nor were their rental dues to the new landlords fixed at any particular level to prevent exploitation. Attempts were made to protect the ryots by means of the **Patta** regulation (Regulation XXX of 1802) which was intended to fix the share to be paid by the cultivator but like all

other laws of this type it had so many flaws that it gave no protection and was even allowed to become a dead letter.[21]

The attempt to create an artificial class of Zamindars in Madras was so absurd that in certain districts it was found **impossible** to create new Zamindars. Besides where such Zamindars had already been created a large number of the **mutthas** began to fail and had to be dissolved. These estates, falling in the possession of Government in areas like Baramahal (Salem), proved how something different was required. Fortunately the Madras Government had in the person of Captain (afterwards Sir) Thomas Munro a very efficient officer who was working out his own scheme of surveying the districts and dealing directly with village landholders and he was finally able to convince the authorities that the Zamindari system would not work everywhere, whereas direct dealing with the cultivator implied in Ryotwari organisation was now possible. The original idea of the founders of the Ryotwari system was that we should have Permanent Settlement without the Zamindars i.e., with the individual cultivator.

To-day the Zamindari estates in Madras are to be found chiefly in the North-Eastern districts of which Ganjam and Vizagapatam are important. They are important also in the areas like Salem, Ramnad, Kistna and the Godavari districts. In all, the Zamindari area covers about 12.84 millions of acres. Thus Zamindari exists most in the northern districts, less in the south and is practically non-existent in districts like Anantapur, Cuddapah, Kurnool, and in South Kanara and Malabar.

Zamindari in the United Provinces of Agra and Oudh.

The next important development in the introduction of the Zamindari tenure was in the United Provinces of Agra and Oudh (formerly known as North-Western Provinces). To-day the United Provinces consist of districts of old Benares; the Ceded Districts like Azamgarh, Cawnpore, Allahabad etc. which were ceded by the Nawab of Oudh in 1801; the conquered districts like Muttra, Aligarh, Meerut etc. which along with the Ceded Districts make the province of Agra; the province of Oudh; the Bundelkhand districts; and Dehra Dun. The land tenure in Agra Province is known as Zamindari whereas in Oudh it is known as Talukdari which is almost the same as Zamindari.

So far as old Benares is concerned, the settlement and collection of land revenue in the early days from 1775-1781

21 For causes of the failure of the Patta Regulation see C. D. Field: *Landholding and the Relation of Landlord and Tenant in various countries:* page 564-565.

was left to the Raja and from 1788 when the British took over the immediate control the principle of appointing revenue-farmers was followed. There were several settlements from annual to quadrennial and decennial settlements, and finally the permanent settlement was introduced in 1795-96. The old Benares Province which was permanently settled included the area which at present is covered by the districts of Benares, north Mirzapur, Jaunpur, Ghazipur and Ballia. In 1801 the British came in possession of the districts ceded by the Nawab of Oudh in return for personal protection. To these were added in 1803 the districts conquered from the Marathas and known as "conquered" districts. In the same campaign were obtained the districts of Orissa, which were added to Lower Bengal. The "Orissa" conquered in 1803 included the pargana of Pataspur and the Cuttack province (now Puri, Balasore and Cuttack) and was not the same as the "Orissa" given to Clive in 1765 which was only one district—Midnapore.

The Necessity of Revising Old Concepts.

As in the case of large parts of Madras, so also in the case of all the above districts, both ceded and conquered, there were very few people who could be called Zamindars in the real sense. There were certain Rajas who had become Zamindars or Talukdars of great estates but they were very few and even these few had not grown as powerful as the Zamindars in Bengal. A peculiarity which is supposed to have been responsible for this, was that there were certain village-bodies which claimed descent from a chief or other notable who had founded the village or obtained it on grant. "They were now numerous and frequently had divided the village into shares called 'patti' but they had a strong claim over the whole area, including the site on which the village dwelling-places clustered and a certain extent of waste and pasture ground beyond. They had never been ground down to being tenants under any Zamindar, or if the process had begun it was not difficult to arrest it".[22]

The early Neglect of the Village Communities of the North.

It was not easy for the British administrator to change his conceptions and to learn the truth about our villages over large parts of India. Even the strength of the village communities in the North-Western Provinces did not at once quite convince him that a radical change was required. In the early

22 This is how Baden-Powell interprets the source of the strength of villages in the United Provinces which ultimately brought about a change in the Settlement idea. See *Land Systems of British India*, Vol. I, page 299.

days the idea that there should be a permanent settlement with some landlord or revenue-farmer in each village was widely prevalent and contracts were made with revenue farmers. Fortunately it was not decided to introduce a permanent settlement at once with auction-room Zamindars as in Madras. Some time was required to gather all the preliminary information hence it was decided to have three Settlements. the first two of three years each and the third of four years after which the whole arrangement was to be made permanent. These early temporary Settlements were made with Zamindars who could establish their claims or as in most cases with revenue-farmers who were willing to accept the terms of Government. In the case of some of the districts, like Allahabad for example, three or four revenue-farmers came to control the entire life of the people and the rights of those who claimed to be the "proprietors" of land were entirely ignored.

The Necessity of Postponing the Permanent Settlement.

When the time came for preparing the third and last temporary settlement which was to become a permanent one at the end of four years, the Government of India appointed a Special Commission to prepare the ground. The Commission issued a circular to all the Collectors to give their opinion. The latter concluded that a permanent settlement was not desirable just then because the country was depopulated and impoverished, a conclusion with which the Commission agreed. It does not appear that the Commission was for final abandonment of the idea. In fact, one of its members, Henry St. George Tucker, even believed that the principle itself was "wise and salutary." Besides, a pledge had been given to the so-called "land holders" that the settlement would be made permanent and Mr. Tucker believed that, "that pledge can never be effaced, although it remains unfulfilled."[23] Mr. Tucker and his colleague (Mr. R. W. Cox) however definitely recommended a delay or a postponement of the permanent settlement, the reason being largely that at that moment the population was limited compared to the area of land available. The Government of India was in such a hurry to introduce the permanent settlement that it wanted the Commission to carry through the proposal, a fact which led to the resignation of the members of the Commission and the appointment of a new Commission.

The Beginning of a Great Change.

It is interesting to note that the Court of Directors of

23 See Romesh C. Dutt: *Economic History of India in the Victorian Age:* Chapter 3, page 33.

the Company in England was not prepared to go about the matter at this stage as recklessly as the Government of India and when in 1811 the latter submitted the Settlements of Gorakhpur, Cawnpore and Saharanpur for final confirmation on a permanent basis the Court ordered a postponement of the idea. The Court of Directors ofcourse looked at the problem very largely from the financial point of view since fixing the land rents in perpetuity without proper care would be attended "with a long sacrifice of revenue." They however do seem to have expressed their doubts about the sufficiency of the knowledge available not only regarding the resources of the country but also regarding the rights and ancient customs of the different classes of people.[24]

This ofcourse was not the end of the controversy which continued till 1822. When the Marquis of Hastings came to India about 1813 he brought with him the feelings of the Directors and he too denounced the idea of a Permanent Settlement of the Bengal type and could not agree with the old policy of the Government of India and the new policy of their reconstituted Board of Commissioners who wanted a permanent settlement. The Marquis of Hastings praised the "great care and deliberation" with which the Bengal Permanent Settlement was introduced but admitted that this care as also the "benevolent purpose" of Lord Cornwallis had subjected the people to the most grievous oppression. Some writers believe that he was in favour of a permanent settlement provided the peasantry was protected. It can be said with some confidence that if anything finally ended the controversy on this it was a minute written in July 1819 by Mr. Holt Mackenzie, Secretary of the Board of Revenue, who outlined a new view point.

The Main Policy Underlying the Change.

The minute of Mr. Mackenzie was a strong protest against the idea of converting mere farmers of revenue into Zamindars. He also made out a strong case for a policy of carefully surveying the districts and preparing a proper record of rights and shares and interests in the village lands—a thing which was completely ignored in the Bengal system. But the question of the Permanent Settlement was not given up for all time and, as we shall see, it was brought up again a few years later. The early controversy at least was brought to an end by the passing of Regulation VII of 1822 which established the TEMPORARY SETTLEMENT SYSTEM.

24 See, B. R. Misra: *Land Revenue Policy in the United Provinces*: page 24.

The revenue system theoretically organised in the Ceded and Conquered Districts under the Regulations of 1822 was considerably in advance of the Bengal and Madras Zamindari system. As political power came to be consolidated the British administrators of this period seem to have realised that it was not really profitable either to fix revenue permanently or to ignore the village communities. The inquiries made in the North-Western Provinces as also in Bombay and Madras and the work done by Sir T. Munro not only added to the knowledge of village communities but showed that it was financially speaking desirable to adopt new measures and policies. Sir T. Munro visited England and had talks with the Directors in 1807 but we can be sure that the village communities would have remained unrecognised even after this and no other changes would have been adopted if it had not been shown that such changes were economically desirable.

One of the most important principles of the settlement under Regulation VII of 1822 was the recognition of village communities. The existence of joint or common management of irrigation works and of construction of other works of public utility had continued upto this time and it now received recognition. In some cases ofcourse the settlement was made with Zamindars and the matter rested there. But in cases where there were surviving village communities they were protected by means of a secondary settlement—known as **"mufassal"** settlement—which fixed the amount they had to pay to the Zamindar. A further development of this was the policy by which in some cases the Zamindars were even set aside completely with a money allowance and the villagers were settled with directly. The money allowance was paid through the Treasury and could be upto 10 per cent of the land revenue. This was known as double or taluqdari tenure.

Another very important principle accepted was that where villages were owned jointly by two or more persons the Settlement was to be made with the entire body of owners who were to be jointly and severally liable for the revenue. When such joint owners appointed an agent to manage the estate he was known as the **lambardar**. In some cases even a village community was allowed to settle with Government through its lambardar. It may also be pointed out incidentally that in Benares Province which was settled much earlier as we have seen under a Permanent Settlement, the settlement was made not with some one Zamindar as in Bengal but with the "village Zamindar" or the actual landlord who could be the entire village community.

Another noteworthy theoretical change was regarding the principles of assessment and settlement. The unjust Bengal procedure and plan of not preparing any kind of record of rights or of not fixing the modes of payment etc. was considerably improved upon here. It was decided at least in theory that the revenue should be fixed after proper inquiries regarding gross produce and the 'assets" of each village. It was the duty of the Collector now to prepare a record of rights for every area or village and such a record was to be fully informative regarding the types of tenures, customs, rights etc.

In theory the principles of 1822 were good but they could not all be put into practice, particularly the new principle of assessment. The new idea was that the gross produce of every field should be found out and the cost of production, the wages of labour, and the profits of capital deducted from it so as to give the net produce, from which a part was to be taken as revenue by the State. This was however a task much beyond the capacity of the Government in those days. In fact the machinery provided for the new settlement was so inadequate for the task that only a few villages could be settled every year. Ten years later (i.e. in 1833) it was calculated that it would take another 60 years to complete the work in many districts.

The Regulation IX of 1833.

The impossibility of putting into practice some of the good principles of 1822 led to the convening of a conference of revenue officers at Allahabad under the presidentship of Lord William Bentinck and the subsequent passing of the Regulation of 1833. This Regulation did not destroy the principles of 1822 but in simplifying the method of assessment etc., it considerably changed matters.

Regarding assessment methods, the Bengal method consisted of a mere reference to payments of the past as shown in former Records, most of which were imperfect. This simplified the method of determination of the assessment but made it entirely arbitrary and theoretically unscientific. The Regulation of 1822 on the other hand went to the other extreme of making the method theoretically scientific but very complicated in practice. A third alternative that could now be adopted was to go back to the method used before the British came—the method of Akbar—of determining the gross produce of every field and taking from it an arbitrary, but moderate, share either in kind or as valued in money. This was however not adopted and the new change consisted of

making the assessment two-thirds of the gross **rentals** (in case of land held by tenants) or of the "net assets" (in case of land cultivated by their owners). The net assets were left to be ascertained in more than one way. The payment of revenue was enforced with such rigorous punctuality that a large number of the estates could not remain in the hands of the "original proprietors". They were sold in default of payment of revenue and no attention was paid to the necessity of safeguarding the interests of the real owners.

It may however be added that whereas under the Regulation of 1822 as much as 83 per cent of the gross rental was claimed in practice by the State, the State demand was reduced in 1833 to 66 per cent of the rentals. In fact under the Bengal system the Zamindars could keep only 10 per cent of the rentals for themselves giving up 90 per cent to the State. From this the State share was brought down not only to 83 per cent in 1822 and 66 per cent in 1833 but the later Saharanpur Rules of 1855 fixed it at 50 per cent. There is no need to wax eloquent in praise of these reductions simply because the main question was not the proportion of the rentals taken as tax, but the way in which the rentals themselves were determined. There has always been so much of guesswork in the determination of the rentals everywhere and the method has been so defective that it has had to be criticised strongly by modern Indian experts.[25]

Among the other effects of the Regulation of 1833, we may note that it improved somewhat the method of keeping certain records of rights and also led to the appointment of Indian Deputy Collectors. A Western Board of Revenue was created with Mr. Robert Mertins Bird as one of the two members. By the end of 1849 the first regular Settlement of the North-West Province (except Dehra Dun and some parts of Bundelkhand) was completed and the Settlement was to last for 30 years. The procedure followed by Mr. Bird need not be mentioned here.[26] It may however be added that Mr. Bird's method left too much power in the hands of the Settlement Officer. Mr. Bird was also in favour of making the new settlement **permanent** in certain areas such as Agra, Muttra, Etawa, Cawnpore and Futtehpur districts. In 1844 Mr. J. Thomason, Lieutenant-Governor of North India, drew up the first complete code for land settlement in India known as "Directions for Settlement Officers". Among the other

25 For criticism of the use of "rental value" in Ryotwari tracts see, Principal D. R. Gadgil's "*Bombay Land Revenue System*" (Taraporevalla Sons and Co.).

26 See R. C. Dutt: *India in the Victorian Age:* page 34.

things described in the 195 paragraphs of the Code, para. 159 deals with the way in which the Record of Rights is to be formed. In 1855 certain modifications known as the Sharanpur Rules were introduced. The rule regarding the State share as 50 per cent of the rentals noted above became the basis of land assessment throughout India.

The Continuance of the Injustice of Zamindari in the United Provinces.

In spite of the differences between Zamindari in Bengal and in the United Provinces noted above by us there is no doubt that even in the latter area no real attention was paid to the necessity of looking too closely into the rights of the Zamindars. The injustice of setting aside the custom of village landholding continued though the difficulty of recognising one person as proprietor when there were several such was recognised. Great confusion was caused by allowing the older proprietary bodies to be displaced by more powerful successors, specially when it came to selling away an estate in default of revenue payment.

It is true that in the North-Western Provinces the word "Zamindar" can be used to describe both an individual owner or several undivided owners, but this makes for no mitigation of the real trouble which can often be traced to the early Settlement Officers' injustice in giving undue recognition to auction-purchasers and revenue-farmers. In the early days revenue-farming was widely encouraged and the management by some one person was the only concept that was acceptable to the official mind. The result was that very wrongly these old revenue-farmers became "Zamindars." Mr. Holt Mackenzie had to point out as late as in 1819 how the revenue-farmer was in a position to destroy the rights of the real owners and how force and fraud had been used in a large number of cases. In course of time the single Zamindari came to be divided among the sons and grandsons of the Zamindar who ofcourse jointly claimed the Zamindari to begin with and then separated after some years. The existence of joint landlords or even of "pattidari" villages could be traced to usurpation of rights of the real village communities or owners by a Zamindar. Baden-Powell himself has warned us against the fallacy of believing that the existence of "pattidari" villages was proof positive of the continuance of the rights of the old owners.

Speaking of the first settlements Baden-Powell admits that a "taluqdar" was often declared to be the proprietor just because of the position he held at the moment, even

though it was clear that the owners had once been the village cultivators who had now sunk to a subordinate position. "It was often a nice question in making the first Settlements, and one which the policy of the time caused to be determined this way or that, how far the overlord had acquired the status of proprietor and how ever the village people had lost their original position."[27] The Taluqdari or Double Tenure was a considerable improvement upon the Bengal system but it was not always possible to establish it nor was it in itself a guarantee of the rights of all the cultivators.

The Zamindari (single or joint landlord) villages were numerous but this was largely due to factors such as the transfers and sales in the early days of mismanagement. If Zamindars were created through auction sales in Bengal they were also created in the same manner in the United Provinces. The sale of estates for non-payment of revenue was regarded as an effective method of recovering the land revenue in time. The question of the right to the land was completely subordinated to this. Whoever purchased an estate in an auction became the Zamindar. As late as in 1818 it was not unusual to find speculators procuring by fraudulent means some evidence that a village was in arrears. Sometimes when a village was sold in this way the real owner did not even know it. In some cases the real owner was made to hide at "the advice of the very officer who was prepared to take advantage of the default he had himself instigated."

"Incorrect records and ignorance of rights of proprietors" were common causes of the sale of estates in Cawnpore district for example and there are cases where even the grant of a remission in the event of a famine did not reach the villages which were consequently sold for default. It was easy for subordinate officials in the Collector's office to buy up a large number of estates, and even when the Special Commission was appointed in 1821 to look into the matter a large number of these purchasers "escaped scot-free."

The giving up of the unjust Bengal settlement procedure and the fixing of revenue according to rent-rates has been referred to above. We may note here that this was not sufficient in itself to prevent the evils of Zamindari. In fact the settlements started in 1853 and concluded by 1880, though based on Thomason's instructions, failed to prevent over-assessment and led to agrarian trouble of great magnitude in

27 Baden-Powell; *Land Systems of British India:* Vol. 7, page 83.

areas like Bundelkhand, where the "landed classes" were expropriated and a class of new capitalist landholders emerged instead. English writers of eminence like C. J. Connell, I.C.S., and Sir William Muir are our witness to the injustices of this time.[28]Individual settlement officers have been accused of having neglected the village rent-rolls and of having raised the Government demand beyond the limit of 50 per cent of the net assets in anticipation of an imaginary future progress. The result was rack-renting of the tenants by the Zamindars. To this must be added the illegal dues of the Zamindars, comparable to the Bengal "abwabs," which also could not be prevented. It is true that in recent times, since 1900, some of the evils about excessive assessments have been remedied but the real remedy needed is the abolition of Zamindari itself. When Mr. Dutt pointed out, at the beginning of this century, the need for protecting the tenants the Government of the North-Western Provinces and Oudh replied that the subject was encompassed with more difficulties than Mr. Dutt realised and that "the Lieutenant-Governor whilst having the interest of the tenants at heart is bound to act fairly by the landlords also."[29]

Zamindari gets a new Lease of Life.

The history of the United Provinces shows that the acceptance of the idea of temporary settlements was not in itself of great benefit so long as the idea of having Zamindars was not given up. Unfortunately, not only was this idea not given up but it actually received a new lease of life after the Mutiny of 1857, particularly in Oudh. We may now consider briefly the development of Zamindari in Orissa and Oudh.

Zamindari in Orissa.

We may leave aside here the changes in the area collectively known as "Orissa" and only note the history of Zamindari in the Orissa of to-day. The districts of Cuttuck, Puri and Balasore including the Pataspur pargana were acquired after the Maratha war in 1803 hence they did not come under the Permanent Settlement. The original "Orissa" of 1765 was only the Midnapur district, and to-day is not "Orissa"' but a part of Bengal.

It is interesting to note that the Orissa districts were originally the seat of Hindu Kingdoms organised on a feudal basis with the Raja having his own "demesne" lands and his

28 See, C. J. Connell, I.C.S. "*Our Land Revenue Policy in Northern India:*
29 *Land Revenue Policy of the Indian Government (1920):* page 64.

feudal chiefs having theirs in the hills. In course of time these territories were conquered by the ruler of Bengal and subsequently became a part of the Mughal Empire. In the middle of the 18th Century the Marathas conquered them and took from the feudal chiefs a tribute or quit-rent. When the British got the three districts of North Orissa—Cuttack, Puri and Balasore from the Marathas, some of the chiefs were recognised as "tributary chiefs" without any regular Revenue or Settlement System, whereas some others were granted a Permanent Settlement and their estates were treated as permanently-assessed Zamindari estates. More or less the same status seems to have been granted to estates of a few other nobles and high officials for political reasons. This included Khurda and Marichpur in Puri, and Aul, Kujang, Kanika, Harishpur and Bishnupur in Cuttack. Certain other Zamindars—those of Darpani, Sukinda and Madhupur—were granted Sanads and made immune from increase in revenue payment in return for agreements to pay a fixed revenue regularly.

It should be noted that when in the middle of the 19th century some of these chiefs were not able to pay their revenue their estates were sold by auction under the Sunset Law of the Permanent Settlement to Bengali residents of Calcutta who automatically became the Bengali absentee landlords of estates in Orissa. It is reported that at present there are about 163 permanently settled estates in North Orissa, the remaining area being under temporary settlement.

In addition to the above districts of North Orissa, there are three other districts of Orissa—Sambalpur, Ganjam and Korapur. Sambalpur was a part of the Central Provinces till 1905 and Ganjam and Korapur came from Madras as late as in 1936. The revenue administration of these districts has been carried on therefore for a long time under the legislation of C.P. and Madras respectively and the Zamindars share the peculiarities of these Provinces.

The old Raja of Sambalpur at the beginning of the 19th century used to look upon the village headmen (Gaontiyas) as mere lessees for revenue purpose. They could be freely ejected by the Raja. This tract was escheated to the British in 1849. In 1862 orders were given for these village headmen in many districts of C.P. to be constituted proprietors of their villages. A little later when it was found that this would be unjust to other cultivators, the status of these headmen was modified considerably in some districts like Sambalpur. So far

as the Zamindari estates are concerned it was felt as far back as 1868 onwards that there should be several limitations on the estates of these Zamindars such as impartibility, inalienability, succession by primogeniture, etc. To-day the Zamindars of Sambalpur are more or less like those in C.P. rather than like the Zamindars of Bengal or North Orissa. The agreement with them is not as per rules laid down by any Act but is expressed in administrative papers known as village Wajib-ul-arz, tahsil Wajib-ul-arz or taluqa Wajib-ul-arz. These papers deal respectively with: (a) local peculiarities, (b) matter common to the tract, and (c) things like custom of succession or of maintenance, service, etc.[30] The estates of these Zamindars are impartible and non-transferable except to legitimate heirs approved by Government. The Zamindars can even be removed from their estates by Government for misrule, for determination of succession or for maintaining impartibility of the estate. Their estates are not permanently settled. It is said that in spite of the fact that they can be removed by Government not even one such Zamindar has been dispossessed since the Mutiny.

Since the total area of Orissa is not under one revenue administration we find that the Zamindars there have not been controlled by any one consolidated Tenancy Act as in other provinces. The Orissa Tenancy Act which was amended by the Congress Government of Sri Biswanath Das, is applicable to only certain areas and it gives so much power to the landlords that, as a recent writer has pointed out, "This is an excellent instrument in the hands of a thoughtless landed aristocracy for molesting the raiyats considered undesirable by them."[31]

Zamindari in Oudh.

As we have seen Oudh is a part of the United Provinces. The Regulations of 1822 and 1833 which were applied to the Ceded and Conquered provinces were a very great advance over the old policy of 1793. Unfortunately Oudh was not able to get the advantage of the new change even though it was acquired very late when the revised principles of revenue-administration had been well-established. The Taluqdari or Double Tenure must not be mixed up with the Taluqdari System in Oudh for the Oudh Taluqdar became very much like the Bengal Zamindar.

30 See, *Introduction to the Land Revenue and Settlement System of the Central Provinces* (Government Press, Nagpur); page 76.

31 Shree Ram Chandra Das: *Land System in Orissa:* Indian Journal of Economics, Vol. XXVI, page 211.

The province of Oudh was acquired as late as in 1856, and immediately after that a temporary settlement was made for the first three years. In the instructions given in 1856 by Lord Dalhousie to Major-General Outram, the Resident of Lucknow, it was mentioned that "the settlement should be made village by village with the parties actually in possession .... the intention of Government is to deal with the actual occupants of the soil, that is, with village Zamindars or with proprietary coparcenaries, ... and not to suffer the interposition of middlemen as Taluqdars, farmers of revenue, and such like."[32] It is clear from this that Lord Dalhousie wanted to arrive at a temporary settlement with the actual proprietors of the soil as far as possible. There was no idea whatsoever of creating artificially any new set of Zamindars or Taluqdars where they did not exist.

The first summary settlement was made and carried out but within a few months the whole arrangement was disturbed by the Mutiny of 1857. After Oudh was reoccupied in 1858, it was decided to have a new settlement. The lines on which the settlement was to be made were determined by Lord Canning's policy, which was different from the policy of Lord Dalhousie. Lord Canning's policy, as also that of the first Chief Commissioner of Oudh (Sir James Outram), was based on purely political considerations. The chief object of the British now was to restore order, to win over their political opponents, and reward their allies by grants of land. It was realised that as the cultivators in the villages were not so important as the Taluqdars their rights could be overlooked in favour of the Taluqdars. This is what Sir James Outram wrote in his Minute dated 5th June 1858 to the Government of India:

> "The system of settlement with the so-called village proprietors will not answer at present, if ever in Oudh. These men have not influence and weight enough to aid us in restoring order. .... But I see no prospect of returning tranquillity except by having recourse for the next few years to the old Taluqdari system. The Taluqdars have both power and influence to exercise for or against us. The village proprietors have neither."[33]

The old Taluqdari System referred to by Sir James

32 Quoted by Dr. B. R. Misra: *Land Revenue Policy in the United Provinces:* page 100-101.

33 *Parliamentary Papers relating to Oudh:* quoted by Dr. B. R. Misra in *The Indian Economic Journal,* January 1940, page 379-380.

Outram requires a word of explanation. In the first place we may note that the word "Taluqdar" cannot be defined with precision, though there is little doubt that in most cases the Taluqdars of Oudh were no better than ordinary revenue-officers of the State who had usurped power in the pre-British period more or less in the fashion of the Zamindars of Bengal. Mr. Sykes, in his authoritative work, "Talukdari Law," has given six methods by which the Taluqdars had increased their power. These were: (1) forcible encroachments on estates of weaker parties, (2) fraud, (3) forced private sale-deeds, (4) forced sales by auction for realization of arrears of revenue, (5) bona-fide sales to realise revenue demanded by the contractor, and (6) mortgages.[34] The predominance of force and fraud reminds us at once of the Bengali Zamindar. It is true that a theory has been put forward that some of the Taluqdars of 1856 were descendants of old Rajas and their estates were called "pure talooks," but even this theory does not deny the existence of "impure" estates which can be traced to some official or court favourite who made himself powerful through impure methods.[35]

According to Mr. W. C. Bennett, I.C.S., most of the Taluqdari estates had come into existence only within the last few decades and all Taluqdars were originally middlemen "put in by or forced on the Government who, as the central power grew weaker, were transformed into landed proprietors.[36] Many important officers like M. de Lavaleye, Lord Canning and others do not seem to have thought highly either of the origin of these men or their rights. Lord Canning wrote in 1858 that, "the majority of these men were distinguished neither by birth, good service, or connection with the soil, who, having held office as Nazins or Chakladars or having farmed the revenues had abused their authority."[37] It should not be overlooked that in 1856 Lord Dalhousie himself had realised that the old Taluqdari system was bad and the settlement should not be made with these middlemen. The old Taluqdari system was nothing better than a system by which entire villages had come in the possession of Taluqdars who were men of all kinds—from descendants

34 Sykes: *Talukdari Law:* page 9 and 10.

35 The theory of pure and impure taluqs is known as the patriarchal theory and was published in the *Calcutta Review* of June 1866, and quoted in *The Sultanpur Settlement Report, (1873).*

36 W. C. Bennett, I.C.S.: *Family History of the Chief Clans of the Raie Bareilly District.*

37 Quoted by Baden-Powell on page 202, Vol. II, *Land System of British India.* Mr. Baden-Powell however regards this as far too sweeping a statement.

of usurers and usurpers to perhaps a few descendants of Rajas. There is no doubt whatsoever that the origin of many of the Taluqdari estates like Shahganj and Pirpur in Fyzabad District, and Amethi in Sultanpur could be traced to force and fraud and it was this system that was now to be revived.

Lord Canning's idea of restoring order was to first threaten the Taluqdars of Oudh that their estates would be all confiscated as they had proved disloyal and then not only re-instate them on their estates but force them to remain loyal in return for the privilege. Thus in March 1858 he issued a Proclamation in which he named six loyal landlords and declared that with the exception of the estates of these six men whose rights would be respected, the proprietary rights in the soil of all others had been confiscated. At the same time however he made it clear that in the case of Taluqdars, chiefs and landholders who made immediate submission and surrendered their arms, etc., their claims to lands would be reconsidered. Mr. Romesh Chander Dutt believes that Lord Canning's idea was to confiscate the estates of the Taluqdars and that the clause by which Government agreed to re-view liberally the claims of the Taluqdars who submitted immediately was the work of Sir James Outram.[38] Sir John Lawrence, Lord Ellenborough and other high officers regarded Canning's Proclamation as a measure of confiscation more than conciliation. It was not realised that it was meant to confiscate and conciliate at the same time.

The direct result of this policy was that a large number of Taluqdars submitted to the British, and nearly all of them were restored to their estates to which they had no better claim than the Zamindars of Bengal. The injustice of Bengal was repeated in Oudh more than 60 years later, though perhaps with some mitigation, in spite of the understanding of the real issues involved regarding the position and status of the Taluqdars. The Proclamation of 1858 which had been intended for punishing the Taluqdars became an instrument for putting them in greater power than they ever had before and the Taluqdars look upon it as their 'Magna Charta.'

The procedure followed was very simple. All the Taluqdars were asked to come to Lucknow to receive their Taluqdari grants and a summary Settlement was made with them on May 1, 1858, and a detailed Settlement followed which was completed in the next year. All the old Taluqdars who held estates in 1856 were re-instated and out of a total number of about 34,897 villages in Oudh as many as 23,157

38 R. C. Dutt: *India in the Victorian Age:* page 267.

became Taluqdari estates, another 7,201 being regarded as Zamindari estates, the real difference between the two being very little.

Lord Canning made it clear that every Taluqdars with whom the summary settlement had been made should be regarded as having acquired a permanent, hereditary and transferable proprietary right but this right should be subject to action taken by Government to protect the rights of the village occupants and prevent their exploitation by the Taluqdars. This showed a necessity of a sub-settlement as was done in some other parts of the United Provinces. Sir Charles Wingfield, the new Chief Commissioner of Oudh was opposed to the idea of a sub-settlement and wanted the people subordinate to the Taluqdars to be left unprotected. Lord Canning looked upon these people as having "a more intimate and more ancient" connection with the soil than the Taluqdars hence he refused to leave them unprotected.[39]

Sir Charles Wingfield tried his best to obliterate all the customary rights of the cultivators. He issued a circular in 1859 declaring that by the Proclamation of 1858 all rights of everybody in every species of property had been confiscated and that all those rights were conferred solely on the Taluqdars upon whom the estates were conferred again. Technically he was right and he used this argument against Lord Canning's desire to protect the rights of the cultivator. Sir Charles also tried at a later stage to obliterate the customary rights by not allowing them as far as possible to be entered in the Record of Rights which were being prepared by the Settlement Officers. At a still later stage he refused to recognise any such thing as the right of occupancy and even went to the length of saying that in Oudh there were no such rights. His main arguments were that the Taluqdars were opposed to the right of occupancy and to any limitation of their rental demand, and that if these were conceded the Taluqdars would cease to be landlords.

Sir Charles Wingfield appears to have acted very much in the spirit of Clive and Hastings and of the Bengal Administration of 1793. To say this is to be charitable to him, for his behaviour after meeting the Taluqdars in 1864 can be interpreted by uncharitable souls as a clear sign of his having been heavily and directly bribed by the landlords. Fortunately most of the officers over him—Lord Canning, Sir Charles Wood, Sir John Lawrence and Lord Elgin, were not prepared to support him. All these officers adopted an atti-

39 *East India (Oudh Parliamentary) Papers*, 1861.

tude which showed that though for political reasons the Taluqdars had been put in power, the rights of the real proprietors and other cultivators were of great importance and could not be ignored completely.

Lord Canning tried in his own way to protect the interests of those who were below the Taluqdars. Lord Elgin asked Sir Charles Wingfield for an explanation why he was keeping out the customary rights of the cultivators from being recorded in the Settlement Records. He asked, "You are... requested to state whether the omission of all reference to their rights in the Settlement Records, coupled with the judicial powers conferred on the Taluqdars will not have a tendency to obliterate them altogether." Whatever may be the reason, Sir Charles could not reply to this straight question. The death of Lord Elgin soon afterwards must have relieved Sir Charles of a lot of anxiety springing from a guilty conscience and unwarrantable behaviour.

The Enunciation of a Great Truth.

It was however left to Sir John Lawrence to expose the position of both Sir Charles as well as the Taluqdars of Oudh. In reply to Sir Charles Wingfield's assertion that there were no occupancy rights in Oudh, Sir John Lawrence had to say openly that he had no doubt that the descendants of the old proprietary communities in Oudh had rights of their own and it was these rights which were now enjoyed by the Taluqdars. For the first time perhaps the truth came out forcefully. Sir John Lawrence's statement deserves a careful study. Here is what he said:

> "When these Taluqdars talk of their rights, they should not forget that the security of their rights is mainly derived from the British rule.... The value which British rule has given to their lands is enormous... I do not consider that the admission of the tenants of old, the old hereditary cultivators,....to the right of occupancy, and to fair and equitable rates will infringe in the least degree the pledge of Lord Canning. I feel sure myself that, while he was desirous to maintain the 'just right' of the Taluqdar, he had no intention to transfer to them the rights of others, with the single reservation that the Taluqdar, however he may have acquired the land, should continue the head proprietor. .... All I require is that the rights which flow from long possession....shall be recognised and recorded. Such rights, any just Native rule would admit .... Where the Taluqdar is gaining so much, he can surely

afford to give a little to others, or rather I should say, to forego somewhat of his claims."[40]

The above statement of Sir John Lawrence may be looked upon as the beginning of the realisation on the part of British administrators that the foundations of Zamindari were weak, that it was largely a British product, that to infringe the rights of the cultivator was wrong, that indigenous rulers had never denied these rights, that the gains of the Zamindars were not all just and that the time had come for them to forego them.

The immediate result of the attitude taken by Sir John Lawrence may well be imagined. An inquiry into the rights of the cultivators was instituted and it showed that the custom and usage of the country gave to the tenants a right of occupancy which could not be set aside even by a Taluqdar and that many of the tenants had been formerly in possession as proprietors of land in the villages. Unfortunately even men like Sir John Lawrence were not able to set right the wrong done by the Taluqdari system. Important laws were passed in 1868, 1883, 1886, 1921, etc., but these laws were not effective enough to help the cultivators to the extent required. As in case of other Zamindari areas in India so in Oudh the Taluqdars got what they never deserved, whilst very common evils such as the taking of Nazarana and the difference between revenue and rent could not be touched at all by law.

40 *Parliamentary Papers relating to Oudh*, Vol. 40, paper 62, quoted by Dr. B. R. Misra.

CHAPTER II.

A RATIONALE OF ZAMINDARI.

The history of Zamindari in India is the history mostly of a pressing economic and political necessity and partly of an error in thought which falsified the hopes of its founders.

Two Wrong Attitudes on the Question.

There are several ways of looking at the subject and a purely objective conclusion becomes difficult because of our tendency to suspect the foreigner who introduced Zamindari in its modern forms and to impute to him motives which may or may not have been there. It can however be said that there are two schools of thought, or rather attitudes, which are completely wrong and are also opposed to each other—the attitude of the champions of landlordism and that of the extreme anti-British critic.

Is Zamindari Indigenous?

The champions of landlordism maintain that Zamindari is an indigenous product and therefore should not be abolished. The Bengal Landholders' Association, to take only one example, maintains that the original Zamindars were proprietors of the soil and the principle of proprietary right can be traced to the Mahabharat itself.[1] Some of the biggest Zamindars of Bengal take for granted that the word Zamindar is of Persian origin and means "possessor or **proprietor** of land".

This view is completely wrong because of several reasons. Nothing has been more indigenous in India than the **communal** ownership of land and in any case the Zamindars (including those of Bengal) were **never** the proprietors of the soil. Even Sir John Shore himself who considered the Zamindars as proprietors of the soil said that the origin of the "Zamindars" was uncertain. An attempt is sometimes made to show that the Zamindars in Bengal are different from other Zamindars such as those in Bihar and other places and it is claimed that the original Zamindars of Bengal were the descendants of Rajas who were proprietors of the soil. This distinction is fallacious for even in the case of Bengal a reference to the terms of the deeds of appointment of these Zamindars has convinced revenue experts like Baden-Powell that the Zamindars were only revenue officials or tax-gather-

1 See, *Report of Land Revenue Commission, Bengal:* Vol. III, page 52.

ers.[2] Harington, who had come in close touch with the Bengal Zamindar, tells us that the Zamindar has to renew his title from the sovereign when he wanted to succeed to his Zamindari by inheritance and that he could be set aside whenever it was the pleasure of the Government to do so.

Harrington's detailed account of the Zamindar's position under the Mughal constitution leaves us in no doubt that it would be as ridiculous to call the Zamindar a proprietor or a descendant of a Raja as it would be to call every tax official a descendant of the founder of the Kingdom. Lastly the fact remains that even if we do not take into account the historical position of the Zamindar and even if it be true that every Zamindar is a descendant of a Raja there is no reason for believing that Zamindari should not be abolished. If a system is indigenous that does not mean that it must be made permanent. Similarly if a thing is not indigenous that does not mean that it cannot be adopted.

The Viewpoint of the Extreme Anti-British Critic.

If the view of the landlord is one extreme view, the other equally extreme view is that which tells us that Zamindari is **completely** foreign and that it should be abolished because it was introduced with the vilest of vile British Imperialist intentions. There is some truth in this view but to accept it wholesale is to forget that the best way of abolishing an evil is to try to understand it and the best way of understanding it is not to take for granted that the intentions that led to its creation were necessarily evil.

The Indian and Pro-British Supporters of Zamindari.

The question of intentions is always a difficult one to solve. To begin with let us not forget that the Permanent Zamindari System was supported by some of the greatest British friends of India like Sir Philip Francis, as also by Indians of great eminence whose patriotism cannot be doubted such as Romesh Chunder Dutt the economist and Major Basu the historian. Were the intentions of these men also vile, and, if not, how can we explain the praises showered by Mr Dutt on some of the English administrators who supported the system? A large number of writers, both English and Indian, have supported the view that Zamindari was introduced as

2 Zamindar really means a land holder. According to Baden-Powell the word was used vaguely by the Muhammadan rulers and was meant to be so used. According to some writers those responsible for revenue payment were called *Zimmadars* which word may have come to be corrupted into Zamindars.

the result of an honest mistake or misunderstanding.[3] It is said that men like Lord Cornwallis came from a country where the central figure in agriculture was the landlord and they failed to realise the exact position of the Zamindar in India who was only a tax-gatherer. The peculiarity of Indian customs such as the tendency for the post of Zamindar to become hereditary is supposed to have created a false impression about the real position.

Was Zamindari the Result of an Honest Mistake?

It is as difficult to accept the above view as it is to reject it outright. Let us however summarise the main arguments in favour of the view that an honest mistake was possible—

(a) The rights to land ownership were completely undefined before the British put them on a legal basis. It was extremely difficult if not impossible to find out quickly who really was the owner of land. Apart from this, the British had not enough experience to know much about village communities and their rights. It is pointed out that Lord Cornwallis and his predecessors had come to India with no other idea of land-holding but that of "landlord and tenant" as they had known it at home. In other words they could not conceive of any idea other than that of some one person in the village being necessarily the proprietor.

(b) The practical position of the Zamindar in 1790 was more important than his origin or his real original rights or rather the absence of such rights. The practical position of many Zamindars was that of landlords even though they had come into that position illegally in the period of chaos just before the British came. The British had not to determine an accurate theory of the Zamindar's past which was no better than that of a revenue-farmer but to confer on him a status based on his practical position.

(c) By certain customs the position of Zamindars had become hereditary and this peculiarity, though not based on any real Mughal Law, was responsible to some extent for the impression that the Zamindar could be regarded as a proprietor. The Board of Directors, as early as July 1770, had expressed the view that they did not want to prejudice the rights of Zamindars "who hold certain districts by inheritance."

3 See for example, Martin Leake: *Land Tenure and Agricultural Production in the Tropics*, page 19.

The Flies in the Ointment of the Britisher's Honest Mistake.

As against the above arguments to support the view that there was every possibility of an honest mistake, we have the following arguments to show that there could not have been any honest mistake regarding the status of the Zamindar and that the system was introduced **intentionally** for other reasons:—

(a) If the rights of landownership in India were undefined every British administrator could have found and known, as Grant actually found and knew, that the Zamindar was **not** the owner of land and that his technical position and status clearly showed that the Mughal Government had definitely no idea of recognising him as a landowner. It may be true that knowledge about our village communities was not available to all administrators but, on the other hand, how was it then possible to refer to these matters in the official account of Benares, written about 1796?

(b) If the British wanted only to sanction what had been there in actual practice why should they have unnecessarily gone beyond the actual practice and given to the Zamindars additional legal powers, such as the right to alienate land or to raise money on it by mortgage or to freely and legally sell the land, powers which the Zamindars had never enjoyed before and which were no part of their actual **practical** position?

(c) The position of the Zamindars was not as hereditary as it is supposed and Mr. James Grant had known and pointed out clearly that the office of Zamindar had not become hereditary till after Nadir Shah, i.e. as late as 1739 A.D. Besides even if the Zamindar's position had become hereditary by long custom it was surely known to the British that it was not the real position warranted by Mughal Law and that the Mughals never hesitated to drive out whomsoever they liked from the estate when they thought it fit. Hastings himself had no illusions about it and was convinced that the Zamindar was by no means the proprietor.

(d) From the evidence available the idea of an honest mistake about the position of the Zamindar is untenable. There is considerable evidence to show that it was well-known that the rights of the Zamindars were limited by the rights of the village cultivators. The idea of "subordinate rights" of the cultivators was a prominent fact. In fact the existence of these rights was

openly acknowledged. The subsequent failure to protect these rights clearly shows that there was no honest mistake about the rights of the Zamindars. It cannot be overlooked that even when more experience was obtained Zamindari was forced on the people in other parts of India. It was introduced in Madras even when there were no Zamindars at all in certain areas. It was introduced in Oudh and proprietary rights granted to the Taluqdars even when it was known that they were only middlemen and when only a few months before it was openly declared that no settlement should be made with them as they were **not** the real proprietors.

Zamindari, a Product of Differing Intentions.

It would appear from the above discussion that there is no scope whatever for believing that there was any honest mistake. The theory that Lord Cornwallis was an honest man who honestly saw in every dishonest tax-gatherer an honest proprietor of land is rather far-fetched. But this should not rush us into two possible wrong conclusions: first, that there could be no honest mistake on the part of anybody else and, second, that the intentions of everyone must necessarily have been bad. The Zamindari system was not the outcome of the doings of **one** man nor were the intentions of all those responsible for it necessarily the same.

Romesh Chunder Dutt and the Zamindari System.

The history of human errors, of errors in the thought of some of the world's greatest intellectuals, has not been written but can show how great errors in thought are as much the common vice of the wise as the common privilege of the fool. What greater error in thought can there be than the idea that we should strive to create not a society of equals but of a few men of great wealth and eminence standing between two other groups—the ruling power in India and the cultivators of the soil? Would anyone to-day accept the idea that when a country is under foreign rule Zamindars are necessary to correct the mistakes of the rulers, bring the Government in touch with the cultivators and resist the arbitrariness of Government? Would anyone to-day say that peasant proprietorship is not as good as Zamindari because peasant proprietorship gives us a "dead level" of unhappy men whereas Zamindari in Bengal gives a picture of happiness where "we find gradations of society, the noblemen of territorial possessions, the country gentleman of landed estate, **the occupancy cultivator with his rights secured**, the tenant-at-will, the day labourer." If these ideas are shocking

in their emptiness of truth it is more shocking to find that they are not the ideas of a British Imperialist trying to create a class of loyal Zamindars to support British rule, but are the ideas of India's great economic historian, Mr. R. C. Dutt himself.

If India's great economic historian could not understand or anticipate the exact position of the Bengali Zamindar and preferred the appointment of Polygars and Jagirdars to the ryotwari settlement, is it quite impossible that some at least of the early Englishmen who were responsible for the introduction of the Zamindari system were also honest in their mistaking the Zamindar for a real landlord? Sir Philip Francis and some others supported the system with the best of intentions. It ought to be easy also to realise that intentions can differ even when two men support the same thing. Thus Sir Philip and some others may have honestly mistaken the position of the Zamindar in Bengal whilst the creation of artificial Zamindars through the auction-room in Madras by Lord Wellesley may have been done with a different intention, an intention which may be dishonest or otherwise unsupportable.

The Common Aims Underlying the Establishment of Zamindari.

Leaving aside the uncertain field of intentions we may now proceed to tread on firmer ground and to consider the basic political and financial reasons, as well as the supreme error in thought, which we referred to in the beginning of this chapter. We have seen enough to realise that the search for the true object of the establishment of Zamindari is complicated by the fact of the system having been established at **different times** in **different areas** by **different men** with **different intentions**. Even the Bengal system as we have seen was the work of several men with differing intentions. But in spite of all these difficulties it is not impossible to discern the most common aims and objects which moved the majority of the administrators involved.

A Legal Lie to gain a Political Ally.

So far as the East India Company was concerned its main objects in relation to the revenue administration were two—to make money and as much of it as possible so as to give large dividends to its shareholders and, secondly, to conquer more and more territories and in order to do that to consolidate first the territories already conquered by creating political allies for itself. If our national Government to-day is

interested in consolidation of holdings the early British government in India was interested in consolidation of its own imperialism. The establishment of British rule would have been quite impossible without a constant effort to create political allies who would be loyal to the conquerors. Hence it was thought desirable to adopt the legal lie of recognising the Zamindars as proprietors of land. It is true that there were preconceived ideas of land ownership based on the English system, but the ultimate discussion that followed as to who should be recognised as the proprietors—the Zamindars or the cultivators—was not based on a desire to find out the exact legal rights. Reliable official commentators and reports have admitted that political considerations were regarded as more important than legal rights.

The Economic Appeal of the British Compared to the Technique of the Portuguese and the French.

It is interesting to note that in the conquest of the Asiatic world the Portuguese, the French and the British had their own techniques. The Portuguese tried the method of converting the conquered to their faith and in their case the Missionary followed the Flag. The French under Napoleon were perhaps the most liberal and open-minded of the three. We all know how Napoleon tried the methods of getting himself converted to the faith of the conquered rather than the other way about. He made a show of being converted to Islam in Egypt and is even reported to have said that he did not mind wearing loose trousers and the headgear of the followers of Islam if he could win an Empire. As compared with these two peoples, the British in India can be said to have been less open-minded than the French but also less tactless than the Portuguese. Since the British were keen on allowing their trade to follow the flag, the Missionary was kept at a distance, and they resorted to the method of gaining political allies through the economic appeal. If the appeal of the Portuguese was to fear, and the appeal of the tolerant Napoleon was to sentiment and the heart, the appeal of the British was to the pocket.

The search for political allies began with the East India Company but continued even after the transfer of power to the Crown. Lord Cornwallis himself supported the idea of a Permanent Settlement with the Zamindar on this ground and said "A landholder who is secured in the quiet enjoyment of a profitable estate could have no motive for a change. On the contrary if the rents of his lands are raised in proportion to their improvement, if he is liable to be dispossessed

should he refuse to pay the increase required of him, or if he is threatened with imprisonment or confiscation of property on account of balances due to Government upon an assessment which his lands are unequal to pay, he will readily listen to any offers which are likely to bring about a change that cannot place him in a worse situation, but which holds out to him hopes of a better."

The sentiment of Lord Cornwallis was shared by a large number of other officials and, as we have seen, this sentiment was a ruling factor in the settlement with the Zamindars in many other places such as Orissa, Oudh, etc. It is true that as British power came to be consolidated the desire to please the Zamindar at the cost of the cultivating masses diminished but the idea was never completely given up and received in fact a fresh lease of life after the Mutiny.

Economic Gain—the Predominant Motive.

It is a mistake to forget that Zamindari was not the result of only one motive as mentioned above. Political considerations were important but the economic motive was even more important. The history of Zamindari shows that there was always a readiness to inflict pain for sake of economic gain. We must therefore look upon the economic reasons that led to Zamindari as the most important of all. It is significant to note that the Zamindars were never allowed to come in the way of the recovery of land revenue which was always the main factor. Wherever and whenever the Zamindars failed to pay the revenue,—whether in Bengal, in Orissa, in Madras, or elsewhere—they were ruthlessly set aside and a new set of them appointed. It follows from this that though the Zamindars were regarded as political allies, they were not tolerated because they were feared—they were tolerated because it was felt they were useful both economically and politically. The argument put forth by Mr. B. H. Baden-Powell, that it was **impossible** to set them aside even if the British wanted to do that and therefore we must blame the Moghal revenue system and not the British. is a fallacious argument.[4]

Nothing was impossible for the British when economic gain was involved. This is the one central lesson we learn from the entire history of Zamindari. Zamindari was supported when it was economically useful and it was denounced when it lost this utility. Nothing was allowed to come in the way—neither the interests of the tenants nor of the

4 B. H. Baden-Powell: *Land Systems of British India:* Vol. I, page 187-188.

Zamindars. The revenue demands of 1793 were pitched so high that the early Zamindars were for the most part ejected from their estates within the next seven years. Marshman describes this as a social revolution.[5] The so-called proprietors who were supposed to be so powerful that the British could not ignore them were ruthlessly thrown out of their estates under the Sunset Law for non-payment of revenue. When it was found that the assessment was very high the remedy adopted in those early days was not to revise the assessment but to give the Zamindars full powers to crush their tenants. The legislation passed after 1799 (Haptam Regulation) was so harsh that, according to an English writer, there was hardly a civilised country in the world where the landlord was allowed to evict his tenants as the Bengali Zamindar could do.[6]

How Zamindari proved economically useful.

The Zamindari system was regarded as economically useful in the early days for certain very important reasons. First of all the collection of revenue by the Zamindar was regarded as the cheapest, safest, and most convenient of all methods. The East India Company of 1793 was not a powerful well established State with an assured income. It was a commercial concern surrounded by formidable enemies which could crush it unitedly. It needed a strong army both for offence and defence. To maintain this army and to calculate its expenditure beforehand it was necessary to have a fixed revenue which if it did not increase would also not decrease. A large and fixed revenue was also needed to finance the costly war operations—the Rohilla War, the two campaigns against Tipu Sultan, the preparations to keep the Marathas in check, the cost involved in the reduction of Pondicherry and the mission to Nepal, etc. Among the expenses of the Company both a little before and after this time we may reckon the 26 lakhs of rupees to be paid annually to the Emperor, another 53 lakhs paid to the Nawab Nazim, territorial payments in England amounting every year to more than one crore of rupees, and the money invested annually[7]. We need not add the deficiencies of other Presidencies and of distant settlements which had also to be faced.

The Difficulties of Direct Contact with the Cultivators.

It is true that there were two possible methods of collect-

5 Marshman: *History of India*: Vol. II, page 261.
6 Mr. Field, in his Introduction to the *Bengal Code*.
7 See, (1) Ninth Report of the Select Committee, Appendix No. 6.
(2) Banerjea: *Indian Finance in the days of the Company*: page 100,

ing revenue, (a) through the Zamindar and (b) through direct contact with the cultivator with the help of professional revenue officials. But of these two methods the second appeared to many to be out of the question. It required a large number of trained men both Indian and English, whereas Lord Cornwallis was not prepared to employ any "native" for important work. It is often forgotten in discussions of this problem that the Muslim rulers who had greatly reformed our revenue system had always trusted and employed a large number of Hindus in revenue work whilst Lord Cornwallis on the other hand held that, "all reforms would be nugatory whilst the execution of them depends upon any native whatever." He went to the giddy limit of saying "Every native of Hindustan is corrupt".[8]

There were other difficulties that mattered. A direct contact with the cultivators would require a knowledge of local conditions which was not available and would have involved heavy expense. At that time there were no records of rights and no proper maps. To this must be added the difficulties about roads and communication in general. The cost of getting all these difficulties removed would have been very heavy, apart from the question of the time required. The cost of preparing the record of rights in the course of district settlements has always been very high. The districts of Bengal to-day have cost huge amounts from about 13 lakhs of rupees in the case of Noakhali to nearly 60 lakhs in the case of Mymensingh. The Company was in no mood to spend such large amounts of money just to find out the rights of the cultivators. Besides direct dealing with such cultivators would have made it impossible to get a fixed revenue. The need for granting remissions would have also involved a further loss of revenue.

The Other Side of the Shield.

As we have seen Zamindari was not the product of one man alone. However powerful the economic reason behind it, there were other reasons behind its establishment which go to show the other side of the shield. An examination of all these reasons will explain automatically why Zamindari was supported not only by men of sordid motives like Lords Cornwallis and Wellesley but also by many other men whose greatness and goodness cannot be questioned. Though Zamindari as developed in India was based both on the principle of Permanent as well as Temporary settlements the basis of a Permanent Settlement was much more frequently

8 He wrote this in a letter to Dundas, dated Patna, August 14, 1787.

used. Both the Zamindari Settlement and the Permanent Settlement were introduced with certain hopes based on certain beliefs some of which proved correct and gave the results hoped for but most of which proved to be wrong and ultimately falsified the hopes of the founders of the system.

For more than one hundred years—from 1793 to 1903—many men of exceptional merit (some of whom were great friends of India) honestly believed that a Permanent Zamindari Settlement would be beneficial to the country and to its cultivating masses. The arguments of Lord Cornwallis, Colonel Baird Smith, T. C. Robertson, Sir John Lawrence, Sir Charles Wood, R. C. Dutt and other men show the large number of good hopes and beliefs which were entertained. Among these were the following.

(1) It would encourage the growth of a middle class connected with the land which in turn would lead to social stability.

(2) It would create a class of men loyal to the Government.

(3) It would bring leisure and wealth to the landlords who would not only develop education and culture but also become the educated leaders of the people.

(4) It would encourage investment of capital in land and lead to land development and extension of cultivation.

(5) It would give Government great security in the collection of land revenue.

(6) It would save the people from the vexation of resettlements and help both the rulers as well as the people in the general work of administration.

(7) It would prevent the interference of the Executive in the affairs of every village, an interference which would be irksome to any people and would prove intolerable "to the natives of India."

Why the Growth of a Middle-Class was Favoured.

The idea that the system would create a healthy middle class seems to have been the foundation of the good future visualised by many men. Some of the administrators like the Lieutenant-Governor of Northern India in 1842, believed that it was "a fearful experiment" for the British to govern the people direct without "any intermediate agency of indigenous growth". We have examined the views of Mr. R. C. Dutt

on the Zamindari system. It may be added that more than one administrator in India, including men like Mr. T. C. Robertson and Mr. Samuel Lang, held almost the same views and were convinced that a society without class gradations was bad and that such a society would only flatten the whole surface of society, reduce the people to "a state of a uniform dead level," and leave little of "distinguishable eminence between the ruling power and the cultivators." Sir John Lawrence looked upon a contented middle class attached to the land as a necessary element in the stability of British rule. He seems to have felt that if opportunities were given to middle class people who had the intelligence and influence to own land and become prosperous through a fixed assessment they would be an influential social element working for stability and would save Government the trouble of having a large army.

The Idea of Having a Class of Loyalists.

We have already examined the political motives behind Zamindari and the arguments of Lord Cornwallis as to how the Zamindars who owned profitable estates would desire no change and act as a class of great loyalists. These ideas were also held though in a slightly modified form by all other administrators who believed in the system. Sir John Lawrence dreamt of this loyalty being based not simply on the attachment to their vested interests by the Zamindars but on a general contentment and prosperity which would multiply the number of such prosperous men. The Lieutenant-Governor of the North-Western Provinces in 1862 had learnt the lesson that in the Mutiny the Zamindars of permanently settled estates in Bihar and in some districts of Benares (such as Ghazipur) had not remained more loyal than others in areas under temporary settlement. None-the-less he held the view that a proper limitation of the revenue demand upon land would ultimately create feelings of loyalty. Even as late as in 1869 the Secretary of State for India, Sir Stafford Northcote declared that he believed in the Permanent Settlement as it would help "in connecting the proprietors of the land with the stability of the Government."

The Question of Capital Investment and Extension of Cultivation.

The idea that the new system would lead to more investment of capital in land and to extension of cultivation and other improvements was even more valid than the idea of creating loyalists. In 1793 a very large part of the country was uncultivated. To this must be added the desertion of farms

due to several famines and floods in those days which destroyed nearly half of the agricultural population. It was not possible for the East India Company to bring all these lands and jungles—nearly 1/3rd of the total area of the province—into cultivation. Since taxation depends on the area of land cultivated it was necessary to evolve a system by which cultivation could be extended.

It is true that the land revenue demands of Lord Cornwallis were exceedingly high and defeated this purpose but many other administrators were prepared to suffer a loss in revenue if it could increase the area cultivated. The general idea was that if the Government demand was fixed, the increasing profits of the Zamindar would make him wealthy and he would invest this wealth in land which would increase in value step by step. The feeling of ownership created by the Settlement, and the absolute certainty of enjoying fully the future returns of capital and labour invested, were expected to lead to the much needed extension of cultivation.

The Idea of Security in Collection of Land Revenue.

The importance of a fixed land revenue payment has been examined before. As we have seen whatever was done—whether good or bad—it was done with the idea of getting a fixed amount as revenue. This was particularly true in the early days when there was much insecurity. As we have also seen not only was the Zamindar put in power to get a fixed income but he was often ruthlessly thrown aside and changed if he failed to bring in the fixed revenue. Later administrators like Colonel Baird Smith were emphatic that a fixed revenue would help both the Government and the people. The Colonel pointed out in 1861 the advantages as follows, "It may be supposed that a great sacrifice of public revenue is involved in the concession of a perpetually fixed demand on the part of Government. It is to be observed however that. . . . the recent tendency of the measures of Government has shown a different conviction and indicated a belief that its interests are best secured, not by a general enhancement, but by general lightening of its demand on the land". Sir John Lawrence advocated a Permanent Settlement on more or less the same grounds, namely, that it would give security to the land revenue itself which in years of calamity, occurring every now and then, had suffered largely.

In the next chapter we shall see to what extent the above mentioned hopes and beliefs proved correct, to what extent they were falsified, and why to-day the Zamindari Permanent Settlement stands condemned and must be abolished.

CHAPTER III.

THE BASIC INJUSTICE OF ZAMINDARI.

There are certain conditions under which the Zamindari system (in the sense of a good system of landlordism) could be justified, but as we shall see not one such condition is present to-day.

The Theoretical Basis of Good Landlordism.

The theoretical basis of good landlordism is that it can produce leaders of the people who by their progressiveness and resources can guide the cultivator and supply capital to land. Wherever the labour of the cultivator has combined with the expert knowledge and leadership of a good landlord the results have not been bad. There are, however, two essentials of good landlordism. One essential is that the landlord should come in the rightful possession of land which should not belong to anybody else. The second essential is that the landlord himself should be interested in the actual cultivation of the soil. The history of world agriculture shows that there **have** been countries where the landlord himself farmed the larger part of his estate and was regarded as a farmer by other farmers. Such landlords were the natural leaders of the people and could represent the farming class in the legislature also.

The Failure of Landlordism To-day.

A careful examination of landlordism in most countries of the world to-day shows to us that the two essentials mentioned above are mostly absent and the theoretical advantages of good landlordism remain only theoretical. There is a general impression that England was the home of good landlordism of the above type. Some Indian writers think (though mistakenly) that this holds true even today.[1] It is true that the English landlord of the past used to invest capital in land and was prepared to bear his share of loss in periods of depression. But all the land that he came to own did not belong to him and much of it originally belonged to the people from whom it was taken away. Besides, for many years now even the English landlord has tended more and more to be an absentee owner not interested in his land.

1 "The best system of general farming is found in England where as a rule cultivation is carried on by tenant farmers." Dr. B. V. Narayanswamy and P. S. Narasimhan in *Economics of Indian Agriculture*: page 578 (First edition).

The Main Cause of the Failure of Landlordism.

It is becoming more and more clear that landlordism in agriculture has failed almost everywhere in the world to-day. Of the many reasons why it has so failed the most important is that, sooner or later, the landlord tends to become a rent-receiver. Landlordism can have no meaning whatever where the landlord is not an enlightened individual taking personal interest in cultivation. Immediately the landlord becomes a mere capitalist or rent-receiver he signs his own death warrant for the system begins to decay through low-grade farming which ultimately impoverishes all the parties concerned and particularly the land and its tenants.

Since some of our own Indian writers are very enthusiastic about English landlordism it would not be out of place to say a word more about this system. The English landlord was at one time admired by many English and even European writers on economic history—but that was many years ago. It is a pity that some of us here in India to-day seem to be ignorant of the facts brought to light by enlightened British writers. Sir A. D. Hall, for example, has shown very clearly that even the English landlords have turned into mere capitalists and rent-receivers and have neglected their lands. These lands need considerable investment of capital to-day in order to become really productive whereas their owners are in no position to supply this capital. As directors of their estates the landlords have very nearly abdicated.

It would be sad news to the admirer of English landlordism to hear that many estates in England are managed by solicitors' firms who have no knowledge of farming. If it be asserted by an over-enthusiastic admirer that this absentee landlordism and neglect of land is only a recent development and therefore neither known to many nor likely to be permanent he is invited to read carefully not only the recent books of Sir A. D. Hall but also what Mr. Christopher Turnor wrote more than a quarter of a century ago. Here is what Sir A. D. Hall has to say: "It is not to be supposed that we can return to the days of Townshend and turnips. .... Public life has become more exacting .... the great estates have for the best part of a century now been in the hands of agents."[2] This can be supplemented by what Mr. Turnor wrote many years ago: "Not only is the land of England owned by one set of men and cultivated by another but .... the set of men who own the land are passive partners in the industry of agriculture—mere rent receivers .... The far-

2 Sir A. Daniel Hall: *Reconstruction and the Land:* page 64.

mers do not regard the owner as one of themselves, or as directly interested in the cultivation of land."[3]

Zamindari in India Doomed to Fail in the Very Hour of its Birth.

When landlordism at its best has failed, and that too in countries which are not poor and where there has neither been a dearth of capital nor any pressure of population on the land comparable to our own, it would be futile to expect our own system of Zamindari to succeed in the face of adverse circumstances which encourage exploitation of the real cultivator by the owner of land. If the agricultural cancer of absentee landlordism and social parasitism has spread over the rural areas of countries where it did not exist before, and where the landlords were at one time responsible for great improvements in agriculture and for saving their country from famine, how can we expect to fare better here in India where absentee landlordism and social parasitism were encouraged from the very beginning of the introduction of Zamindari in its modern forms? This rotten base on which Zamindari was built up was most unfortunate for the system was thus doomed to die by the very technique used to give birth to it. Zamindari has led to various evils—social, political and economic—which cannot be disputed or doubted and which cannot be either avoided or eradicated without its complete abolition.

Zamindari has involved violation of the principles of justice and morality.

As we shall see in a subsequent chapter there is a stigma of theft, force and fraud attached to the basic origin of private property in land throughout the world. The creation of huge landlord estates has often been the product of great injustice—injustice based on the brute force of a political conqueror or of unjust legislation in the interests of a privileged class. When the Normans conquered England the land was assigned freely to a chosen few who had no real right to it; whereas later on in 18th Century England the acquisition of huge landed estates by the landlords was an act of usurpation. If all this is true of ordinary ownership of land it is doubly true of the origin of Zamindari in India.

Here from the very start the British adopted methods which ignored the question of the rights of the cultivators. The question never bothered them or in any case was always regarded as subordinate or subsidiary to the main objective—

3 Christopher Turnor: *Land and its Proble*

the getting of more revenue. If we go back for a moment to the system of 1772, we may admit that the system of farming out the revenues was not new to India but the basic injustice of the British system stood in great contrast to the Mughal practice. The Muslim rulers used to farm out the **revenues** and not the **land** itself and the revenue was farmed for one year at a time as a temporary measure. They were very keen also to protect the customary rights of the cultivators of the soil. On the other hand the British system of 1772 onwards, meant practically the farming out of not only the revenue but also the land itself. Some writers have regarded this as amounting to the confiscation of the peasants' proprietary rights **on a scale the world had never seen.**[4]

The creation of Zamindari meant in actual practice the deprivation of millions of cultivators of their immemorial customary rights as to the use of the soil. Everywhere custom had proved stronger than political conquest in the long history of our land and according to this custom every cultivator could keep his land to cultivate so long as he paid his tax or share of the harvest. The masses were organised by custom so powerfully that in spite of all the power of the Zamindars the soil remained with its tiller. The State claimed a certain share of the crop but even the strongest of Mughal rulers did not claim more than this. The right of the cultivator to take the remaining part of the crop was admitted and protected and this share was supposed to be large enough to pay the cost of cultivation and keep the cultivator alive.

The Muslim rulers were not so indifferent towards the cultivators as some writers have tried to assert. In actual theory the Zamindar remained an agent and not a landlord and the agent had over him a large number of officers—the **Kanungoes** and **Patwarees**—who kept records of rights which no Zamindar could set aside. The Mughal conception of revenue, as explained in the time of Akbar, was essentially and basically that of a dual partnership in land—of the State and the cultivator—which allowed no place for the English conception of a landlord. Whatever writers like Moreland may say, we have it on the authority of Sir John Shore himself that rayatwari settlements were often executed with success by the Muhammadan Governments "who entered into all the details of the business and examined the accounts of the collector with rigour and minuteness."[5]

4 Dwijadas Datta: *Landlordism in India*: page 57.
5 Sir John Shore's minutes dated 18th June 1789.

The power of custom, the rights of the cultivator to the soil, the desire of the State to establish direct contact with the cultivator and all the other factors following from this which gave some security at least to the tillers of the soil, were all thrown overboard by the establishment of Zamindari. Prof. Dvijadas Datta maintains that section 39 of Pitt's India Act of 1784 gave the first place among landholders to "the **Ryot**" and made it obligatory to enquire into the rights and privileges of the Ryots as they existed under the laws and constitution of India or the ancient law of the country. This, he asserts, was intentionally and completely ignored by Lord Cornwallis in favour of the rights and privileges **only of the Zamindars.**[6] In subsequent correspondence, Lord Cornwallis used the phrase "determination of the rights of the Zamindars, etc.", instead of the phrase "ryots, Zamindars and other native landholders" as used both in Section 39 of Pitt's Act as well as in the Elementary Analysis of the Laws and Regulations" (Honourable Company's Press, 1814-1815, Vol. II, page 50). It has been asserted that the omission of the word "ryot" opened the way for the substitution of the word "Rajas" later on, as we find in Field's "Landholding" (page 487) and even in the Cambridge History of India (Vol. V, page 430). Prof. Datta goes to the length of maintaining that Pitt's Act was tampered with, "by the removal of the name of Ryot, from the Act and the substitution for it of, what is absolutely irrelevant, "the Rajas," never again occurring in any of the Regulations of the East India Company." On this ground he even maintains that Zamindari in Bengal is 'ultra-vires'.[7]

Even if one does not agree with the view that Pitt's India Act was tampered with or that Zamindari is technically 'ultra-vires', one cannot deny the fact that the Regulations of the time of Lord Cornwallis destroyed many of the customary rights of the tenants. Officials like Colebrooke, Lord Moira and others admitted this long ago. So did the Court of Directors in 1819, though the Directors thought that the intentions of the makers of the Regulations were good.

The Policy of Satisfying the Zamindar at the cost of the Cultivator.

There are many who believe that the rights [redacted] cultivator were intended to be protected but were ultimately not protected because they could not be defined and they could not be defined because they were uncertain and indefinite.

6 Dvijadas Datta: *Landlordism in India:* page 7 and 104.
7 D. Datta: *Landlordism in India:* page 41 and 42.

It may be true that the rights were not definite and could not be ascertained very easily but the real cause of the neglect of these rights was different. The Bengal Government did not want proper inquiries to be made regarding these rights because it was feared that these enquiries would excite suspicion in the minds of the Zamindars as to the intentions of the Government. The policy was to set the mind of the Zamindar at ease regarding his ill-gotten rights of proprietorship and to satisfy him **provided** he was able to pay the stipulated revenues. Far from ascertaining the rights, certain steps were taken even in the very early days towards what looks like an attempt to cause the disappearance of the written evidence of the rights of the cultivators. It is difficult to understand why it was not realised that the abolition of the offices of the **Kanungoes** and **Patwaris** would result in the disappearance of the only written evidence that there was of the rights of the cultivators. It is clear that maximum revenue required minimum talk of the real rights of the cultivator for maximum revenue implied maximum liberty to the Zamindar to rack-rent those under him. A consideration of the rights of those who were rack-rented would have weakened the hands of the Zamindar and decreased the revenue.

The desire to please the Zamindar at the cost of the cultivator was not an isolated Bengal phenomenon. It assumed different forms but it was always based on the same suicidal idea that the Zamindar and his revenue payments were more important than all the rights of the cultivators. Whether we talk of the Zamindar or the Rayatwari Mirasidar, whether we talk of Bengal in the North or of Madras in the South, there was the same policy of sacrificing the cultivator with his customary hereditary rights in order to please the man at the top.

It was in many ways a set policy of the East India Company not only to neglect the tenants but actually deprive them of their hereditary occupancy rights and grant these rights to the man at the top. We find this policy in operation as late as in 1818 even in the non-Zamindari Tamil districts of Madras where an order was issued by the Board of Revenue "to convert had farms .... into good **estates** and the landholders into landowners." In some places as in Oudh, many years [redacted] when the E. I. Company had left, this policy developed into an attempt on the part of high officials to obliterate the customary rights by not allowing them to be entered at all in the Record of Rights.

It is significant that whilst what the Zamindar paid to

the Government came to be called "revenue," the payment of the cultivator to the Zamindar was called mere "rent," This was surely intentional. In any case it made the Zamindar more of a proprietor than he really was and injured and destroyed the rights of the cultivators. The Court of Directors admitted in 1819 that the whole thing was a mistake and had injured the rights of the cultivator. The courts of law were always there to enable people to establish rights but for the cultivators of the soil such courts were useless in the absence of a proper record of rights and other technical evidence.

Zamindari sacrificed all the customary rights of the ryots.

The Zamindari system not only deprived the peasant of the valuable right to the cultivation of the soil but it also meant the loss of many other customary rights which had given him valuable communal privileges in regard to matters such as the use of pasture and forest lands, irrigation channels, fisheries, homestead plots, etc. A very valuable old right was that of protection against enhancement of rent. The right to hold land at what is known as **pargana rates** was a veritable bulwark of the ryot against exploitation. It meant that the Zamindar could not take more than what was fixed by the custom and economic circumstances of the village.

Was there ever the intention to fix rents?

We have seen in an earlier chapter that the question of intentions is always a difficult one and nothing has been really more difficult to decide than the question whether it was or was not intended that rents should be fixed just as revenue was fixed under the permanent Zamindari settlement. There are two viewpoints on this matter and the question has remained undecided. Even our law courts have differed on this question and lawyers have quoted either one side or the other of the available evidence on this matter to prove their case. There was a difference of opinion on this even among the members of the Bengal Land Revenue Commission itself.

On the one hand we have evidence which has been used to support the view that it was definitely intended that rents should be fixed. The Court of Directors in the despatch of September 1792 had made it clear that, "it is an object of perpetual settlement that it should secure to the great body of the Raiyats the same equity and certainty as to the amount of their rent .... and the same undisturbed enjoyment of the fruits of their industry which we mean to give to the

Zamindars themselves." Lord Cornwallis himself had contemplated minute inquiries into the rents of the cultivators and Sir John Shore had methodically designed these enquiries. The Putni Regulation (VIII of 1793) has been interpreted by some as definitely meant to fix the rents of Khudkasht cultivators according to the pargana rate.[8] This intention to fix rents is not supposed to be true only of Bengal. In the case of Madras for example, the Prakasam Committee which reported on the Zamindari system some time ago had no hesitation in coming to the conclusion that the rents payable by Ryots were actually permanently fixed in 1802, even as the peischcush (revenue) payable by the Zamindar was fixed.

On the other hand what happened in actual practice has given rise to the view that it was never intended that the rents should be fixed. The majority of the members of the Floud Commission have taken it for granted that no provision was made in the Permanent Settlement Regulations of 1793 to fix the Raiyats' rent.[9] Nor have all the economists in India, or even in Madras, accepted the opinion expressed by the Prakasam Committee as perfect. Dr. P. J. Thomas believes that the conclusions of the Committee on this point "are not warranted by the documents on which the Committee bases them."[10] He thinks that the authors of the Permanent Settlement were influenced by the doctrine of 'laissez-faire' taught by Montesquieu, Adam Smith and the elder Mirabeau and that they did not want the relation between the landlord and the tenant to be fixed by law. Even Sir Philip Francis is reported to have written: "If the Zamindars and Ryots are left to themselves they will come to an agreement in which each party will find his advantage." Also this: "the amount of rent to be paid per bigha must be settled between the Zamindar and his tenant. Government can never descend to the Ryots so as to fix any general assessment upon them."

The failure to fix rents.

Whatever the dispute about the intention, the practical result is quite clear. In actual practice the rents were not fixed and the cultivator was deprived of his last safeguard against exploitation. It cannot of course be denied that the customary rights of the Ryots regarding rent payable were intended to be protected by the rule regarding Pattas. The

8 *Khudkasht*, meant in Bengal a resident hereditary tenant under a Zamindar. The word *Paikasht* stands for the lower grade of raiyats.

9 *Report of Land Revenue Commission, Bengal*, Vol. I, page 15.

10 See, *Indian Journal of Economics*, Vol. XXI (July 1940), page 6.

cultivators were entitled to demand, under Regulation VII of 1793, the issue by the Zamindars of "pattas" or agreements showing the rent payable by each Raiyat. The Patta which thus fixed the rent payable was renewable at the end of 10 years. The Pattas were not supposed to be renewed at higher rates than the established rates unless there were sufficient reasons. But the Patta regulations failed completely due to several reasons. Firstly, the pargana rates were not clearly fixed or known; secondly, neither the Zamindars nor the cultivators showed any special desire to have the Pattas issued, and lastly, some of the anti-tenant legislation passed between 1793 and 1799 prevented the cultivator from getting any protection either from his Pattas or from the Pargana rates.

The failure to fix rents was partly due to adverse circumstances and partly to confused thinking. There was considerable confusion regarding the Pargana rates for they differed from village to village and crop to crop. But in the ultimate analysis it was the idea of economic gain and not any respect for economic theory which was responsible for the failure to fix rents. It was not Adam Smith's theory of the need for non-intervention between the landlord and the tenant so much as the desire to protect the revenue that really mattered. Far from non-intervention there was on the contrary a desire to protect the Zamindar against the tenant so long as the Zamindar could bring in the expected revenues. Even when the evils and illegality of the doings of the Zamindars were proved before a Select Committee of the House of Commons in 1830, and even when the Committee condemned openly the fact that no measures had been taken to restrict the demands of the Zamindars on the cultivator, the idea of fixing rents to protect the tenant against the Zamindar was **not** accepted.

When the question of the illegality of the rent enhancements was legally challenged the ambiguity of the situation came to the help of the Zamindars. Regulation I of 1793, for example, laid down that the proprietors of land should be allowed to "enjoy exclusively the fruits of their own good management and industry." This was legally interpreted on some occasions as a pledge which permitted the Zamindar to collect "as much from the land and to enjoy as large a portion of the net produce without an increase of the assessment.[11] As late as in 1880 Mr. Mackenzie, the Revenue Secre-

11 cf. the interpretation of the Hon'ble Sir Barnes Peacock, Chief Justice of Bengal

tary to the Bengal Government made the admission that the Zamindars had enhanced the rents of the Raiyats and that it was not possible to stop this in 1880 since nothing had been done during the previous 90 years to stop the evil.

Mr. Mackenzie was, however, clearly of the opinion that "under the law and custom of Bengal no Zamindar is entitled to rack-rent any cultivator admitted to settlement **on the village lands.**" The Rent Law Commission of 1880 also discussed this question and two of its expert members (Mr. Mackenzie himself and Mr. O'Kenealy) were of the opinion that Zamindars had no right to enhance rents. Mr. O'Kenealy held that the rates of rent intended to be fixed by the Permanent Settlement in Bengal had been trebled and that the cultivator had been deprived of crores of rupees which went into the pockets of the Zamindars.[12]

The Extent of the Illegal Gains of the Zamindars.

The total revenue of Government fixed under the Permanent Settlement for Bengal, Bihar and Orissa of 1793 was Rs. 2,85,87,772. The gross rental of raiyats was at that time not more than 4 crores, and what is more probable only about 3½ crores of rupees. By the year 1900 the total revenue demand (including the Permanently Settled Estates as above and **also** of the **Temporarily** Settled Estates and the Khasmahals) was about 3 crores and 398 lakhs or roughly 4 crores of rupees. On the other hand the Zamindars obtained Rs. 16½ crores from the cultivators as rent. According to the original arrangement of 1793 the Government was supposed to receive 90% of the total collections, the Zamindars keeping only 10% of it. At this rate, the Zamindars would be entitled only to 40 lakhs of rupees whereas they took about 12½ crores of rupees. This means that the ryots were paying even as far back as half a century ago, "30 times more to the Zamindars than their due for the collection of revenue."[13] The later figures of rent quoted are from the **Cess Report of the Revenue Board**, and are therefore reliable. In fact later estimates of rent receipts are considerably higher and have varied from 15 crores to 30 crores of rupees.

The President of the Indian Economic Conference in 1936 calculated that the rental receipts would come to 18 crores as compared to the land revenue of about 3 crores.[14] During a debate on the Tenancy Act in the Bengal Legislature

12 See, *Report of Rent Law Commission, 1880:* Vol. II, page 443, for detailed figures.

13 Dr. Radha Kamal Mukerjee: *Land Problems of India:* page 305.

14 The Hon'ble Azizul Haque, Minister of Education in Bengal at that time.

in 1937 three different speakers assessed the total rental in Bengal at Rs. 26, 29 and 30 crores respectively. The most conservative estimate ever possible, that of the British Indian Association, Calcutta, puts the gross rental of Bengal raiyats at Rs. 17 crores, though of course the Association for its own purpose has calculated on the basis of several assumptions that only about Rs. 8 crores are left ultimately to be distributed among the Zamindars and tenure holders.[15]

Even the most conservative estimates of the net income of the Zamindars in Bengal to-day show that whilst on the one hand the amount of land revenue obtained by the State has remained stationary, there has been a great increase both in the amount of rent charged as well as in the net income of the Zamindars. According to Khan Bahadur S. M. Hosain, a member of the Floud Commission, rents in Bengal have increased by 160 per cent. between 1793 to 1940, and the increase in the net income of the Zamindar has been even more—from Rs. 20 lakhs in 1793 to Rs. 832 lakhs in 1940 which means an increase of 4160 per cent. A study of the successive Reports of the Land Revenue Administration in Bengal clearly shows the successive increase in the amount of the gross rentals. The proportion of the rental taken by the Bengal Government as revenue has fallen as a consequence from 90 per cent. in 1793 to 19 per cent. in 1927-28 and much less than that to-day.

It is not difficult to calculate the amount of money appropriated by the Zamindars of Bengal in violation of the true spirit of the Settlement of 1793 during the last 150 years. According to a calculation quoted approvingly by Dr. Radhakamal Mukerjee, the landlords have appropriated during the last century and a half a total amount of Rs. 1,800 crores.[16]

This estimate may be an exaggeration for we cannot merely multiply a figure like say 150 years by another fixed figure of the total rentals. We have to make allowances for the number of years during which rents could not have increased with the same rapidity with which they have increased in more recent times. It is the rapid increase in population which ultimately increases the demand for land. The increase in population in this country has not always been the same, the rate of increase being different in different decades.

15 For this conservative estimate and the grounds for the contention that the Zamindar is innocent, and that he cannot be blamed for rack-renting, see, *Report of the Land Revenue Commission, Bengal, Vol. III*, page 175 and 177.

16 Dr. R. K. Mukerjee: *Land Problems of India:* page 305.

Besides the quantity of land in relation to population was much more in the early days than it is to-day. The early accounts of the growth of population and the extension of cultivation in districts like Dacca or Midnapore do not show that there could have been a very rapid rise in the share of the Zamindar's collection at least during the first few years.

It appears however that after we make all possible allowances for factors like the slowness of population growth in certain districts and absence of any great paucity of land in others during the first few years, the total amount of money appropriated by the Zamindars cannot be less than Rs. 1,000 crores and would possibly be much above this if we take into account all the **abwabs** and other illegal dues. When we compare this figure with the rural debt of the country the seriousness of the evil becomes quite clear. The money appropriated is **at least** ten times the total rural debt of Bengal and is practically equal to the rural debt of the whole of British India. If we consider only the period 1793-1900, the Zamindars must have appropriated not less than 600 crores of rupees which would come to **twice the estimated rural debt of the whole of British India at that time.**

The Position in Bihar and Madras.

What is true of Bengal is true also of other areas, though of course the amount of money so appropriated would be different and would depend on whether the area is big or small and is permanently or temporarily assessed. Dr. Gyan Chand calculated a few years ago that in three districts of Bihar alone—Patna, Sahabad and Gaya—the rent-roll amounted to Rs. 371.5 lakhs as compared to the annual land revenue of about 42.5 lakhs.[17] Granted that the biggest landlords of Bihar are in these districts, a profit of more than three crores in three districts alone is a big amount. It would have been some consolation if the smaller landlords elsewhere in Bihar had been better than their bigger neighbours. This however is not the case, for the smaller landlords are reported to be even more tyrannical than the others. Evidently the poison in a poisonous germ does not depend on the size of the germ.

The incidence of cash rents per acre in some of the Bihar districts is extremely high. The population of Bihar has greatly increased during the last two decades only whereas the figures for the decade 1911-1921 actually show a decrease.[18] But even if we exclude the period of increasing pressure of

17 *Indian Journal of Economics*, Vol. IX, page 487.

18 See, *Census of India, 1941*, Vol. I, part I, page 63.

the population on the land during recent times and consider the situation prior to 1931 we find that the incidence of the cash rents per acre was as high as Rs. 7-8-9 in Patna, Rs. 6-1-0 in Gaya, Rs. 4-5-0 in Saran, Rs. 4-1-0 in Shahbad and about Rs. 3-12-0 in Muzzafarpur and Darbhanga. The incidence of land revenue per acre in these districts (about 1933) on the other hand was only Rs. 1-2-0 (Patna), Rs. 0-7-9 (Gaya), Re. 0-11-11 (Saran), Re. 0-10-5 (Shahbad), Re. 0-9-11 (Muzzafarpur) and Re. 0-5-10 (Darbhanga). In poor districts like Champaran when the incidence of land revenue was less than 4 annas per acre the incidence of rent was more than two rupees. These figures do not show the rents of non-occupancy tenants and the under-tenants which were much higher, nor do they include the illegal **abwabs**.

In Bihar the practice of paying rent in essential food-grains is very wide-spread and the proportion of occupied area held in produce rent has been estimated to vary from about 31% in South Monghyr to nearly 68% in Gaya. The incidence of produce-rent paid in various forms in Bihar (in **Bhaoli**, **Batai**, or **Mankhop**) is supposed to be not less than 35 to 40 per cent. of the gross produce. Even if it were much less than this the burden could be said to be very heavy under Bihar conditions. A very recent but radical estimate about the total rentals realised by the Zamindars in Bihar is that they come to Rs. 13 crores. This is probably an over-estimate but even if we reduce it substantially to about Rs. 6 to 7 crores it would go to show that the situation in a poor province like Bihar is very serious.

The Zamindari area in Madras is very limited and is less than half of the total Raiyatwari area, but even then the total rental taken by the Zamindars was about Rs. 2 crores and 50 lakhs in 1940, out of which only Rs. 45 lakhs constituted the land revenue payment. The net unearned increment of the Zamindars was thus more than 2 crores of rupees (Rs. 205 lakhs). Whilst the original peishcush to be paid was as high as two-thirds of the rent, to-day it comes to only 18 per cent. of the rent. The rents are definitely higher in the permanently-settled areas than in the Raiyatwari area. In the opinion of the revenue authorities, the rate of rent might be taken as 50 per cent. in excess of the Government assessment in Rayatwari areas.

The Madras Zamindari organisation has revealed a shocking state of affairs regarding the high rents paid by the sub-tenants to the immediate tenants (Ryots) of the Zamindars. This may be considered as a part of the same problem,

for if the Zamindar asks for a high rent from the ryot. the ryot has no other way left except to ask for a still higher rent from the sub-tenant.[19] In certain estates in Madras the rent per acre given to the Zamindar is about Rs. 60 whilst the Rayatwari rate of revenue for similar lands can be as low as Rs. 11 and is not higher than Rs. 25. The ryot takes in turn from the sub-tenant a rent of about Rs. 100, which is so high that the sub-tenant has nothing left of the crop for himself except perhaps some fodder and the harvest wages he gets in kind.

Conditions in Singampatti, Urkaud, Vizianagram, Bobbili, Gollapalli, Kistna district, etc., are such that high rents to the Zamindar have to go hand in hand with very low standards of living for the actual cultivator. In certain villages in Tanjore 55 per cent. of the gross produce goes as rent to the landlord and the sub-tenants of the ryots are extremely miserable as they get a share only out of the remaining 45 per cent. of the produce from the ryots, the majority of whom are absentees.

Conditions in Madras and elsewhere show that under landlordism the cultivator is not only exploited by the landlord but by all those who are natural allies in the system and who are protected at the cost of the cultivator by the system. It is not uncommon to find that if the Zamindar takes as his rent much more than he pays as revenue, his absentee tenant takes as rent from the sub-tenant about four or even more times what is paid to the Zamindar himself. We are told that in Kattuputtur which is an exceptionally good tract "the ryot makes an income ranging between Rs. 200 and Rs. 225 per acre while he pays about 15 per cent. of his income as rent to the Zamindar."[20] The following sample figures based on the Reports of evidence issued by the Madras Estates Land Act Committee are interesting.

Village	Acres	Rent Assessment Paid to Zamindar			Rent collected from the sub-tenant		
		Rs.	a.	p.	Rs.	a.	p.
Jayamsi	8.85	16	11	0	221	0	0
,,	9.45	22	9	0	274	0	0
,,	2.31	3	14	5	60	0	0
Konthamatmakur	2.65	9	9	9	120	0	0
Muppala	16.92	28	7	0	550	0	0

19 For some of the figures given about sub-tenancy I am indebted to Mr. K. G. Shivaswamy's interesting brochure, *Sub-Tenancy in Zamindari Areas.* The figures relate to pre-war rates about 1937.

20 K. G. Shivaswamy: *Sub-Tenancy in Zamindari Areas:* page VIII. See, *Estates Land Act Committee—Landholders Statement:* Part IV, page 281.

The Gains of Zamindari under Temporary Settlement.

The Permanent Settlement does not apply to all Zamindari areas. It covers most of the area in Bengal and Bihar, whereas in Orissa it covers only about 44.30 per cent. of the area, in Madras about 31.71 per cent. of the total area (including Rayatwari tracts) and in Assam about 11.05 per cent. of the total area. In the United Provinces it covers only about one-tenth, or slightly more, of the total area and is confined to the Benares division, and portions of Azamgarh, Gonda and Bahraich districts. We have temporary settlements in other Zamindari areas—notably over **most** of the United Provinces, and over about 25.13 per cent. of the area in Orissa. The estates of the **Malguzars** in the Central Provinces are also all temporarily-settled.

The profits of Zamindari in the United Provinces are of special importance due to the temporary settlement there. There is a bigger margin between the fixed land revenue and the rent from land in Permanently Settled areas as compared to the Temporarily-Settled areas but even then the facts show that the temporary settlements do not prevent the Zamindars from absorbing huge profits for themselves. The proportion of revenue to **recorded** rents in the United Provinces has been officially reported to be as high as 35 to 40 per cent. The percentage increase in the rentals has been considerably higher than the increase in land revenue. The Report of the U.P. Provincial Congress Committee has shown that whilst the total rentals increased by more than 60 per cent. from Rs. 1,211 lakhs in 1898 to Rs. 1,940 lakhs in 1930—the land revenue paid increased only by about 14 per cent. in the same period—from Rs. 619 lakhs to Rs. 707 lakhs. The latest estimates show that the rental demand at present amounts to Rs. 16½ crores whilst the revenue payment does not go much above Rs. 7 crores.

According to Shri Sampurnanand the Zamindars of the U.P. appropriate to themselves about Rs. 9½ crores annually. Mr. A. N. Jha, an important member of the Zamindari Abolition Committee of the U.P. Government, holds that the net profits of the Zamindars of the whole Province amount to Rs. 9.66 crores.[21] If we take separately only the small Permanently Settled area situated in Benares division and Azamgarh, the figures of the total rentals and revenue (reported officially about 1939-1940) are Rs. 111.04 lakhs and Rs. 45.11 lakhs respectively.

21 This is the estimate Mr. A. N. Jha gave in a question put to the writer during his oral evidence before the Zamindari Abolition Committee, Lucknow, on 14-4-1947.

The Evil of Abwabs, Nazarana, Salami, etc.

The official figures of rent collections show only a part of the truth about the degree of extortion and the legal and illegal gains of the Zamindars. The real burden of rent and of Zamindari on the cultivator is considerably more than what official rent statistics can indicate since the Zamindar everywhere demands all kinds of extra illegal payments known generally as **abwabs**. They are the price the cultivator must pay to avoid molestation from the Zamindar.

It is ridiculous to justify modern **abwabs** or similar payments on the ground that they are a heritage of Mughal times. There were Abwabs in Mughal times but they were in most cases **legal payments made to the State** for legitimate purposes. Thus in the days of Murshid Kuli Khan, there was an Abwab called KHASNABISI to represent increments derived from collections which were concealed, and another called **Taufir** which was taken on the ground that there were concealed lands the income of which was not made known to the State. In the later Mughal period there was no provision made for regular revision of revenue payments on any scientific principle and the only method possible was that of adding certain "cesses" to the existing revenue. The cesses were usually called after the nature of the tax.[22] They were also called Abwab (plural of "bab," the **heads** or subjects of taxation) or **Siwai** (meaning "extra" or "besides").[23] The modern Abwabs, as compared to these, are neither legal payments nor are they payments meant for the State for legitimate purposes.

There is no doubt that there were several illegal exactions and Abwabs in the past also. Such exactions are inevitable whenever land is controlled (legally or illegally) by a few persons. But these exactions could not have been either as numerous nor as ruinous in their effect as the Abwabs of to-day for there was less scarcity of land and the cultivator was aided by the power of custom as well as by the weakness of the Zamindar's legal position. Though it may not be strictly relevant here, it is worth remembering that according to Major T. B. Jervis our masses were "far more contented under their own oppressive governments and infinitely more prosperous and happy than under the British."[24]

22 Thus we had *nazarana mugarrari*, a cess to enable the Governor to send the customary annual present to the Emperor, or *faujdari*, to maintain police, etc.

23 See, Baden-Powell: *Land Systems:* Vol. I, page 419.

24 Major T. B. Jervis: *Geographical and Statistical Memoir:* Calcutta, Mission Press, 1840: page 105.

We have inherited the British revenue management to-day but we have to change it rapidly and above all we have to remember what even men like Major Jervis admitted the defects of the present system and how the exactions of the Mughal and Maratha farmers of revenue oppressed the cultivators much less than we imagine to-day.

When the Permanent Settlement was concluded many of the old legitimate Abwabs were consolidated with the rent and fresh Abwabs were prohibited. This does not mean that the evil was stopped. It must have been known, or at least should have been known that an ordinary legal ban would not be effective at all. The old Administration Reports make it clear that the illegal Abwabs continued unchecked and the Bengal Report for 1872-73 tells us, "The abwabs ... pervade the whole Zamindari system." Mr. Baden-Powell admitted about 1892 that the intentions to save the cultivator from "the vexatious cesses imposed .... were never carried out, at least fully." Lord Curzon's Government in 1902 not only admitted the existence of the evil but made it clear that the illegal abwabs exceeded the total of the legal cesses.

The official Settlement Reports of districts in Zamindari areas show the impossibility of controlling abwabs by legal methods. Mr. Jack in his Report on Bakarganj District (Bengal) written many years ago showed how it was not possible to refuse to pay abwabs for there was no possibility of either (a) prosecuting the Zamindar in a criminal court for extortion, or (b) filing a suit in a Civil Court for compensation. While the first remedy required the bringing of evidence which was almost impossible to bring, a civil suit was likely to be more costly than any compensation awarded by the court. The Zamindars refused to pass rent-receipts and this universal refusal prevented the tenants from going to a court of law since the Zamindar could always have the weapon of retaliating by means of a suit for arrears of rent. Mr. Jack has reported officially how the Zamindar was known to credit any payment of rent made to him first against abwab and the balance only against rent.[25]

The history of illegal exactions in other provinces such

25 See, *Bakarganj Settlement Report:* page 83. This reminds us of the belief held by many that a system of land tenure where the landlord lends money to the tenant is a good thing. Far from being good the landlord can be a most dangerous creditor for he can if he chooses credit all payments of rent to his rural debt account and keep the tenant in arrears with his rent so as to have the right to eject him when necessary.

as Madras or in other districts of Bengal such as Dacca, Birbhum, Chittagong, etc. proves the same set of facts more or less. As in Bengal in 1793 so in Madras in 1802 the old levies were consolidated in the Patta Regulation and other unlawful payments over and above the rent were prohibited. The Rent Recovery Act of 1865 repeated the rule regarding the prohibition of illegal levies. In spite of all this the illegal levies have continued. In giving evidence before the Taxation Enquiry Committee, the Director of Land Records in Bengal (Mr. Jameson) admitted, in reply to a question put by Sir Percy Thomson, that the Tenancy Acts were a dead letter in the case of all illegal exactions.

There have been considerable so-called improvements in tenancy laws but not much use can be made of them since the trouble of paying an illegal levy is much less than of going to a court of law. It should be clear that amendments in tenancy laws cannot prevent the evil of abwabs fully. What is true of the illegal exactions in the past is largely true of the present also. In fact as population increases and likewise the demand for land for cultivation an evil like this must increase rather than decrease. The extent of this evil cannot be understood fully by those who have no idea as to the purposes for which, and the manner in which abwabs are taken.

How the Illegal Levies are Collected and for what Purposes.

The Abwabs are collected by the Zamindars for all kinds of purposes and their payment is enforced in a most oppressive fashion. In Bihar there are Abwabs for purposes like being allowed to sit in the office of the landlord or for being allowed to get up and go away.[26] In Bengal there have been Abwabs for all possible purposes. The Administration Report for 1872 talks of the Zamindar taxing his tenants "for the payment of his income-tax and his postal cess, for the purchase of an elephant for his own use, for the cost of stationery .... for the cost of printing forms of his rent receipts, for the payment of his lawyers.[27]

Modern writers speak of Abwabs in Bengal like **mamuli, dak kharcha, hisabana** etc. and other feudal levies. Illegal levies have to be paid not only if there is a marriage in the tenant's family but also if there is Sraddha ceremony in the Zamindar's family. The old purpose of buying an elephant has

26 Dr. Gyan Chand: *Indian Journal of Economics:* Vol. IX, page 497.

27 It refers also to various benevolencies, fees and fines. See, *Administration Report, 1872-73:* page 22-23.

now been replaced by the desire to buy a car but a car to-day can be costlier than an elephant of old. It has been complained that even the permission to use an umbrella or a palanquin has had to be paid for. Dr. Radha Kamal Mookerjee has reported the ironic case of a landlord who levied a tax much higher than the rental itself to pay the cost of his own litigation.[28]

In Birbhum (Bengal) the Zamindars have been known to distribute goats and geese among tenants and to demand at the end of five years half the number of expected kidds and eggs or money or land in lieu thereof. In Orissa we find the same evil as elsewhere and Dr. Mukerjee mentions the case of an estate where there had been seventy-two (72) different kinds of illegal cesses including a cess for hair-cutting. In Madras the Zamindars have not been less enthusiastic in coming forward to levy all kinds of illegal dues of which the most scandalous are the cess and fees for use of communal lands, the tax in money on garden lands, the tax on trees etc.[29]

The United Provinces of Agra and Oudh have also not been free from illegal taxes which are known there as Nazrana. Perhaps the evil is more widespread in Oudh than in Agra but it is nowhere totally absent. The Kisan Sabha movement originally started in Partabgarh was meant to fight these illegal cesses. The Report of the Congress Enquiry Committee on Agrarian Distress (1931) in the province tells us that besides unauthorised exactions, rent receipts are not given, amounts in excess of the recorded rent are realized, and the rents remitted have been misappropriated.[30]

When we are considering the Abwabs etc. we should not overlook the fact that a large part of the real burden on the tenant is in the form of forced labour, or **begar** as it is known in certain parts of India. Over and above all possible payments both in cash and kind, the tenants have to work free of charge on the personal estates of the Zamindars (on the Khudkasht and other lands). This is really the source of social slavery which is one of the worst evils of uncontrolled landlordism throughout the world.

The methods of collecting the Abwabs and other illegal cesses are even more obnoxious than the purposes for which they are collected. The Zamindars have treated the Government machinery for preventing their exactions with staggering impudence. What is more reprehensible nobody

28 *Land Problems of India:* page 131.
29 See, K. G. Sivaswamy: *Feudal and Extra Levies in Zamindari Areas.*
30 *Report of the Congress Enquiry Committee,* pages 36 and 76.

cares to deny or conceal the fact that the illegal exactions are made through the use of physical violence which is shocking indeed.[31] The official Settlement Reports refer openly to the use of methods like false criminal prosecutions, illegal evictions and open destruction of the homes of the tenants. Individual settlement officers like Mr. Ascoli have referred to violence such as the destruction of homesteads by the use of elephants.[32]

The Amount of Money Exacted in the Form of Illegal Levies.

It is difficult to estimate accurately the amount of money taken by the Zamindars illegally in the form of Abwabs, Nazrana, etc. Many different authorities from Mr. Jack the Settlement Officer to political workers like Maulvi Habibur Rehman have estimated that the tenants must be paying at least 4 annas per rupee as Abwabs in certain districts. The Krishak Proja Party, Bakarganj, has estimated that if we include the Abwabs the total collection of the landlords in the whole of Bengal would be about Rs. 25 crores and not Rs. 16 crores only.[33] This is probably an over-estimate, and yet not so bad as it looks if we remember that according to Mr. Jack the Abwabs are much above the actual collection of rent.

In the case of one district alone, Bakarganj, Mr. Jack puts the Abwabs at about Rs. 54 lakhs over and above the actual collection of Rs. 20 lakhs as the legal rent. Even when we take an ordinary district like Dacca and reduce the estimate of Abwabs there to the extremely conservative one of 1½ annas in the rupee (as done by Mr. Ascoli) the Abwabs would come to more than Rs. 3½ lakhs. Avoiding both over-estimates as well as under-estimates it would be no exaggeration to say that the Abwabs for the whole of Bengal would be about Rs. 4 crores. This is likely to be an under-estimate rather than an over-estimate when we consider the real incidence of all the contributions of the tenants in actual labour as well as in cash and kind. We have stressed the Bengal figure because it can help us to estimate roughly the burden of the exactions elsewhere. The incidence of all contributions of tenants in cash, kind and labour in provinces like Bihar and Madras is likely to be somewhere about 20 to 25 percent of the rent. The maximum in exceptional cases being even as high as 100 per cent or even more of the rent.

31 See, *Memorandum of the Bengal Provincial Kisan Sabha:* Bengal Land Revenue Commission, Vol. VI, page 35.

32 Ascoli: *Report on Settlement of Dacca:* page 44.

33 Evidence before Floud Commission: Vol. 6, page 365.

Exactions in the Form of Fees on Transfer of Land, etc.

We may refer here to the exactions of the Zamindars in the form of fees at the time of changes in the holdings, on the exchange of leases and during transfers and sales. The levying of fees on transfer of Raiyati holdings was not illegal for a long time in Bengal. Similarly in a province like Oudh the taking of Nazrana, after the expiry of the statutory period of seven years' lease, and before a fresh lease could be granted to tenants, was not illegal even after the passing of the Oudh Rent Act of 1886.

In the case of Oudh it was attempted to stop the evil as late as in 1921 in which year Sir Harcourt Butler, a favourite of the Talukdars, himself admitted that the amount of Nazrana paid to come into fresh possession of land, was two to three hundred rupees. Since the Bengal Tenancy Act before 1938 made the transferability of occupancy holdings dependent on the consent of the landlord, as much as an extra 25 per cent. of the capitalised value of the holding had to be paid by the new tenant. The income from this source was estimated to be more than the land revenue which the Zamindars paid to Government. Such payments have been made illegal in Bengal since 1938 but it is needless to add that the taking of premiums in one form or another in Bengal as in Oudh and elsewhere has not been really stopped.

The Zamindari system was based on absentee-landlordism from its very inception.

The violation of justice and morality, the sacrifice of the customary rights of the cultivators, and the large illegal and extortionate gains of the Zamindars are great evils but what makes these evils even greater than what they appear to be is that the Zamindars are for the most part mere social parasites and absentee owners.

The origins of the Zamindari system as introduced by the British show that no real attempt was made to prevent absentee landlordism. Considerations of revenue precluded any possibility of showing special consideration to resident Zamindars of the villages as against absentee Zamindars. In fact all those resident Zamindars who could not pay the high revenue demanded were ruthlessly set aside in favour of others and the question whether the new Zamindars were absentees or not was never raised so long as they could pay the revenue. The setting aside of the original Zamindars of Bengal of 1793 when they could not pay the revenue, the dismissal of the Orissa chiefs under similar conditions and the sale of their estates to other absentee Bengali residents in

Calcutta, the artificial creation of auction-room Zamindars in Madras, and many other details clearly show that British administrators were not at all concerned with the prevention of absentee landlordism.

We have already seen in the beginning of this chapter how landlordism can have no justification whatsoever where the landlord becomes a mere capitalist or rent-receiver. If experts like Sir A. D. Hall have condemned landlordism in England to-day and advocated nationalisation of land on this ground, the Zamindari system in India stands condemned since its very inception. If we have any doubts as to the position of the Zamindars even in the early period of 1793-1831 we may remember James Mill who described the Zamindars in 1831 as "capitalists who reside in the towns and manage by their agents."

The Crime and Curse of Sub-Infeudation.

Of all the concomitant evils of absentee landlordism three consequences stand out prominently: (a) the growth of sub-infeudation, (b) the encouragement of social parasitism, and (c) the total neglect of agricultural land.

The great gulf between revenue payments and rent has induced the Zamindars to live on the rent and farm out its collection to others. The inferior tenure-holders or the lessees have followed the same practice and divested themselves of the trouble of direct management by creating other sub-tenants. As a result of this sub-infeudation a large number of intermediaries have been created and all of them are only rent-receivers or rent-payers. It is by no means uncommon to find as many as 20 grades of tenure-holders whereas the Simon Commission reported that "in some districts .... as many as 50 or more intermediate interests have been created between the Zamindar at the top and the cultivator at the bottom."[34]

The growth of population and the increase in the value of and demand for land have increased rents whilst on the other hand the incidence of land revenue has remained comparatively very low particularly in the permanently settled areas. This has induced investors to purchase lands at boom prices and the chain of intermediaries has gone on lengthening. The host of rent receivers who vastly outnumber the original Zamindars live on the toil of the cultivator of the soil and eat up the meagre profits of agriculture which should go to the cultivator.

34 Report of the Indian Statutory Commission: Vol. I, page 340.

Leisure Without Culture. ✓

The results of Zamindari show how utterly wrong was the early optimism and belief of some people that the system would produce a leisured and cultured class of outstanding leaders of the community who would both serve the people as well as remain loyal to Government. The system has produced a leisured class of men but for the most part it is a leasured class of ignorant parasites and not a leisured class of cultured leaders of the people. To take for granted that a leisured class is also a cultured class is a mistake. Leisure can breed ignorance and be wasted specially when opportunities to take advantage of the available wealth to develop culture are lost. The world's richest men are by no means the most cultured. Besides we can have a leisured class steeped in poverty as our own, a class without the means to convert leisure into culture. On the other hand the absence of leisure does not mean the absence of culture. Hard work itself is a part of culture and we can have culture without a parasitic society.

There are some cultured and good Zamindars no doubt in certain parts of the country and many people feel charmed by the refinement and culture of a city like Lucknow. This charm may be due to some extent to the traditions of some of the great Nababs and their descendants. But the really enlightened landlords are in a microscopic minority. When this is true also of countries like England to-day it would be ridiculous to expect the good Zamindars to be in a majority in India. To admire the charm of Lucknow and support Zamindari would be to make the mistake Burke made about the France of 1789—admire the feathers and forget the dying bird.

Zamindari as an Endowment of Idleness.

The Zamindari system to-day has well been described as an endowment of idleness. The huge majority of the Zamindars and their allies not only live on the fruits of the labour of the starving cultivator but they have no chance whatsoever to develop their character. The work of a mere rent receiver neither creates active habits of life nor gives an opportunity for bodily action. The original Permanent Settlement and its subsequent developments in most parts of India brought into existence a class of luxury-loving aristocrats who were allowed from the beginning to have their estates managed by agents. When they were ruined they were succeeded by another group of men whose heirs and successors likewise fell into luxury and laziness and were also ruined.

Other successive groups of Zamindars failed to realise the lesson of the bitter fruits of parasitism and learnt nothing except how to rack-rent the tenants to make up for the high cost of lands.

What is most surprising is that just as nothing was done to prevent absentee-ownership nothing was also done to **prevent** this parasitism. Sir John Shore himself had no illusions about the utter worthlessness of the Zamindars and their inability to manage their estates. He wrote in 1793 that the Zamindars were "ill-educated ..... ignorant of the common forms of business .... inattentive to the conduct of it even when their own interests are immediately at stake and indisposed to undertake it. Let a Zamindar be asked the simplest questions having any reference to the internal business and state of his Zamindari, his replies would probably be the same as if he had never entered it ...."[35] He also added that "their ignorance was as deplorable as it is universal." If we describe the Zamindars as ignorant parasites this is less strong language than that used by Englishmen themselves. Mr. R. D. Mangles, a witness, is reported to have told a Committee in 1848 that the landholders were "a miserable imbecile set ... brought in women's apartment and sunk in sloth and debauchery."[36]

Loyalty.

There is no doubt that one of the principal political objectives of Zamindari was to create a class of loyalists. It is however a disputable question how far the Zamindars really were loyal and during what time. The Permanent Settlement was the chief weapon for winning their loyalty but there is not much evidence to show that the Zamindars in the permanently-settled areas proved more loyal than the Zamindars in other areas during the Mutiny. The admission made by some British administrators that a large number of the Zamindars in Bengal, Bihar, Orissa and Benares had proved disloyal during the Mutiny is significant.

In more recent times the normal process of the creation of a vested interest both in the permanently settled areas as well as elsewhere has resulted in the creation of a class of pro-British landowners, but what is the use of such men to-day. It follows from all this that if it is accepted that the Zamindars were **not** loyal to the British in the early days then their existence even in the past could not be justified on

35 See, *Zamindari Settlement:* page 133.
36 See, *Memorandum of the Bengal Kisan Sabha,* published by Kisan Sabha, page 26.

this score whereas if it is shown that they were loyal (either in the past or in more recent times) then their existence can hardly be justified to-day.

The hope of certain men that the Zamindar would help both the Government as well as the people was unreal and was doomed to fail. It should have been known from the beginning that if the Zamindars were created by the Government they would as a class look upon the Government for their protection as against the people. This is exactly what happened in recent years for the Zamindars always thought that they should strengthen the hands of Government in order to exist as a class. As late as in 1938 the President of the All India Landholders' Association declared that if the landholders were to exist as a class it was their duty to strengthen the hands of the British Government.

Now that the British administration has ended the Zamindars are singing a different tune from the one they sang in 1938. In the recent conference of Zamindars at Unao in the United Provinces the Zamindars asserted that they had given full support to the Congress and that "it was mostly due to their sacrifice that the Congress had come to occupy the present position in India."[37] It is difficult to say in what way and to whom the Zamindars are useful to-day. If the Zamindars want to be loyal to Government to-day they will have to serve the people whom the Government serves. Since however there is a clear conflict of interest between the cultivating masses and the landowning classes these Zamindars cannot be loyal either to the people or to the Government. We thus have to face the fact that when the interest of the administration and that of the people were two different things those who were loyal to Government could not also serve the people, and now when the Government and the people are the same, those who cannot serve the people cannot also be loyal to Government. This raises certain questions regarding the dangers facing us which are discussed in a later chapter.

Zamindari—the Cause of Poverty and the Neglect of the Land and its Productivity.

Far from being able to serve the people the Zamindars have been the cause of great economic and social trouble as we shall see later and the Zamindari system as a whole is one of the principle causes of the poverty of the country. Perhaps the most serious of all the evil consequences

37 See, *The Pioneer*, dated 15th March 1947. Address of Lala Prag Narain, Chairman of the Reception Committee of the Conference.

of the system is the terrible neglect of agricultural land and its productivity.

There can hardly be any doubt as to the fact that the Zamindari system prevents improvements in agriculture. It is impossible to absolve individual Zamindars from blame but the system itself is partly responsible for creating a situation where it is in many cases almost impossible for both the tenants as well as the Zamindars to take any interest in the land and its improvements. The system has divided responsibility about the land and its upkeep and it has impoverished in most cases both the cultivator and the Zamindar.

The fragmentation of the estates due to the laws of inheritance, the process of sub-infeudation of land and the luxury and social parasitism of the Zamindars as a class have been responsible for the existence in certain areas of a large number of poor Zamindars. The number of estates which default in payment of land revenue is noteworthy. In Bengal nearly one-third of the total number of revenue paying estates were defaulters during more than one year in the last Depression whereas in the pre-Depression years not less than one-fifth of the estates used to default. A large number of Zamindari estates tend to get mortgaged in about three generations according to one reliable report. The idea that a Zamindar should do no productive work and yet live in luxury and indolence has led to the exploitation of the real producer of wealth without enriching in all cases the parasitic exploiter himself.

One of the strong complaints about Zamindari in certain parts of India is that there are very few things which a Zamindar can do which can be regarded as a *registered* improvement and which give the Zamindar the right to increase his legal rent through a court of law. Whilst nothing effective was done or in fact could be done to prevent the bad Zamindars from taking illegal rent and exactions of other kinds, the good Zamindars could not legally increase rents to enable them to introduce improvements like more profitable crops, collective cultivation on scientific lines, etc. and share the profits of good husbandry with their tenants.

What was true of the good Zamindar was much more true of the good cultivating tenant or raiyat. Even when he was interested in land improvement he could not do much. He was not the full owner and he was tied down by rules beyond which he could not go without risking ejectment. For example if the introduction of joint cultivation by the Zamindar was not possible because he could not parti-

cipate fully in the profits of better cultivation, its introduction by the tenants was also not possible as it would require fundamental changes like digging of tanks and canals, use of land for dairy farming, milling of corn, etc., all of which may not have been illegal but some of which were valid grounds for ejectment. In the past at least we have had cases where Government filed suits against cultivators for ejectment for technical offences like construction of a rice-mill on **bastu** land (in Bengal), etc. An improvement like digging an irrigation tank covering an entire holding for supplying water to other lands of a village was regarded as a clear case for ejectment since such a tank itself would not be an improvement of that holding.[38].

It is almost unbelievable but true that there are some people who seriously maintain that the present position regarding the neglect of land can be changed by amending the Tenancy Laws and there are others who go a step further and look upon the technical difficulties which prevent both Zamindars and tenants from taking any interest in land as an argument for the abolition of all Tenancy Laws rather than the abolition of Zamindari itself.

It is futile to believe that improvements in Tenancy Laws can bring about improvements in the land itself in Zamindari areas. The Zamindar is the owner, he does not cultivate the land nor is he interested in it as he is an absentee-owner. He surely cannot be given any unlimited power to enjoy the full advantages of improvements made by him. The cultivator on the other hand who is more interested in land improvements is not the owner and not only can he not be given full rights of ownership but improvements introduced by him involve legal risks of ejectment apart from the right of the landlord to take a share of the extra profits in most cases. We find that even a simple reform like consolidation of holdings has become difficult in Zamindari areas. Even if all the legal difficulties can be removed by suitable amendments (which is not possible) there would still be the irremovable obstacle of the poverty of the tenant which cannot be removed except by the removal of Zamindari itself.

It is ridiculous to believe that the Zamindars would be interested in land improvements if there were no Tenancy Laws. How many improvements in land were introduced by the Zamindars **before** the Tenancy laws were passed? How much capital did the Bengal Zamindar for example

38 This opinion was expressed by one of the leading witnesses before the Floud Commission—Dr. Nares Chandra Sen Gupta, M.A., D.C.L. 5

invest in land before the Bengal Tenancy Act of 1885? Even when the Zamindars had full power of enhancing rents without going to a court of law they were not interested in the land or in investing any capital in it. We have it on the unimpeachable authority of Raja Ram Mohun Roy that the landlords did **not** invest any capital in land. The **Statistics of Agriculture in Bengal**, a publication of 1868 tells us: "Improvements in Agriculture are rare. The Zamindar is often an absentee landlord caring only for his rents." If the Zamindars had invested capital in land and taken care of it, if they had not been absentee-owners and parasites, there would have been no need perhaps to pass any tenancy laws. Tenancy legislation was passed because the Zamindars had proved to be bad, the Zamindars are not bad because the legislation has not proved to be good.

What we have just seen above shows us that when we blame the Zamindari system as a whole for the neglect of land we really are blaming the Zamindars themselves more than any law or any other person. It is the responsibility of the owner of land to look after it and it is this primary duty which has been neglected by the Zamindar since the very day this tragic, unproductive, and parasitic system was introduced.

Nothing illustrates better the tragic lesson of Zamindari neglect than the evidence of a large number of English and Indian officers of the I.C.S. given before the Floud Commission. Their evidence shows how over large parts of Bengal there was great retrogression. In the indigo growing areas for example there was a time when the indigo planters used to protect their lands from inundation by building embankments but to-day nothing is done by the Zamindars to reconstruct these embankments some of which were built as far back as 1880.[39] The neglect of irrigation tanks on which agriculture depended in the past is another example. These irrigation tanks require regular cleaning but due to utter neglect they have silted up or have been choked with plants. Zamindars have been known to actually levy a tax on tenants who dig a tank or construct a canal.

The land improvement registers maintained in the districts have shown to the Income-tax authorities that very little capital has been invested by the Zamindars. The Assistant Commissioner of Income-tax, Calcutta, tells us: "During my official career .... I have not come across any act of improve-

[39] The evidence of Mr. M M Stuart, I.C.S., Mr. F. W. Robertson, I.C.S., and Mr. S. K. Dey, I.C.S., is of particular importance,

ment by the Zamindars. On the other hand the improvements made by their predecessors or other pious people **before** the Permanent Settlement are allowed to decay." We have it on the authority of Maulvi Habibur Rehman that in Eastern Bengal no landlord has done anything for his tenants and effected no improvements in land whatsoever.

The utter neglect of land and the complete inability to make the owner of land responsible for its proper use and development has to be stopped at once and such a step would be in keeping with the ancient traditions of this country according to which it was immoral to take anything from the cultivator without giving him something in return. Both in the Hindu as well as the Mughul period of our history the taking of the land tax meant definite duties in return. In the Hindu period when the King took his tax from the cultivator it was his duty to spend it on the good of the cultivator. Kalidasa has compared this to the action of the Sun that sucks up the moisture from the soil but only to return it a thousand-fold. There were duties like the providing of ample pastures for the cattle free of cost. Incidentally, we may note that according to Kautilya, the King was supposed to protect the peasants in time of famine even by such socialistic measures as proper distribution of the hoarded income of the rich by causing the rich "to vomit their accumulated wealth."[40]

The collector of revenue in Mughal times is often compared to the Zamindar of to-day but it is forgotten that during periods of stability and prosperity comparable to the stability of British rule in India in the past, the revenue collector was never permitted the negligence shown by the Zamindar to-day. The Amilguzzar had definite duties such as the Settlement of disputes, and the giving of loans of money (which were often free of interest). There were also regulations providing pasture for the cattle. Likewise, the Mughal revenue-assignee was also not a social parasite like the Zamindar to-day. In the time of Akbar he had onerous duties to perform as a representative of the State. He had to protect the cultivator, maintain a cavalry and die, if necessary, in the wars of the Emperor.

How far removed from these traditions has been the work of the Zamindar! The Zamindars have been unable to perform any duty whatsoever or to give anything in return for what they have taken. There are many Zamindars who have not even seen their estates and others who visit them not more than once or twice a year, such a visit being looked upon more as a calamity than as a blessing by their tenants.

40 Kautilya: *Arthasastra* (Wesleyan Mission Press, Madras), para. 208, page 254.

CHAPTER IV.

THE SOCIAL AND FINANCIAL RESULTS OF ZAMINDARI.

The consequences of Zamindari can only be considered as a composite whole. The social and financial results of Zamindari are closely connected both with parasitism and the neglect of land. This we considered in the previous chapter and what we say here may therefore be regarded as a continuation of the previous discussion.

The Bad Distribution of Land.

Zamindari in particular, and unregulated landlordism in general, lead directly to economic poverty and grave social dangers. It is not easy to realise this unless we notice carefully the bad distribution of land. We speak of bad distribution of land whenever a large portion of the available land is **owned** by a comparatively few people who do not take direct interest in its cultivation. When there is bad distribution of land millions of men who actually cultivate the land cannot get the land for cultivation except on the terms dictated by the few monopolists who own it. Ordinary common sense tells us that since the quantity of land is more or less fixed and cannot increase as population increases it should not be allowed to be owned by any small group of monopolists. But surprisingly enough, we show a most amazing indifference to this fact. Whether we talk of India or other countries landlordism has resulted in bad distribution of land and this in turn has been one of the most important causes of the backwardness of most of these countries.

A glance at the bad distribution of land in some of the important countries of the world can reveal clearly the basic injustice of the situation. Among the **fellahs** of Egypt 7 per cent. of the population controls 70 per cent. of privately owned land. In Ethiopia, Eritrea, Arabia, and Sudan the majority of cultivators are almost in a tribal state. In Iran, the rural population suffers from the poverty of medieval feudalism in land owning.[1] Notice the tragedy of bad distribution of land in some parts of Europe also before the recent wave of communism swept it overboard. In Hungary half per cent. (0.5 or one in two hundred) of the landowning population owned 40 per cent. of the total land, whereas in

1 H. B. Allen: *Rural Education and Welfare in the Middle East:* page 2.

Poland 1 per cent. of the landowning population owned 52 per cent. of the total land. In Rumania less than 1 per cent. of the landowning population owned almost 19 per cent. of the total land whilst 75 per cent. of the other small land-owning population owned only about 35.8 per cent. of the total land. In Czechoslovakia 2 per cent. of the land-owning population possessed 26 per cent. of the land whilst a group of 71 per cent. of landowners had only 23 per cent. of the total land.[2]

There were several big Zamindars or landlords in Eastern Europe each of whom had hundreds of acres of land. Prince Esterhazy of Hungary had 200,000 acres, Prince Von Hohenlohe had 103,440 acres, Count Auresberg of Yugo-slavia had 75,000 acres, Count Pallavicini of Hungary had 60,000 acres and so on. In Russia before 1917 land was so badly distributed that while the average holding of a small peasant was less than 20 acres, the average holding of a small group of 700 landowners came to 81,250 acres each, the average holding of other big landowners being not less than 6,750 acres per family.[3] Most of the big landowners did not farm themselves but let out the land on the condition that half the harvest was given to them or that the peasant worked free of charge as a serf on the master's estate.

The situation in India is not much better than it was or is in some of the countries mentioned above. To give only one example, about half per cent. or one per cent. of the landlords in the United Provinces own 50 per cent. of the land of the Province. The bad distribution of land is practically an All-India problem which drives one to the conclusion that the abolition of all forms of landlordism is as important as the abolition of Zamindari itself. The situation in the **Rayatwari** areas is not better than in Zamindari areas. The example of the Punjab and Bombay Province is quite enough to show this.

The Punjab is known as a land of peasant proprietors but even here the landlord is a great burden upon society. Mr. M. L. Darling was convinced that "taking the province as a whole, it may be said that the landlord is even a **greater burden upon society than the money-lender.** The money-lender is doubtless an evil, but till he can be replaced, he is a necessary evil. On the other hand, the landlord is too often a parasite living on his tenants, wasting his substance and corrupting his neighbourhood." It is necessary to note

2 Mohan Kumarmangalam: *Land Revolution in Eastern Europe*: page 20.
3 Dr. V. A. Karpinski: *What are Collective Farms:* page 7.

this view of Mr. Darling since he is neither a Socialist nor a radical of any kind. Since the time of Mr. Darling things have become worse.

There have been districts in the West Punjab where more than 50 per cent. of the total land has been owned by only about 5 to 8 per cent. of the total number of landowners. It was reported that in Montgomery district about 25 per cent. of the land was owned by less than 2 per cent. of the owners. Regarding Bombay Province it has been reported in a speech made in the Bombay Assembly in 1947 that "918 gentlemen compared to the 10 lacs of people owning land up to 5 acres, own more than half the land held by 10 lacs of people."[4] Recent statistics of landholdings in Bombay show that about 50 per cent. of the small landholders hold less than 10 per cent. of the land whilst 10.63 per cent. of the landholders, having holdings above 25 acres, have between them about 50 per cent. of the total area of land. It is also shown that those who own above 100 acres each are less than 1 per cent of the landholders but they possess 15 per cent. of the total land.

All over India we find huge estates which remind us of the estates of the landlords in Russia and Eastern Europe. The majority of those who till the land are by no means its owners. The amount of land in possession of the big Zamindars in Bengal, Orissa, U.P., Madras, and elsewhere is well-known. Some of these are known also as Rajas and have been recently claiming the right to be given the status of Rulers of States.[5] In different Indian States the condition is not better. In some of them the Jagirdars own anything from 50 per cent. to 80 per cent. of the total land. In Hyderabad the estates of Jauna Reddy and Kalluri are supposed to be 130,000 and 80,000 acres respectively.

Cultivation of Land by Non-Owners.

In India as a whole nearly 70 per cent. of the total land cultivated is tilled by non-owners. A considerable amount of land is passing out of the hands of the occupancy ryots and other cultivating classes. It has been reported that in one leading Zamindari province alone—Bihar—about 200,000

4 Speech in the Bombay Assembly by Shri S. A. Dange (on the Bombay Fragmentation and Consolidation of Holdings Act).

5 They have put forth all kinds of arguments for this. Whilst some (as in Orissa) are reported to have claimed this privilege on the ground that there were Fact Treaties between them and the British Government, others (such as the Raja of Ramnad) claim the right on the ground of patriotism saying that the British had degraded them to the status of ordinary Zamindars because they were patriotic.

acres of land are passing out of the hands of the occupancy ryots every year and this is one of the causes of the acute food crisis there. There has been a continuous decline in the total cultivated area under crops like rice, the total output of food-grains is decreasing, and so also the yield per acre. From 17.4 million acres producing 8.9 million tons of rice in Bihar and Orissa in 1911-12 we came down to only 13.9 million acres producing 4.1 million tons in 1941-42.[6]

What is true of Bihar is also true of Bengal. The **transferees** of land have even officially described as men "who have already got more land than they could cultivate directly."[7] The Orissa Government has told us that land there is passing from small cultivators to big owners some of whom are not cultivators at all but "men of professions." The transference of land from agriculturists to big absentee landholders some of whom are money-lenders has been equally marked in Madras.

The Danger to Social Stability.

It may be repeated that we are facing to-day a grave social danger under Zamindari in as much as there has been a decrease in the number of men who contribute to social stability—the real occupancy cultivators. On the other hand there has been an increase not only of the rent-receivers and non-cultivating owners but also in the number of agricultural labourers. In Bengal while the army of parasitic rent-receivers increased by 61 per cent. between 1921 and 1931 and the number of landless labourers increased by 49 per cent. in the same period, the number of occupancy cultivators decreased by 50 per cent. In Madras, in the three decades from 1901 to 1931, while the number of rent-receivers increased from 20 to 50 per thousand of the agricultural population and the number of landless labourers increased from 345 to 429 per thousand, the number of "cultivating owners or tenants" decreased from 635 to 510 per thousand.[8]

In Bihar today, for every 25 non-cultivating landlords and tenants there are about 725 agricultural labourers. In Bihar and Orissa the number of agricultural labourers increased by 19 per cent. between 1921 and 1931 and now the total number comes to nearly 40 lakhs. These figures are based on the reliable estimates of Dr. Radhakamal

6 W. Burns: *Technological Possibilities of Agricultural Development in India:* page XIX, Statement 37.
7 Famine Inquiry Commission: Final Report, 1945, page 445.
8 R. Palme Dutt: *India To-day:* page 197.

Mukerjee.[9] If anything they are under-estimates rather than the other way about. Very recent estimates of radical writers give us a more gloomy picture and tell us that the Zamindars in Bihar are roughly only 1 per cent. of the total population and 50 per cent. of the population consists of landless non-occupancy ryots and under-ryots (cultivating small holdings on a share-cropping basis) and landless labourers. The landless labourers, according to these estimates, are not less than 80 to 90 lakhs or one-fourth the total population of 36.3 millions (1941). Even if the landless labourers were to be half of this in the whole of Bihar and Orissa the position would still be very serious.

For the United Provinces a **very moderate** estimate is that for every 25 non-cultivating landlords and tenants there are about 200 labourers. There is a wrong impression among people who ought to know better that in this Province a large number of landlords live in the village itself and are able to look after farms of a fairly large size. There are a few cases of this description no doubt but they are merely exceptions. The extent of land held by the Zamindars in cultivating possession (i.e. land known as **Khudkasht** or **Sir**) in U.P. is 5.96 million acres as against 26.92 million acres held by the tenants. Corresponding figures for Bihar are 3.46 and 20.36 million acres respectively. There should be no doubt as to the fact that even in areas where landlords are known to cultivate their own lands such men are numerically negligible and we should not entertain wrong conceptions about the United Provinces.[10] Apart from the parasitic Taluqdars of Oudh who though a handful in number yet own two-thirds of the total area of Oudh, the total number of tenants in U.P. constitute 88 per cent. of the entire peasantry and cultivate 81.9 per cent. of the land in the province.

The increase in the number of rent-receivers and non-cultivating owners as also in the number of landless labourers is symptomatic of the basic injustice of landlordism and can no longer be ignored in as much as it is creating a dangerous class division in society. The rent-receivers represent a vested interest—a group of men who have gains without pains and privileges without responsibilities. The rural labourers on the other hand represent the exploited class of men who somehow feel that they have little or no gain in return for

9 *Indian Working Class:* page 4.

10 Speaking of Oudh, for example, the Simon Commission reported long ago how the total number of the Taluqdari estates was no more than 260 and yet they comprised two-thirds of the total area of Oudh.

much pain. As we shall see in a later chapter the Zamindars, specially the big ones, can and do play a dangerous role as the leaders of reaction, while the rural labourers on the other hand stand aligned against them as dangerous and potentially inflammable material for modern communism.

No country can be prosperous where we have millions of men who do little or no work and yet get an easy remuneration. The remuneration these men get can only be at the expense of others who produce the wealth—the millions of tenant cultivators as well as the rural labourers. It has been calculated that the ratio of rent-receivers to cultivating tenants for all-India is 8:125. If we take the figures for U.P. alone it can be shown that "conditions have been created .... under which, on an average, the interests of one man are in juxtaposition to those of forty-five.[11] It was held by an important member of the Floud Commission that in Bengal 71 per cent. of the total population "did not earn their livelihood and may be taken to be unemployed."[12] This calculation was based on the census of 1931 which showed that out of a total population of 501 lakhs of people only 137 lakhs were "principal earners" and another 7 lakhs only their "working dependants." The rest we may well call parasites created by the bad system of land tenure.

A Dangerous Increase in the Rural Proletariat.

Under the conditions created by Zamindari in many parts of India the hereditary raiyats have lost their rights. The bulk of the profitable land is cultivated by men who hold on to a precarious tenure or are mere labourers. The great mass of the actual cultivators in areas like Bengal are either ordinary **bargadars** (share-croppers) who have to pay as rent half or even more of the produce or they are tenants who have to pay a very high cash rent. More serious even than this is the rapid increase in the number of agricultural labourers which is creating a gigantic all-India problem.

It is interesting to note that according to the Census Commissioner in 1842, **there were no landless peasants in India at that time.** In 1882 the number of "landless day labourers" was reported to be 7½ millions which increased to 21.5 millions in 1921 and to 33 millions in 1931. The agricultural proletariat to-day is probably not less than 70 millions, i.e. about one-fifth the total agricultural

11 Charan Singh: *Abolition of Zamindari:* page 17.
12 Dr. Radha Kumud Mookerjee, M.L.C., P.R.S.: *Note of Dissent: Report:* Vol. I, page 318.

population of India.[13] This may be taken as a reliable **conservative estimate** only, for there are villages in certain parts of India such as North Bihar, where the landless labourer forms even more than 70 per cent. of the **total** population.

Technically speaking the agricultural labourer is one who has no land of any kind to cultivate and who **sells** his labour power to others in order to earn a living. This automatically excludes any kind of an "owner" or even a "tenant" from being regarded as the pure proletariat. This technical exclusion however hides the real facts about the situation. It is possible that a class of tenants and others who are paid by a share of the crop have been included in the "agricultural labourer" class by the Census officials in some of the Provinces but on the other hand thousands of men who are in reality just poverty-stricken labourers have been regarded as owner-farmers and tenants because of the very thin line which divides the labourer from the latter two classes.

The small owners of land in most parts of this country live more by working as labourers than as farmers. Their own land is heavily mortgaged and is often too small to enable them to be in any way either socially or economically much better than the labourer proper. The same is the case with a large number of tenant cultivators and share-croppers. There are millions of unprotected tenants to whom land is sub-let and whose condition is very pitiable. There are thousands of small holders of land and tenants and share-croppers who are not only no better than labourers in the true Marxian sense but their condition is even worse than that of the labourers.

To draw a line of distinction between cultivation by tenants to whom land is sub-let and cultivation by farm servants would be unrealistic specially in cases where the landlord is an absentee and sub-letting is on a share basis and not on a money rental. When the landlord gets as his rent anything up to even 80 per cent. of the yield, the actual cultivator is worse than a farm labourer. This was officially noticed to be true specially of Madras by the Madras Banking Enquiry Committee some years ago. Conditions in other provinces are hardly better. Most of the share-croppers in Bengal for example are really agricultural labourers. If we take a typical Bengali **Krishan** for example, there is hardly any doubt that though he is a sharer in the final produce he is really a labourer working for a wage which is mainly paid in kind. He may have certain

13 See, Gyan Chand: *The Problem of Population:* page 18.

advantages over others such as that of being sure of continuous employment for several months but he is no better than a labourer. In fact the paying of a small portion of the crop at each harvest may mean for many of our share-croppers throughout India a great risk in as much as the harvest may not turn out to be good.

The above should make it clear to us that the number of agricultural labourers is much larger than we can expect to find in the Census reports. Apart from the fact that millions of men who figure as holders of land and tenants should more properly be described as members of the famishing fraternity of our rural proletariat. Many of the agricultural labourers are engaged in provinces like Bihar on jobs such as "earth work in winter" and on other work which is unspecified labour in the technical sense but which entitles us to look upon all these men as part and parcel of our rural proletariat.

The Dangers of Poverty and Social Degradation.

The dangerous class division of our society, based as it is on landlordism of one kind or another, would not be so dangerous as it is to-day if the economic and social conditions of rural labour were not so bad as they really are. The seeds of trouble lie in the extreme economic poverty and social degradation of the labourer.

The average wage of a rural labourer in most parts of India before the present war was between Rs. 6 to Rs. 8 per month. If we make due allowance for unemployment for at least three months in the year the annual income of a labourer could not have been more than Rs. 50|- to Rs. 70.|- This is by no means an under-estimate as we can see from the results of many detailed investigations undertaken in different parts of India.

The Report of the Quinquennial Wage Survey in the United Provinces in 1934 recorded the average daily wage as three annas and, in 326 villages it was one and a half annas only. A day labourer in Bengal earned before the war not more than Rs. 6 per month. If his wife earned her total earnings were estimated at not more than Rs. 2 or Rs. 3 per month.[14] The majority of rural workers in Bihar and Orissa are supposed to earn only nine pies per diem together with a seer of cereal and only 1 anna in the aggregate.[15] In some parts of Bombay Province in the non-irrigated tracts the rural worker was

14 Sudhir Sen: *Land and its Problems*· page 97.
15 R. Mukerjee: *Indian Working Class:* page 5.

reported to be getting only two annas per day with an annual income of not more than Rs. 25.[16]

In addition to the tragedy of low wages the rural labourer has to face, specially in the dry or non-irrigated regions, the other tragedy of unemployment during 3 to 6 months in the year. Normal pre-war experience had established the fact that wages did not always rise as much as the price-level. It has been shown that in Bengal between 1842 and 1922 the cash wage increased from 1 anna to 4 to 6 annas whereas the price of rice increased eight times from 40 seers per rupee to 5 seers per rupee.[17] This shows a serious fall in the real wages of the Bengali labourer. The same fact has been shown about labourers in North Bihar by other investigations involving a comparison of index numbers of retail prices of common food grains with the Wage Census.[18] It is reported from Madras that though wages rose from 100 to 300 per cent. the landless labourers and farm servants ran into greater debts than before between 1939 and 1945.[19]

Agricultural labourers in India are of all kinds from free labourers to virtual slaves and the economic condition of the latter type of workers is considerably worse than what the above figures can indicate. There are millions of landless labourers who rarely receive any cash and who live in conditions of actual serfdom and slavery.

The social degradation of rural labour of all kinds is as serious as its economic poverty and to a great extent it is the result of this poverty. The greater the economic poverty the greater also is the social degradation of these men In Bihar and Orissa, as also in some other Zamindari areas, the condition of the great bulk of agricultural labourers approximates to virtual slavery. In some of these areas "the farm hands live like the Negro slave, bound hand and foot to the Zamindar."[20] In many parts of India the Zamindar, the Malguzar, or even the ordinary cultivator can contrive to get the farm labourer into debt and thus obtain a hold over him which continues after his death over his descendants also.

It is necessary to note that the social degradation and poverty of millions of toilers on our farms are not due only to Zamindari but to all forms of landlordism

16 Dr. M. N. Desai, quoted by Wadia and Merchant: *Our Economic Problem:* page 252.
17 Dr. Mukerjee: *Land Problems of India.*
18 See, *Indian Journal of Economics:* Vol. XI, part III, page 329.
19 *Report of the Economist for Inquiry into Rural Indebtedness, 1946:* page 62.
20 Mukerjee: *Indian Working Class:* page 5.

and are found in all parts of India. Wherever we have landlords of one kind or another—in Bombay, Bengal, C.P., Chota Nagpur, Central India, Malabar, Cochin, Madras, or the medieval Jagir estates in Indian States, we find the same tragedy and danger. Even in parts of Gujarat where we have politically highly advanced farmers and even leaders of the national movement there are thousands of landless peasants "who work under conditions which are akin to the serfdom of old Russia." It has been reliably reported that there are 157,400 such men in old British Gujarat, over 38,600 in Baroda State and about 5,000 in other adjoining Indian States.[21] Agricultural labour which is tied to the landowners from one generation to another is known by various names—**Adiammars** in Travancore, **Cherumas** in Malabar, **Holayas** in South Kanara, **Haliyas** in Orissa, **Dublas** in Gujarat, **Baghalas** in Hyderabad, etc.

The Bonded Serfdom of the Aboriginal and Depressed Classes.

The most exploited among the agricultural labourers are those drawn from among the Depressed Classes and the Aboriginal tribes. Nearly 90 per cent. of the landless labourers in Madras, for example, are members of the Scheduled class. In some parts of India the word "chamar" is synonymous with the rural labourer. We thus see that all over India a large number of the labourers are socially weak because they are economically weak and they are economically weak because they are socially weak in a society based both on caste as well as class divisions. The traditional caste leaders are able to dominate over the illiterate labourers even to-day because they can recommend the labourers to the landowners for employment, and to the money-lenders for credit.

The condition of the aboriginal agricultural labourer is particularly noteworthy. The early land policy of the British was to set up a class of non-aboriginal Zamindars with more rights than the aboriginal owners of land. Another reason for the reported increase in the number of aboriginal labourers is that a large number of the aboriginal owners were not able to face the intrigues of the non-aboriginal traders and landholders to whom much land has passed through forfeiture and purchase. A large number of these aboriginals are to-day the bonded serfs of the Zamindars and other landowners. The aboriginals like the Gonds of the Central Provinces, though reduced from the status of landowners to field

21 Figures given by Sjt. Jugatram Dave in his book *"The Hali System and Movement for its Abolition"* (written in Gujarati): page 16.

labourers have not lost their honesty and in their case, as also in the case of others like the **Korkus** of the Satputra Plateau. their very honesty makes them desirable as serfs and servants. In other cases as that of the **Khonds** of Orissa their frugal methods of living and their limited wants have become the causes of their exploitation.[22]

One of the principal causes of the bonded serfdom of a large number of the aboriginal and other labourers is their need for money for marriage purposes. For example, the Hali labourer, who belongs to the Raniparaj Tribe—one of the most backward of the hill tribes of the Surat District, marries very young. Since his parents do not have the money to marry him he approaches a landlord who is in need of a permanent labourer. He borrows from the latter a small sum of money from Rs. 100 to Rs. 300 at the most—but as he has no security of any kind he pledges his own labour and enters into a contract to work on the fields of the lender till the debt is paid.[23] Needless to say the Hali is unable to pay his debt since after marriage his needs increase and he has often to borrow more to help his wife and children. Besides, the accounts are kept by his master who has strong objection to his getting any education. It is reported that in the Chikhli taluka of Surat district there are many families of Halis who have served the same master for three generations. The Hali does not receive any weekly or monthly wages "but like the bullocks, the Hali is fed and is given just a small quantity of Juwar or Rice."[24]

Conditions similar to the tragedy of the Hali system are found all over India particularly among the Padiyals of South India (Tanjore, North Arcot, etc.), the Haylayas of Kanara, the Warlis of Thana (Bombay Province) and among the victims of the Gothi system of Orissa and the Kamiauti system of Bihar. The status of the Padials was described as comparable to that of the territorial serfs in England in the twelfth century for they could be transferred with the land from one owner to another and even their children were bound by the debt to serve the master.[25] Dr. Slater has informed us that a Padiyal's loan "never is repaid." His wages came to a paddy allowance of 27 oz. of raw rice per

22 See, K. G. Sivaswamy: *Forms of Agricultural Servitude.*

23 J. B. Shukla: *Life and Labour in a Gujarat Taluka* page 116.

24 Dr. Sumant Mehta: *Slave—Serfs of Gujarat Bombay Chronicle, June 9th. 1947:* It has been reported that the Hali received even during the war only two seers of Jowari or four annas as his daily wage.

25 See the remarks of Dr. Gilbert Slater in *Some South Indian Villages* (pages 239-240) and the chapter on Tanjore District by K. Soundara Rajalu in the same book (page 80).

day which was on the whole less than the **total gaol allowance** of rice, vegetables, etc. The hours of work of a Padiyal were from 6 A.M. to 6 P.M., almost the same as those of a Hali which were 6 A.M. to 7 P.M. with one hour of interval according to Mr. Shukla.

Though it is not possible to describe in detail the tragedy of all the other exploited tribes and peoples referred to above, it may be mentioned that the tragedy of serf-labour has to be fought as much in the Indian States and in other ryotwari areas as in purely Zamindari tracts. We have seen in the first chapter how the worst features of Zamindari are to be found in the **Jagirs** in the Indian States. No wonder then that apart from ordinary serfdom we find actual slavery in some States in Rajputana, Central India and elsewhere. The recent disturbances of the Warlis in Thana district (Bombay) and the suffering of other hill tribes such as the Bhils has shown that landlordism wherever it exists has its fangs on the jungle tribes—whether in Zamindari or in ryotwari areas.[26]

No doubt attempts have been made to stop by law the evil of forced labour and of taking of bonds by which a debt of the labourer also extends to his heirs. But so long as the system of landlordism continues and the rural labourers are unable to get their credit requirements satisfied it is impossible to prevent this evil by law. Those who have studied the system admit that under the present system the landlord is no more than "a simple manager of his farms," the bonded serf being in actual practice the **de facto** cultivator without having the economic advantage of such cultivation. The system of landlordism to-day is so much bound up with the exploitation of the labourer that it is feared that if an evil like the Hali system is abolished by law the landlords will find it difficult to cultivate their lands. Mr. Shukla, for example, who did **not** advocate the abolition of landlordism was of opinion that the abolition of the Hali system by law would shake the whole agricultural economy "to its very foundations."[27] The suggestion made that the serf labourers of to-day should be converted into tenants or share-croppers of the present landlords and the hope that this will enable them to satisfy their credit requirements, is hardly a solution specially when we know that the condition of the tenant-cultivators and the share-croppers of to-day is not less tragic than that of the rural labourers.

26 A sober account of the exploitation of the Warlis has been given by Mr. K. J. Save in his book, *The Warlis,* (Padma Publication).

27 *Life and Labour in a Gujarat Village:* page 133.

It would be well for everybody if we note what is the estimated population under serfdom and also how serfdom is continuing to-day in spite of all laws to prevent it. The unhappy serf labourers have often sought a solution in running away from their masters but the landlords have been known to hunt them down and also to combine amongst themselves to return to the master any of the run away serf-labourers taking shelter in their villages, the police helping non-officially in this work of tracking down the victims.

Those who are in favour of converting the unhappy serf-labourers into tenants of the landlords may do well to note what the landlords have been doing to the tenants who are either aboriginals or who come from other oppressed classes. When Zamindars have exploited even non-aboriginal and more advanced cultivators, the exploitation of the helpless aboriginals may well be imagined. Let us remember carefully what Mr. D. Symington, I.C.S., who was appointed in 1937 to enquire into the condition of the Aboriginal and Hill tribes of the Bombay Province, tells us in his Report about the landlords of ryotwari Bombay: "All jungle tract tenants are liable to be called upon to work for their landlords. This forced labour is demanded for as many days as are necessary. If they refuse or procrastinate they are liable to assault or beatings. I was told, on creditable authority, of men being tied up to posts and whipped. There are also rumours of men in the past having been killed. The maximum remuneration of forced labour is one anna per diem. More often rice is given, barely sufficient for one man for one meal. If the landlord is also a forest contractor he will use his tenant's labour by **Veth** for working his coupes. Landlords will not scruple to use their power in fulfilment of their purposes, for instance the use of their tenants' womenfolk for the gratification of their lust."[28]

The problem of slave and serf labour and of the aboriginals is thus much more serious than what the supporters of landlordism are inclined to believe. It is a problem of gigantic magnitude. If we take it that there are about 50 million untouchables (scheduled caste people) and about 25 million aborigines all over the country (including the Indian States such as Hyderabad, Central Indian Agency, Kathiawad and other Gujarat States, etc.) it would be no exaggeration to say that at least 30 to 36 million people suffer from one kind of agricultural servitude or another. The problem is reaching very serious proportions in Bihar,

28 Quoted by A. V. Thakkar: *The Problem of Aborigines in India:* (Gokhale Institute of Politics and Economics, 1941) page 12.

C.P. and Berar, Assam, Orissa, Bengal and Bombay. As we see the first step required is abolition of Zamindari in most of these Provinces but we cannot afford at the same time to talk of developing landlordism and share-cropping in non-Zamindari provinces like Bombay (where we find lakhs of exploited serf aboriginals in Khandesh, Panch Mahals, Thana, Kolaba, North Gujarat and Nasik).

Plantation Labour.

When we talk of the social and economic degradation of our aboriginal agricultural labourers, we must not forget the tragedy of plantation labour. About 11 lakhs of people are employed in our tea, coffee, and rubber plantations and a large part of these consists of helpless aboriginals such as the Kols and Oraons of Chota Nagpur who are recruited for the Assam tea gardens.

Though the tea, coffee, and rubber **Companies** of Assam, Bengal and South India are not **Zamindars** they are really no better than Zamindars in the exploitation of labour. Whilst the planters themselves are well-organised these labourers are unorganised, illiterate and totally helpless. It is interesting to see that whilst the Indian Tea Association was formed as early as in 1831, in the whole of Assam there was until recently only one trade union of tea garden labourers.[29] The pure plantation labour does not come under any protective labour legislation. The cash wages paid are extremely low and the wage rates remained unchanged even in war-time in North Indian plantations whilst they increased only very slightly in the South.

The prevalence of abject servitude among these labourers can well be imagined from the fact that cash wages are inadequate and, though legally free to leave an estate, in actual practice the labourers have no freedom either of movement or of association. An ill-treated labourer cannot leave a plantation for chaukidars are appointed to prevent any such movement and even if he succeeds in escaping there are agreements among the planters by which no planter is allowed to employ a labourer from another plantation. Since there is no organisation of workers to safeguard their interests the Whitley Commission on Labour condemned this system. The Commission pointed out that the effect of this policy has been to increase the temptation to resort to all kinds of restrictions to retain labour.[30] The recently appointed Labour Investiga-

29 See, *Report on Enquiry into Labour in Plantations in India by D. V. Rege, I.C.S.*, page 70-71.

30 *Report of Royal Commission on Labour in India:* page 377.

tion Committee found no change and several chaukidars admitted before it that they did not allow labourers "to go even if they wanted to."[31]

Meetings of labourers are not allowed "except for religious and social purposes." Even labour organisers cannot enter the gardens which are regarded as private property. The workers are thus isolated from contact with the outside world. The Whitley Commission recommended that "steps should be taken to secure public contact with workers' dwellings on all plantations." The Assam Government effectively stopped the recommendation from being carried out on the ground that "there can be no justification now-a-days for the initiation of legislation to enforce indiscriminate public rights-of-way over private estates."[32]

If any further proof were needed of the servitude of these labourers it is furnished by the fact that in most cases they are not free even to marry without the consent of the managers of the plantations. In case of certain plantations as in Assam there is not even a muster-roll and the workers have to work sometimes even up to 10 or 11 hours a day. The Rege Committee reported officially that in many places no compensation was given to the workers for the rise in prices during war time. The policy of certain Tea Associations was "to give no dearness or any other allowance, but to supply foodstuffs at concession rates and offer **increased opportunities for earning by doing more work.**"

The seriousness of the exploitation of plantation labour can be seen from the simple fact that the total number of plantation labourers exceeds the total number of all the workers in the textile, coal-mining, engineering and iron and steel industries combined. While in other organised industries we have powerful trade-union activity as a safeguard against exploitation, the establishment of trade-unions in plantation areas is not possible at present. The case for Government control of plantations and the complete abolition of their present organisation is extremely strong and should be considered along with the abolition of Zamindari.

We have seen in the early part of this chapter that the increase in the number of landless labourers creates potentially and dangerous inflammable material for modern communism. This is no imaginary fear. We are facing to-day a class division in our society which cannot be

31 *Rege Committee Report:* page 28.

32 Quoted and commented on by the Rege Committee on page 29 of its *Report.*

ignored. The agricultural labourer is becoming more and more politically conscious and the talk of class antagonism has reached him in certain parts of the country. The conflict between the landlord and the labourer has already begun and will soon reach dangerous dimensions if nothing is done to abolish landlordism before it is too late.

The war created great demand for labour of all kinds and led to a general rise in wages. The rural labourers to-day are not prepared to accept lower wages and are demanding relatively high wages from the landowners which the latter say they are not in a position to pay. Whilst Government is thinking of fixing wages the landowners and other employers of agricultural labour are organising against the move. This problem is a serious one. If the Provincial Governments do not help the labourer he tends to turn towards communism whilst on the other hand if attempts are made to fix wages on a high level the landowners show a tendency to react unfavourably. The sooner it is realized that we cannot satisfy both parties as long as the present system of agricultural organisation continues the better it will be for all concerned.

It is regrettable that those among the supporters of the present system who know that we cannot to-day afford to pay high wages are unable to recommend the abolition of the present system of landowning as the only possible solution. Whilst admitting that the standard of life of the labourer under the present system was at a sub-human level before the war and that if it has risen slightly to-day it should not recede to the pre-war level, they have no solution other than advising labourers to accept low wages and warning them that the present wages are unduly high and will destroy the prosperity of the present system of agriculture. This is almost like saying that high wages are good and necessary but are ruinous to all at the same time.

The post-war awakening of agricultural labourers and poverty-stricken tenants throughout India has taken various forms in various parts of the country. In the United Provinces there has been a tenant movement against ejectment from Sir land. In Bihar there has been a struggle for establishing tenancy rights in **bakasht** lands and for changing the **bhowali** system under which to-day the kisans have to pay to the Zamindar a large quantity of corn (which can be as much as 18 seers) out of every maund of gross produce.[33] In Tamilnad we have had agitation for the abolition of serf-

33 It is said that this enables Zamindars to come in possession of a large quantity of corn which they sell in the black market.

abour, increase of wages, occupancy rights in land for tenants, etc. In Malabar there has been a refusal to pay rent in foodgrains to landlords and a strong movement in favour of cultivation and occupation of fallow and waste lands. In Sind the Haris or the share-cropping peasants have raised their heads against serfdom and have challenged the entire feudal structure of this backward Province. In Bengal we have had even a greater struggle among the share-croppers than anywhere else—a struggle which has now become famous as the Tebhaga movement.

We have had a similar awakening also against landlords in non-Zamindari areas and in the Indian States. In Bombay Province the struggle of the Warlis in Thana district received world-wide attention for it was a great manifestation of discontent even among the aboriginals. In the Punjab, we have had in Amritsar what is known as the **Mogha Morcha**, an agitation among the kisans directed against the Irrigation Department, whilst in Montgomery there has been a struggle among the share-croppers against the illegal dues of the Zamindars. We have also had strong Kisan agitation directed against the Jahagirdari system in a large number of Indian States—such as Hyderabad, Jaipur, Gwalior, Bharatpur, Patiala, etc.

The Tebhaga movement in Bengal was perhaps one of the biggest mass movements and it is important to note its strength. It has been essentially a movement of the share-croppers (Adhiars) against the landlord (Jotedar) for the right to have two-thirds share of the produce and to give to the landlord only one-third instead of half the share. But it was not confined only to these classes. It was supported by the small peasants having their own lands and also by the landless labourers. It is true that the democratic middle class, the petty Jotedars and others are scared of the movement but it is possible for the leaders to advise their followers —the Adhiars—to exempt the petty Jotedars from the operation of Tebhaga "and concentrate against the richest and the biggest." That it is also possible to back up the peasants' struggle by mobilising the working classes as in the strike of the Tea Plantation workers of Jalpaiguri, shows the wide potentialities of this movement.

Effect of Zamindari on India's Finances.

In the preceding chapter we examined the terrible tragedy of the failure to fix rents as compared to the revenue, and the extent of the illegal gains of the Zamindars in all areas. We may note here that the financial results of the

Zamindari system in general and the permanent settlement in particular have been as disastrous as the social and economic results. The system has impoverished the Provincial administrations concerned and created problems which call for the reorganisation of taxation on a large scale.

Effect of Low Revenue Demand in Zamindari Areas.

A low revenue demand by the State is a good thing in a very poor country but it becomes an evil when it benefits not the toiling poor but a parasitic class of landlords, a class that further enriches itself at the cost of the cultivator. This is what has happened particularly in the Permanently Settled areas of Zamindari India. Far from benefitting the real cultivators of the land the low land revenue demand has encouraged the growth of an unproductive rentier class which is the one real enemy of the cultivator and the country. It has induced the unscrupulous money-lender, the trader and all the other exploiters of the cultivator to buy land even at high prices and this investment in land has in turn encouraged more exploitation and discouraged investment in industrial enterprises. What would be otherwise good has thus resulted in the growth of an unproductive class at the cost of both better industrial as well as agricultural production. It should be noticed that if we take India as a whole the rentier class itself has often tried to raise the cry that land revenue is heavy and this cry has helped to side-track the real issue of the exploitation of the cultivator by the rentier, the money-lender and the trader.

Without benefitting the cultivators in Zamindari provinces the low revenue demand has actually led to the imposition of a heavier burden on the people of other provinces and areas.[34] This is no exaggeration. If we compare the figures of revenue demand in a province like Bengal with the revenue demand in other Provinces, we see how great is the difference. Again if we take the burden of land revenue borne by the ryotwari cultivators and compare it with the revenue paid by the Zamindars in one and the same province such as Madras we see the contrast very clearly. About 1939 the total land revenue of Madras Province came to about seven crores of rupees out of which the Zamindars contributed only 45 lakhs or less than half a crore of rupees or about 6 per cent. only of the total contribution though the area occupied by them was as much as about 43,000 square miles as compared to about 92,000 square miles covered by the rayatwari tract which contributed

34 Dr. Radhakamal Mukerjee: *Land Problems of India:* page 305.

6.55 crores of rupees or 94 per cent. of the total burden of land revenue.

The Economic Injustice of the Situation.

There is no doubt that the economic rent of good lands has gone on increasing everywhere in India in Zamindari areas due to the increase of population and the consequent cultivation of inferior lands. The appropriation of this rent by the Zamindars is an example of great economic injustice specially when the Zamindars have done nothing to introduce permanent improvements on land.

It may not be widely known but it is a fact that there have been lands in the city of Calcutta itself where the owners have paid as revenue just about four annas per acre though the annual value of the land was thousands of rupees. This was noticed even by the Simon Commission. A large number of the "up-country towns" in Bengal have been built on permanently settled land where the revenue paid was only a couple of annas per acre. There are hundreds of acres of land which were not under cultivation in 1793 but which are used to-day for producing tons of valuable jute and yet the Zamindars of these lands pay very little or no land revenue. There are large rich districts in Bengal which pay very little land revenue as compared to other poorer areas which were fully developed in 1783.

The effect on the financial position of the Provinces.

There can be little doubt left about the disastrous effect of the permanent Zamindari system on the financial position of the provinces concerned. Without benefitting the cultivator the system has impoverished the State which in the long run has the responsibility for protecting the cultivator and the large class of rural labourers whose misery cannot now be ignored as it was in the past. From what we have noted it will be clear that the most obvious result of the system is the considerable loss suffered by Government due to the inelasticity of the land revenue during the last 150 years.

It is true of course that the annual loss suffered by say the Bengal Government during all these years is an uncertain amount for the simple reason that had there been a temporary settlement the Zamindars may have been left, in all probability, not with only 10 per cent. of the assets as in 1793 but with anything varying between 10 to 75 per cent.[35]

35 About 1940 the landowners of the *temporarily* settled estates in Bengal itself were allowed 30 per cent. of the assets, whereas in the United Provinces the share of the landowner was gradually increased from time to time until it became 60 per cent. and in some cases even 75 per cent. of the assets. In the Punjab the Unionist Party succeeded in 1928 in having the small landowners' share increased to 75 per cent.

Even the Floud Commission was so uncertain about this that it estimated the annual loss as anything between Rs. 2 crores to Rs. 8 crores. We have noted the probable amount of money appropriated by the Zamindars of Bengal every year.[36] If we assume for the sake of argument that the Zamindars of Bengal appropriate every year about 12 to 13 crores of rupees which would otherwise go to the State this would mean that more than 600 per cent. of the total land revenue is taken away by parasites to the detriment of both the cultivator and the State. We may compare this with the low cost of collection of land revenue in Government estates. Those who believe that these Rs. 12 to Rs. 13 crores is an overestimate and could not have been taken away by the State in any case, may cut down the amount by half and still see the enormity of the loss. In fact even if the revenue taken away by the Zamindars was no more than 100 per cent. of what the State gets the evil would be equally intolerable. Figures of revenue for Madras Zamindari areas as compared to ryotwari areas show likewise to what an extent the Madras Government has suffered due to the presence of the Zamindars who pay only 45 lakhs of rupees whereas **on the same area** the peasant proprietors themselves would be paying **proportionately** more than 3 crores and 6 lakhs of rupees.

The defenders of Zamindari try to show that though land revenue remains inelastic under the circumstances shown above, Government gains rather than loses in the form of substantial revenue from indirect taxation. It is asserted that this land system has led to a wide distribution of wealth among a large number of people and Government revenue in the form of income-tax, customs duty, and even court-fee stamps is very substantial. To accept these arguments is to forget several facts. The so-called wide distribution of wealth is no more than a wide distribution of parasitism amongst a large number of intermediaries. Besides the persons who constitute the intermediate interests neither pay any land revenue nor any income-tax. It cannot be forgotten that all these years income-tax has not been chargeable on agricultural income. Since this is so neither the Zamindars nor the intermediaries can be said to have paid any contribution at all to the State in the shape of income-tax. Further, the revenue from court-fee stamps is an argument against the prevalent land system inasmuch as it is a proof of wide-spread litigation which further impoverishes the people. The Floud Commission rightly observed that for every rupee spent on court-fees the litigant spends several

36 Chapter 3.

rupees on the fees of lawyers, etc. It may also be remembered that an undue reliance on indirect taxation as distinguished from direct taxation is not necessarily a progressive feature of any tax system. The Soviet wage-earner as a commendable example pays no indirect taxation on articles of consumption whereas before 1917 no less than 87 per cent. of the total tax revenue came from such taxes on articles of consumption.[37]

The loss to the Governments of Bengal, Bihar and Madras, etc., due to the fixing of revenue payments has been much more than is apparent because there has been since 1793 onwards a considerable fall in the purchasing power of the fixed revenue amount. In 1776 for example one rupee could purchase 1 maund and 10 seers of coarse rise or at least 16 seers of first quality rice.[38] Anyone who reads the figures of food prices as published in the past in the "Calcutta Gazette" after the Bengal Tenancy Act in 1885 will find for himself what a Government like that of Bengal must have lost in **real** revenue between 1793 and 1947. We must not forget to add in the case of provinces like Bengal the extra loss to the Government due to the control of mineral resources (like coal) and fisheries in certain navigable rivers, by private individuals. All the financial advantages arising from the development of these resources after 1793 have gone to the Zamindars.

It is true that land revenue throughout India has shown very little tendency to increase as a source of income to Government but the actual loss to Government due to the Permanent Zamindari Settlement is not only a matter of land revenue. What was originally introduced with the idea of saving the State much expenditure in revenue collection work has in the long run led to great financial loss. No modern national administration can afford to lose what the Bengal Government have lost. If it is duty of Government to spend money on nation-building departments, this duty simply cannot be performed so long as there is an unproductive and untaxed class of social parasites sucking up the potential revenues of the State.

The Neglect of Nation-Building Departments in Zamindari Provinces.

It is an undisputed fact that the Government of Bengal has lagged behind the governments of other provinces in initiating social services. The amount of money spent till

37 A. Antonov: *Taxation in U.S.S.R.: Soviet Weekly*, September 25, 1947.
38 J. C. Sinha: *Economic Annals of Bengal:* page 53.

recently by the Bengal and U.P. Governments on Education, Health, etc., compared very unfavourably with the money spent by the Bombay Government. On the other hand the amount spent on Police administration was much higher than in many other provinces. No wonder under Zamindari administration the Police received more attention than Health or Education.

The figures of the capital cost of Government expenditure on irrigation and navigation works in the different provinces clearly show us that Bengal, Bihar and Orissa stand last in the list. When the Punjab Government could spend more than Rs. 35.86 crores the Government of Bengal could not spend more than 5.32 crores and the Orissa Government not more than 3.30 crores.[39] It can be seen that in Bengal, Bihar and Orissa, the birth-place of Zamindari, the expenditure has been quite negligible. In Sind which has a population of 29 lakhs, more than Rs. 30 crores could be spent whereas in Bengal with 17 times the population of Sind the amount spent has been less than 1/5th of that spent in Sind.

All this cannot be explained away simply by saying that the rain-fall in Bengal and Orissa is very heavy as compared to that in Punjab or that the capital required on irrigation work per rupee worth of produce per year is exceptionally heavy in Bengal as compared to the Punjab (23.9 as compared to 1.0)[40] There is some truth in this but the fact remains that the inability to spend money on irrigation has gone side by side with the inability to spend also on Health, Education, etc. If very little money has been spent on irrigation because there is no need for it, can it be said that very little money has been spent on Health and Education because there is no need for it? Everybody knows that Bengal requires an expenditure of crores of rupees on prevention of soil erosion, land reclamation, etc. Take the expenditure on the Agricultural Department itself. As Khan Bahadur S. M. Hosain pointed out in 1940, whereas all the other major provinces, where there was no permanent settlement, were spending on an average Rs. 25 lakhs or so on the Agricultural Department, Bengal could not provide for more than 12 or 13 lakhs of rupees. Bengal could not even have an Agricultural College of its own for years on end.

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39 *Indian Year Book*, 1941-42.

40 See, Rao Bahadur N. S. Joshi: *Food and Irrigation:* page 6 and Appendix C.

CHAPTER V.

WHY ZAMINDARI SHOULD BE ENDED AND NOT MERELY MENDED BY TENANCY LEGISLATION.

There are some who think that we should bend but not break and mend but not end Zamindari. This attitude is not likely to be of much help in solving our problem for we cannot always rely on laws to **mend** everything, particularly when it is obvious that some systems or institutions cannot but perpetuate and encourage the evils we are out to fight. If a system or an institution has out-lived its utility, or is inherently vicious, the only solution is to end it. The idea of mending but not ending Zamindari is very largely the result of confusion in our minds on many matters.

A very common fallacy committed by many is to confuse the advantages of the Permanent Settlement with the inherent de-merits of Zamindari itself. Many people admit the tragedy of sub-infeudation and the rise in rents in the Zamindari areas and yet they maintain that the abolition of Zamindari cannot be urged on the ground of rents being high. It is argued that the level of rent in Bengal is low and some officials even maintain that it is possibly the lowest in the world. There are remarks in the Report of the Floud Commisson which can be interpreted as implying that if the Madras ryotwari system of assessment was to be applied to Bengal the level of rents in Bengal would increase.[1] Mr. W. H. Nelson, C.S.I., I C S, was of the view that rents were lower in Bengal than in **any other** Province.[2]

The Villain of the Drama is Zamindari and not the Permanent Settlement.

Those who accept opinions like those given above are apt to forget the context and also the simple truth that even if it was shown that the level of rent in Bengal was, in the abstract, not very high no credit for this could go to the Zamindars for it would in all probability be the result of the Permanent Settlement. The real villain of the piece of course is **not** the Permanent Settlement but the Zamindar. Whilst the Permanent Settlement can theoretically be regarded as likely to work to keep down the pressure of the Zamindar on the cultivator, the existence of the Settlement makes the

1 See, *Floud Commission Report*: Vol. I, paragraphs 175, 203, 204, 249 and also page 289.

2 *Floud Commission Report:* Vol. V, page 18.

Zamindar more blameworthy for the rise in rents in these areas than the Zamindars elsewhere.

There are experts who tell us that the cultivators in Bengal, Madras, and other Permanent Settlement areas were assured that rents would not rise. The Prakasam Committee of Madras was definite about this. Certain members of the Floud Commission in Bengal were also of this view.[3] Looked at from this angle the enhancement of the original rent in the Permanently Settled areas would be unpardonable and would even amount to a clear breach of faith.

We need not go as far as this ofcourse to accuse the Zamindars of a breach of faith. But it is good to remember under what conditions the revenue was fixed and how it can even be held that it was originally intended to fix rents. The increase in rents in Bengal, Bihar and Madras therefore stands on a different footing from the increase in other areas and it actually condemns the Zamindars in these areas much more than it is ordinarily realised.

Zamindari cannot be defended on the grounds that Rents are low.

The viewpoint that rents in Bengal are lower than elsewhere is, as we have seen, hardly a point in favour of continuing the Zamindari system. But the viewpoint itself has been challenged and does not contain the whole truth. There are two facts which can no longer be disputed or doubted. First, that the rents in all Zamindari areas have increased and everywhere the Zamindars have rack-rented the cultivator. Second, that the rents even in Bengal are neither the lowest in the world nor even lower than anywhere else in India. Khan Bahadur S. M. Hosain, an influential member of the Floud Commission, has himself shown that the incidence of rent per acre in Bengal is Rs. 3-5-0 as compared to only Rs. 1-9-0 in the Punjab.

The view that the Madras ryotwari system if applied to Bengal would increase the level of cash rents in Bengal can only be condemned as quite unwarranted and incorrect. It is difficult to understand how anybody could have made any mistake about this. Anyone who compares the Zamindari and ryotwari areas in Madras itself will find that the level of rent in the Zamindari areas is considerably higher than

3 There can of course be no unanimity of opinion about this. The Bengal High Court Bar Association, for example, was of the opinion that according to ordinary canons of legal interpretation the Regulations did not legally bar the rights of Zamindars to enhance rents.

in ryotwari areas. The general average is about 50 per cent. more than in the ryotwari area. The Floud Commission was definitely aware of this in spite of its conclusion.

Nothing illustrates better than the above the need for the avoidance of over-simplification. The Floud Commission's attitude towards rent was more theoretical than realistic. The Floud Commission believed that the incidence of rent has little effect on general economic conditions. It believed that "Rent is one of the least important items in the cultivator's budget" and added "we are not prepared to say that there is any difference between the economic condition of a rent-free and a rent-paying cultivator." It is all very well to say that incidence of rent has little effect on the cultivator's budget unless it approaches the full economic rent. But when we know that rent often does approach the economic rent we cannot complacently talk of theory and forget the real facts. When we talk of rent we must remember payments like abwabs, nazarana, salami, etc. Whenever some or even all of these are made illegal they appear in other forms. Salami payments up to ten times the rent are known to be very common. In the case of many tenants the real rate of rent is the competitive one and this is found to be quite exorbitant and unprofitable.

It is rather amusing to see that even those who talk of rents in Bengal being low admit the prevalence of rack-renting which, as we have noticed, cannot be disputed or denied. Even the most conservative of witnesses who appeared before the Floud Commission had to admit that there was rack-renting. The Permanent Settlement Regulations laid down that the Zamindars should act with "good faith and moderation" towards their tenants. That they never did this is now universally acknowledged and has been admitted by all from Raja Ram Mohan Roy right up to the Government of India itself. Raja Ram Mohan Roy, himself a Zamindar, stated before a Parliamentary Select Committee that the rayats were rack-rented. The famous Resolution of the Government of India dated 16th January 1902 says, "far from being generously treated by the Zamindars, the Bengal cultivator was rack-rented, impoverished, and oppressed.[4] Speaking of Bihar the Resolution admits that in the permanently settled areas the Zamindars were given a concession amounting to Rs. 80 lakhs a year and these were all monopolised by the land-owners whilst "the Bihar tenants

4 See Appendix B (page 11) of *Land Problems in India*—Papers by R. C. Dutt and others (Natesan & Co., Madras).

remain among the most heavily-rented in India."[5]

The inadequacy of Tenancy Legislation to help us

Even more surprising than the confusion about the question of rents is the view that the evils of Zamindari can be eradicated by tenancy legislation. Most of those who agree that laws should be used to abolish the evils of Zamindari, are not prepared to see why laws should also be used to abolish Zamindari itself. The idea of abolishing the evil effects but not their **source** is very dangerous and lands us in serious fallacies. Mr. W. H. Nelson, I.C.S., a member of the Board of Revenue, Bengal, for example, seems to have held the view that because of tenancy laws abwabs would very soon be a thing of the past. The officially reported evidence of this gentleman shows some confusion of thought for it seems that he made a distinction between abwabs and other "voluntary payments" and held that the latter payments would continue but not the former. It is forgotten that all extra payments are more or less compulsory and cannot be stopped by law because of the strong position of the Zamindar. It is amazing to see that whilst Mr. Nelson affirmed that "abwabs will very soon be a thing of the past" he could not deny the fact that law-suits are very rarely instituted against the Zamindar or his agents by the tenants because "the tenants are not strong enough to stand against the Zamindar.[6]

Confusion cannot be worse confounded than when it is asserted by men like Mr. Nelson that as population increases there is a continuous increase of agricultural prosperity and that "the condition of the tenant to-day is undoubtedly better than what it was at the time of the Permanent Settlement." To men like Mr. Nelson uneconomic holdings and fragmentation are due only to the laws of inheritance and these men can offer no practical solution to the problem. Perhaps they see no need for it for, as Mr. Nelson himself believed, the peasantry was not insolvent and cultivation was not unprofitable. It is this attitude which is typical of a large number of those who believe in tenancy laws as a sufficient safeguard against the evils of Zamindari.

The attitude of the type explained above is misleading many people. It is dangerous because it is fallacious and yet some of our greatest thinkers are guilty of maintaining it. The very first thing that strikes our attention

5 Ibid: page 39.
6 See, *Report of Land Revenue Commission, Bengal*, Vol. V, page 11.

about tenancy legislation is that it took more than 60 years to pass the first of such legislation in spite of the promise that the cultivators would be protected. And even after the Act of 1859 was passed (in Bengal) no proper machinery was created to assure the cultivating raiyats a position even of a very qualified occupant or peasant proprietor. This was only partially done after the Act of 1885 and even then ignorance and poverty combined to deprive the tenant of any real advantage for many years to come.

When all this is clearly known to-day it becomes difficult to understand the optimism of such a great man as Mr. R. C. Dutt. Mr. Dutt believed that the failure to pass the first tenancy law before 1859 was not due to any negligence on the part of the Company's servants but was the result of the extreme difficulty of finding a proper basis for the legislation between the classes and the masses. Very much like men of Mr. Nelson's type to-day, Mr. Dutt even believed that the Act of 1859 had created a revolution in Bengal by making the population more prosperous and resourceful than anywhere else in India. Everybody who knows the truth admits to-day that the Act of 1859 failed but Mr. Dutt wrote at the beginning of this century that "it gave an adequate protection to the cultivators of Bengal."[7]

It is necessary to avoid being misled by fallacies of this kind and to tell men like Mr. Nelson and other optimists of the Bengal Revenue Board and elsewhere that the talk of increase in agricultural prosperity as population increases is utter nonsense and that it is the pressure of population which is one of the principal reasons for the failure of tenancy legislation to-day and its more complete failure in the future. It must be recognised clearly that tenancy laws have failed and unless we change the existing agricultural organisation itself into one of large holdings scientifically cultivated, and also absorb the surplus population in industry nothing will help us. All this talk of the condition of the tenant cultivator being better than it was in the past and the prospect of it becoming even more satisfactory in the future due to good tenancy legislation is, to say the least, very wrong and misleading.

If we examine carefully the reasons for the failure of tenancy laws in the past we shall be able to see why ordinary amendments or other suggested changes cannot solve the problem. One of the primary defects of the tenancy laws of

7 See, R. C. Dutt: *India in the Victorian Age:* page 263 and 264.

the past was the freedom given to sub-let land. This converted the occupancy tenant into a rent receiver and an inferior absentee proprietor. The tenancy laws thus tended to protect those they need not have protected and they failed to protect the real cultivator. In trying to curb the Zamindar they only multiplied the number of oppressors of the real cultivator. When raiyati interests became valuable a large number of undesirable elements in our social and economic structure—the money-lenders, middlemen and others—became interested in land and entered the field as active purchasers of these interests. Not being cultivators they either sub-let the land or employed other labourers to work on it. The privileges and protections meant for the cultivator were thus transferred from the non-cultivating Zamindars to other non-cultivators to whom in some cases the driving of a plough was a social degradation to be avoided at all costs. The position of the actual cultivator became worse in the process. The cultivator remained the unprotected tenant-at-will or became a day labourer or a bargadar. The Tenancy Acts have been supposed in theory to endow raiyats with ownership of their land but in actual practice they have created a large class of actual cultivators who have no rights of any kind of ownership and no protection even against insecurity of tenure or excessive rents.

Every impartial student of the problem has to admit that tenancy legislation has failed to give security against eviction or against rack-renting to the real cultivator of the soil. Theoretically it can be suggested that we should grant tenancy rights only to the actual cultivator and restrict alienation of the tenancy right once it is granted. Since 1939 a large number of amendments have been introduced in these directions in Tenancy legislation in many parts of India—Bombay, Bengal (modified up to April 1942), U.P. (amendments up to March 1946), C.P., Orissa, etc. It has been suggested that everywhere we should adopt certain changes such as the clear definition of a tenant in the Bombay Act of 1939, or the security of tenure of a sub-tenant in the Cochin Act or, the provisions against sub-letting in the C.P. Tenancy Act. But all these changes and suggestions have their own limitations which cannot be ignored.

No Law can prevent rack-renting.

Those who rely to-day on the broken reed of tenancy legislation may do well to remember that whenever we have a large body of cultivators on a low standard of living no law can prevent rack-renting. Even when sub-letting is

declared illegal, and rents made irrecoverable, there will be nothing to prevent the growth of tenancy in diverse hidden forms. So long as private ownership of land continues no law can prevent farming through tenants who are nominally partners or even members of the same family. Some of the strongest advocates of the continuance of landlordism, like Prof. H. Stanley Jevons, have admitted that even the most elaborate tenancy acts are incapable of controlling bad landlordism.

It must be repeated that many reforms that can be suggested in the theory of tenancy legislation cannot be put into practice as long as the basic conditions in agriculture are not changed. As long as the demand for land, for example, is greater than its supply it is not easy to establish by law security against enhancements of rent or to prevent the emergence of a premium over and above the recorded rent. A reform like the abolition of the landlord's transfer fees by the Amendment Act of 1938 in Bengal has not succeeded in removing the premiums. It has rightly been said that Salami, Nazrana, etc. cannot be spirited away by a statute. If abwabs are illegal they are natural under the present system and cannot be destroyed. Some of the payments such as Nazrana received on admission to a new lease of the land can be theoretically abolished by abolishing completely the occasion for their payment—say by prohibiting all ejectments and granting fixity of tenure to all existing tenants. But apart from the fact that such granting of fixity of tenure to all may not be welcome everywhere however desirable it is from the productive point of view, the removal of such occasions for payment of all kinds of dues is a sheer impossibility. In spite of the theoretical position taken up by the Floud Commission on the question of rent, it had no hesitation in coming to the right conclusion that the abolition of the Zamindari system was the only solution for revising rents on an equitable basis and for maintaining proper record-of-rights.

To-day the pressure of population on land is a permanent check on most of our tenancy reforms and we must realise before it is too late that **the competitive demand for land makes the abolition of Zamindari the immediate and only possible solution.** There is no other way out. Recently war profiteers have invested money heavily in land in provinces like Madras and nothing much can be done by tenancy laws to fight the evils arising from the terrible competition for land among tenant cultivators. The Prakasam Committee openly showed its inability to protect the sub-tenant and one of its

arguments was, "If there is much competition for land, people offer more than any others for the purpose of securing a footing on the land. Where is the possibility of knowing who is a sub-tenant? Persons who rush to the landlords and offer competitive rates each year cannot be treated as under-tenants." The condition of tenants in Madras is so bad that according to some it is even worse than that of an occasional labourer. In addition to a payment of 4|5th or 5|6th of the gross produce as rent the tenant has to give his labour free.[8]

In the case of tenancy laws in other provinces the position is not radically different. In Bengal the failure of tenancy legislation to bring about either security against rack-renting or stability of tenure has been admitted by all impartial witnesses, including men like Mr. S. K. Dey, I.C.S. and others. In Orissa we have a very formidable list of limitations put on the rights of landlords but the basic conditions of agriculture and land tenure render inefficacious all attempts to safeguard the tenant against rack-renting. It is said that detailed precautions have been taken to prevent rack-renting but "their sanctity lies in a wholesale breach," with the result that the tenants have become strangers in their own homes and insecure on their own soil. The conclusion arrived at by Orissa writers like Mr. Ram Chandra Das is that "what is wanted now are not palliatives but a thorough and fundamental revision and reorganisation of the land system."[9]

The pessimism of yesterday.

It is true that till recently there was a great deal of pessimism among our thinkers and writers. Whilst it was recognised that the system of land tenure should change it was also felt that no radical change was possible. Writing about 1928-29 Dr. Gyan Chand expressed this feeling very well:

> "If the system of land tenure remains what it is, there is no prospect of any improvement for many years to come in this province (Bihar). The desperate conclusion is that only the methods by which the "green" revolution has been brought about in Europe in the post-war years can succeed against the accumulated resistance of unenlightened selfishness, ignorance and complicated land legislation.

8 Sri J. S. Pellai, K. G. Sivaswamy, and S. Sambasivam: *Legislative Protection for the Cultivating Tenant and Labourer:* page 5.

9 Research paper submitted to Indian Economic Conference, 1947.

> The time not being ripe for any radical change of this description, we can only hope against hope that something will turn up, and in the meanwhile the stagnation of agriculture and the people connected with it must continue."[10]

The hopes of to-day.

This early pessimism did not mean that there was no public opinion at all in favour of the abolition of the system. In fact almost all the Provincial Governments in the Zamindari areas were for the abolition of Zamindari and the permanent settlement just before the end of British rule in India. The Government of Bengal accepted in principle even before August 1947 the recommendation of the Floud Commission (Majority Report) that the permanent Zamindari system should be abolished. Similarly the replies received on this question from the different Provincial Governments by the Bengal Famine Inquiry Commission of 1944 show which way the wind was blowing just before British rule ended.

The Bihar Government was of the view that the abolition of the permanent settlement should be seriously considered and it even added that it should be substituted not by a simple raiyatwari organisation but by large-scale reorganisation of agriculture including co-operative farming.[11] The Assam Government believed that since Zamindari is leading to insecurity it should be abolished. The Madras Government was of the view that Zamindari should not only be abolished but that its abolition would be welcome to many Zamindars themselves. The Orissa Government was the only one that regarded the abolition as unpractical though it also agreed that the system was an evil and suggested certain changes. The United Provinces Government did not offer any comment on the Famine Commission's query but the subsequent appointment of the Zamindari Abolition Committee showed unmistakably the trend of opinion in that province.

If the Provincial Governments have condemned the Zamindari system in recent times, the Government of India itself condemned the system as far back as in 1902. It should not be forgotten that originally the move for the abolition of the permanent Zamindari settlement came more from the official spokesmen of the British rulers of India than from non-officials. The famous Resolution on the Land Revenue Policy of the Indian Government, 1902, was a reply

10 Indian Journal of Economics, Vol. IX, page 498.
11 Famine Inquiry Commission: Final Report: page 275.

to a series of letters on the question written by Mr. R. C. Dutt, C.I.E., and to a memorial signed by certain retired officers of the I.C.S. formulating suggestions somewhat similar to those of Mr. Dutt. The Government of India condemned the system in 1902 on several grounds. It referred to the evils of absentee management of estates by unsympathetic agents, of unhappy relations between landlord and tenant, of the multiplication of tenure holders between the Zamindar and the cultivator, of the illegal cesses exacted by the Zamindar which exceeded "the total of the cesses levied under the British administration." It finally added that the system was "not supported by the experience of any civilised country" and was not justified by any single experiment.

The acceptance of office by the Congress before British rule ended and the final withdrawal of foreign rule recently has helped to give us more self-confidence about the future than we ever had before. The Congress Manifesto of 1945 does not refer to nationalisation of land specifically but it does speak of the control and ownership of basic industries by the State and of the elimination of intermediaries between the State and the tillers of the soil. Most Provincial Governments have recently taken some step or other towards the elimination of the intermediaries referred to. Today one of the most hopeful signs is the realisation on the part of some good Zamindars themselves that Zamindari should be abolished. As we have seen the Madras Government made it clear to the Woodhead Commission that many Zamindars in Madras would welcome the abolition of Zamindari subject to compensation. We can hardly be surprised at this when we recollect that the system has ruined many of the Zamindars themselves just as much as it has ruined others.

Why Abolition of Zamindari is the First Essential step.

The land situation throughout India is difficult and serious and requires a thorough overhauling. But it would be well to begin first with the Zamindari areas which require more urgent attention for the intermediary interests involved are numerically more than elsewhere. Though the problem of landlordism arises also in non-Zamindari areas things are more complicated in the Zamindari zones. The question of **superior rights**, the existence of a vast chain of parasitic middlemen, and the effect of this unproductive social element on industry, taxation, value of land, etc. are not simple problems and they require immediate attention. Without an immediate settlement of the question of the superior rights of Zamindars for example there can be very little planning in our villages.

The needs of national planning cannot be satisfied in this country as long as we allow landlordism to continue on the sentimental plea of encouraging individualism. Our task here is to reduce the number of producing units in agriculture, and to unite these numerous units into a larger whole in each local area in order to get maximum production. It is the setting up of such units, considerably larger than the individualistic landlord and his farm to-day, which alone can provide the basis and instrument of social planning. Besides there are other reasons also why nothing that we are trying to do to-day can really help the cultivating masses as long as we do not abolish landlordism.

To take a simple example, we have tried to guarantee and fix the prices of product for the agricultural producer but our object is largely frustrated due to the simple reason that the owner of land is not a producer at all. In many parts of India, such as in Madras for example, there are complaints to-day that it is the rentier who is harping on heavy cultivation expenses in order to get a bonus and higher prices whereas all the real expenses are borne by the tenant who gets very little of the advantages he is supposed to get. The tenant is actually at a greater disadvantage than before as he is called upon to pay rent in kind to the landlord who takes full advantage of the high price of corn without sharing the higher expenses of cultivation of the tenant. Whilst not a single landlord has lowered the rent as compensation for the increased cultivation expenses borne by the tenant there are many examples of rent being now demanded in kind rather than in cash. The Jotedar in Bengal has learnt to obey the law against enhancement of rent but chooses now to ask the land hungry cultivator to till the plot and hand him over half the produce. He however will not share half the expenses or in fact any part of the cost of production. This system has aptly been described as a cross between capitalism and feudalism.

Thus it is evident that the abolition of landlordism and control over land and its prices, as also over all rents, would have been far wiser than any palliative measure.

Frustrated Reforms of Land-tenure most important cause of bloody revolutions.

The evils of Zamindari as we have analysed them clearly show not only that we should not rely merely on tenancy legislation to mend rather than end Zamindari but, what is even more important, any further delay in abolishing Zamindari would be dangerous. The very first detailed investigations made by an official committee revealed that if conditions

were allowed to continue unchanged the Zamindari system would break down of its own accord. If we do not reorganise our land tenure system to-day the masses will drift automatically towards communism and bring about changes to which the world's bloodiest revolutions are a witness.

The importance of establishing reforms in matters of land tenure before the breaking point is reached has been recognised even in capitalist countries like the United States. Here is what Mr. Karl Brandt, well-known writer on world agriculture and an important member of the American Farm Economic Association has had to say:

> "As a society matures to more highly organized stages, it becomes more and more difficult to make changes without shaking the whole foundation. Yet if these reforms are not made as they become necessary, they accumulate. Their postponement inhibits social and economic adjustment and generates resentment, political friction, and social dynamite. Eventually such delay of needed reforms leads to the major surgical operations on the body politic which we call revolutions—the most brutal, clumsy, and costly of all forms of adjustment. ..... **In studying the history of the world's bloodiest revolutions up to this day, I find that inhibited, delayed, or otherwise frustrated reforms of land-tenure system were the most powerful factors responsible."**[12]

12 Karl Brandt: *Towards a More Adequate Approach to the Farm Tenure Programme:* Paper read before the American Farm Economic Association in 1941.

CHAPTER VI.

THE GENERAL PROBLEM OF COMPENSATION.

Whilst the case for the abolition of Zamindari is overwhelmingly strong and needs no special emphasis, the practical problems involved in the process of its abolition are many. Of these problems the most important are: (a) the question of compensation, and (b) the revolutionary significance of the abolition.

The Methods of Resumption of Land.

Abolition of landed estates requires a technique in itself. We shall first discuss the methods of resumption of the lands. Abolition of the landed estates of the Zamindars can be effected by any one out of the four following methods:—

(1) Seizure of the landed estates by the cultivators.

(2) Legal abolition without compensation.

(3) Legal abolition with compensation.

(4) State purchase at Revenue and Certificate Sales.

The first method implies a revolutionary outbreak of violence in which the State being weak the initiative has passed to the agricultural masses in revolt. This may happen here if we delay the matter too long. It happened in France in the 18th Century. In a case like this the law may sanction later what happened in the revolution but when the initiative passes to the masses in revolt the original change is neither peaceful nor legal in the lawyer's sense of the term.

If the first method is the quickest and is assuredly the most bloody of all, the fourth method is the slowest and the most peaceful of all. It implies that as landlords of to-day fail to pay their dues their estates should be sold without delay and the State should purchase them direct. The process of selling estates of defaulting Zamindars is an old one and has been in operation in this country ever since 1793 except that the State has not so far purchased such estates direct for purposes of land nationalisation. The fourth method may remind us of the possibility of initiating a policy of accepting land in satisfaction of public dues payable by the owner of land. In England for example some of the big owners of private property proposed that death duties may be made payable by the surrender of a part of the estates owned.

Those who do not like any kind of revolutionary or rapid change would be inclined to welcome the fourth method just as the Conservatives in England are reported to be in favour of the policy of the acceptance of land by the State in lieu of death duties. The State may bid direct and the law which even to-day permits the sale of defaulting Zamindars may be very strictly enforced. Unfortunately the process of abolishing Zamindari by this method is such a slow one that we cannot consider it seriously here. One of our requirements is that we must act quickly within the law. If we adopt this slow method we may have no time to avoid real trouble which may bring into operation the first method automatically. We have therefore to choose between the second and third method as the principal technique involved in the abolition of Zamindari.

Abolition Has To Be Legal.

If we presume that there will be no weakening of governmental authority we must also presume the necessity and importance of abolition through the proper processes of law. But legal abolition can be either with or without compensation. The question of compensation is vitally important because of its financial as well as its inherently revolutionary significance. The financial burden of compensation can be avoided completely if we refuse to pay any compensation. If on the other hand it is necessary to pay compensation we have to decide how we should best pay it and what financial burden we should shoulder for the purpose.

Two Dangerous Views.

On the one side we have the view that no compensation should be paid because of several reasons. On the other hand there is the view that **full** compensation should be paid. Both these views are dangerous and unpractical and they represent the Communist and the Zamindari standpoints respectively. In as much as we are neither so rich as to please all the Zamindars nor so strong or so dogmatic as to displease them all and act through methods of blood and iron, we have to consider the question very carefully.

The Argument for full Compensation.

Zamindari interests have been found quoting economists like Professors Pigou and Fawcett to justify claims for **full** compensation. They seek full protection of the principles of the Land Acquisition Manual, and ask for compensation which will guarantee the existing net income of the landlords. Some also ask for an additional compensation for the enforced

disturbance of rights and a guarantee that the income which the landlords will get through all compensation will be free from income-tax or other like burdens. Many of them prefer payment of compensation in cash but if it is paid in bonds they want redeemable bonds which are also free of income-tax. Taking 5 per cent to be the rate of interest it has been presumed by these people that as is normally done in the case of compulsory land acquisition the full market value would be assessed at about 20 years' valuation of the annual rent roll and if possible about 10 to 15 per cent in excess of the market value as extra compensation for enforced disturbance of rights.[1]

Two Things To Remember about Full Compensation.

It is necessary to remember that full compensation to all throughout the country is neither possible nor justifiable.

We are too poor both to allow the evil of landlordism to continue or to abolish it by paying **full** compensation. It is significant that those who talk of full compensation also talk of the impossibility of abolishing Zamindari on the ground that the compensation would be a financial liability of a very serious nature. Prof. Fawcett, for example, who has been quoted by some in support of the claim for heavy compensation, was of the opinion that if nationalisation without compensation was unjust nationalisation with compensation would prove incalculably mischievous. He had almost ruled out the whole idea for England on the ground that full compensation would require an amount which would be three times the National Debt of the country. The attitude of the Bengal Famine Inquiry Commission (Woodhead) was also equally significant. It wanted to be liberal on the question of giving compensation but for that very reason was very half-hearted in accepting the idea of the abolition of Zamindari due to the heavy financial liabilities. It practically sabotaged the idea and added "we consider that the permanently settled estate system is unlikely to be replaced by the ryotwari system within a relatively short period."[2] We shall see later how it considered the financial liabilities involved to be very heavy. Since our idea is to go ahead with the question of the abolition and not sabotage it we cannot afford the luxury of the talk of full compensation.

It is possible to pay full compensation when the State

1 The normal compensation when the rate of interest is 3, 3 1/2, 4, 5 and 6 per cent. would be 33, 28.5, 25, 20, and 16.7 times the net income respectively.

2 Famine Inquiry Commission's Final Report: page 277.

acquires a small plot of land for widening a road or building a railway or a public institution. Such a purpose in itself is likely to raise the value of the land in possession of other neighbouring owners and there is no reason why the dispossessed owner should not get full compensation and also something in addition. But in abolishing Zamindari we are abolishing a system so vast in itself that it is comparable to the abolition of a huge army. The disbanding of the regiments does not and cannot involve the payment to all the men for a lifetime of the full salary which they would have earned had the regiments not been disbanded.

Prof. Pigou and the Maharaja of Burdwan.

The Maharaja of Burdwan and B. K. R. Chowdhury have quoted Prof. Pigou and strongly criticised their colleagues, the authors of the Majority Report of the Land Revenue Commission, Bengal, on the ground that they have ignored the Cambridge Economist. They point out that according to an expert like Prof. Pigou equity asserts that "similar persons should be treated similarly" and besides full compensation upto market value and something extra, say 10 per cent in excess of market value, should also be paid.[3] Anyone who reads Pigou carefully will find that the above two gentlemen are by no means his best interpreters. Though the principle of equity is fundamental to the problem of compensation, Pigou has admitted that "the principle in its barest form .... cannot be applied to practice, because in real life no two persons are exactly similar". It should be clear from what Prof. Pigou has said that there is a difference between the acquisition by the State of a few individual items within a class of similar things and the commandeering of the **whole** of a class of things.

One wonders whether the champions of Zamindari who quote Pigou are aware of the fact that Pigou differentiates between property rights which have defective legal status and those which have not. He is also of the view that the **origin of rights** in anything cannot be brushed aside in all cases even though in general he holds that because of their transference by sale the origin of particular classes of property rights is not relevant to the compensation issue. It is very natural for Zamindars themselves to forget that according to Pigou "the mere fact that a man has enjoyed an unwarranted right in the past is not, if his right is inherently indefensible, a good ground for continuing it." Prof. Pigou's views

3 See, Minute of Dissent, *Report of the Land Revenue Commission, Bengal,* Vol. I, page 235.

on compensation for property rights that have led to anti-social results are clear to all students of economics and will be referred to later.

The champions of Zamindari referred to above have, after quoting Pigou, asserted, "That the landlord's claim to **full** compensation is undoubtedly just is acknowledged by economists who have faith in the sanctity of private property." It is forgotten that all economists do not have such faith not even all the economists in Cambridge. Only those who wish to fool or be fooled can ask for full compensation in the name of Prof. Pigou.

Why there is no moral basis for full compensation.

Apart from the impossibility of paying full compensation, which will be analysed further in the next chapter, it appears that full compensation cannot be justified even if it is possible to pay it. We have examined in a previous chapter the moral and social grounds on which Zamindari in India stands condemned. These grounds cannot be ignored in the determination of compensation.

There is a stigma of theft attached to the origins of the private ownership of land which cannot be set aside easily as sentimental nonsense. It has been admitted by a large number of economists, besides Henry George and Proudhon, though of course writers like Pigou do not consider this in general as relevant to the compensation issue. Really speaking the land of every country belongs to the people of that country and since this is so it is difficult to justify full compensation when the land is taken away from the monopolists who have come to own it. To support full compensation to these men is like saying that though the people morally own the land they must **buy it** from those who do not morally own it. This was one of the fundamental criticisms of Henry George against those like J. S. Mill who saw that land belonged to the people and yet could not definitely agree about the non-payment of full compensation.

There was a time when we could own other human beings legally and these unfortunate human beings could be captured (just as land is occupied) and could be sold. Even compensation was paid when slavery was abolished in the West Indies. But there was no moral sanctity attached to such ownership of private property and many of us to-day would see in the payment of compensation to the slave-owners a fundamental violation of the moral law. It is also a fact that no compensation was paid when slavery was abolished

in the United States of America. Likewise a time will come when it will be easy to realise through sheer force of economic circumstances the basic wrong of the ownership and control of agricultural land by a few individuals. Spencer demonstrated long ago that landowners as landowners have no rights whatsoever though he mentioned that the resumption by the mass of mankind of their collective rights to the soil would be "one of the most intricate problems society will one day have to face."

It is not necessary here to discuss the origin and problems of land in general. We may confine ourselves to the origin of Zamindari lands in India only. If the stigma of theft and absence of sanctity attaches to ordinary ownership of land, it has a special significance for and is doubly true of Zamindari estates. Our main contention is that rights of private property in Zamindari estates have led to anti-social results and therefore the **State must destroy such property-rights** since they are anti-social.

Even conservative writers like Prof. Pigou would accept the argument that those who own property which is anti-social need not be fully compensated, the idea being that we should not put such possessors of property in as good a position as they would have been if not expropriated. Such owners of property as have proved anti-social and whose rights the State seeks to destroy and not merely transfer to itself can be compensated, according to Pigou, only up to a fraction of the income which the expropriated person would have had otherwise.[4] When we go a step further ahead of Pigou and see what has been done in England itself we find examples of property interests which were abolished without any compensation. The abolition of rotten boroughs as carried out in 1932 is an example.[5] This is not however what we want here to-day.

The Argument for No Compensation at all.

The argument that no compensation whatsoever should be paid is supported by some on the ground that the landlords have oppressed the tenants in the past, and in the case of the

4 A. C. Pigou: *A Study in Public Finance:* Third Edition, page 14 and 15.

5 The argument that those whose activities are anti-social but legal so far should be compensated because they have invested money and trusted the law is met by the other argument that if compensation is paid for legal but anti-social rights there would be an expectation of compensation in the minds of others involved in anti-social (but legal) activities and because of this, people would be encouraged to make other anti-social investments.

Permanent Settlement it was just a contract between the East India Company and the Zamindars to which the tenants were no party. If the tenants were expropriated by the Zamindars the latter can now be expropriated by the State. It is further added that though there is a difference between the old Zamindars of 1793 and those of to-day to whom the land has been sold the latter deserve no special sympathy since most of them have made sufficiently large profits and in any case all these are mere speculators in land in the ultimate analysis. All this is strengthened by the opinion, expressed even by some Bar Associations, that legally the Zamindars cannot claim any compensation.

The case for paying no compensation is stronger than the case for paying full compensation and can be supported by three principal factors, apart from the fact of large illegal gains made by the Zamindars which we have noted previously.[6]

(1) The critical writings of some of the world's great thinkers.

(2) The experience of certain countries in recent times.

(3) The none too pleasant origin of many Zamindari estates in India.

We have already seen how a large number of the estates were created by auction-room methods and were not based on any real right to the land. Their origin can be traced to immoral cheating, forgery, corruption and even dacoity.[7] This fact is well-known and there is overwhelming evidence to prove it. It is also true that the illegal exactions of the Zamindars in many parts of India make Zamindari stink in our nostrils and destroy much of the right to claim additional compensation. The history of abwabs is a history of horror in which a custom like the selling of widows was by no means the worst part.

The champions of expropriation without any compensation also point to the arguments of some of the great critical thinkers and to the recent experience of certain foreign countries. We need not go into details either of all these

6 See, Chapter 3.

7 Writing in the columns of *The Hindustan* of Lucknow, Mr. Ajit Prasad Jain has warned—"I warn the landlords not to insist too much on the past, lest they should find that their great-great-grand father or great-great-great-grand father was a dacoit or a highwayman or a corrupt official or a court jester, or a cheat or a forger."

arguments or of the history of expropriation of estates in Europe. It may however be noted that in countries like Hungary estates over 580 hectares (about 1,500 acres) are reported to have been confiscated **without** compensation in many cases. All lands belonging to members of political parties which are not in the good books of the new ruling parties as also of all so-called "war criminals" and members of the Volksbund have been taken over without compensation.

The Pit-falls in the case for No Compensation at all.

Though much can be said for paying no compensation whatsoever, the fact remains that this view is as unpractical as the other extreme view that there should be full compensation. It would be sheer folly to interpret the case against full compensation as a case for abolition without any compensation.

We are facing the same complications which faced the philosopher Spencer long ago. It would not of course be proper to say that our condemnation of Zamindari on social and moral grounds does **not** apply to the present-day Zamindars to whom property has been transferred by sale, and yet it would not also be proper to ignore the present owners particularly when we view Zamindari as an All-India question.

There is no certainty as to the exact number of new owners of land who have stepped into the shoes of the old Zamindars. Estimates based on mere conjectures vary very much even in the case of a province like Bengal. Whilst some say that 90 per cent. of the estates have changed hands since 1793 others put this proportion at 70 per cent. only. Whatever the figure the fact is that even when we accept the proposition that the land never belonged to the Zamindars and that the British had no real moral right to alienate national property in the interests of a few of their supporters, the **situation to-day requires that we should pay some compensation.**

A fact worth noting is that in the case of Bengal, for example, even a radical organisation like the Bengal Provincial Kisan Sabha has not ruled out some compensation though it has called it a concession. Thus we see that such concessions are recommended and accepted by public opinion and even by radical organisations who stick to the view that the Zamindars have no legal claim to compensation.

The Question of Legal Obligations.

Our lawyers will want to consider carefully all the legal

aspects of the problems, and will not allow us brush aside all the obligations of law. We must bear in mind the important fact that Section 299 of the Government of India Act of 1935 was interpreted as a bar to acquisition of any landed property without compensation. This was the interpretation of Sir Nalini Ranjan Chatterjee, ex-High Court Judge, Calcutta, and also of the Floud Commission.[8] It was also the view of many others like Rai J. N. Sircar Bahadur of the Bengal Landholders' Association and Messrs. Ghosh Maulik and M. D. Carter of the British India Association. Whatever our constitutional position to-day, this view-point needs careful consideration.

The Necessity of Minor Concessions and of Compromise.

Some defenders of private property in land put forward the plea that the abolition of Zamindari without compensation would be fully justifiable only in a society where every kind of private property is abolished for communistic purposes. This attitude is not reasonable. From the point of view of even a worshipper of private property an attack on private property in its worst form ought to be preferable to the abolition of all private property. Really speaking no one knows where the process of the abolition of private property will end hence it is not quite proper to say that some compensation should be paid to the Zamindar since the abolition is not a part of a general scheme for abolition of all private property. However a concession may be made at the present juncture in favour of such views since they appear to be popular even among the abolitionists.

The giving of concessions of the above kind are not meaningless as some extremists may think. We should not forget the fact that we are abolishing Zamindari not in the midst of the tempo of a revolution but in comparatively peaceful times. It is easier to confiscate property without compensation of any kind in the midst of an environment of "blood and iron" than in ordinary times. For an environment such as the one we have to-day we should strive to avoid ill-will. We may accept the 'dictum' of Prof. Laski—"it is always wise for statesmen to avoid the disappointment of established expectations so long as they can be abridged to reasonable dimensions. The community may pay a higher price in money; but the gain in the good will that accrues is always more than the compensation for that price."

8 See, *Report of the Land Revenue Commission, Bengal*, Vol. I, page 44 and Vol. 6, page 524.

The good-will of the Zamindars to-day for purposes of agricultural reconstruction should not be under-estimated. We want the Zamindars to help us in reorganising agriculture before it is too late both for us and for them. We want them to invest their wealth in agriculture and in industries, and to help us actively as friends rather than oppose us as enemies. There is place for all of us in the India of to-morrow. It is to be hoped that the Zamindars will have the good sense to give us their good-will in spite of reduced compensation. They should understand that the price of good-will cannot be payment of full compensation which may ultimately mean the continuance of Zamindari itself. Such good-will would be meaningless.

CHAPTER VII.

THE TECHNIQUE OF ABOLITION AND COMPENSATION PAYMENT.

On the question of the method to be used to abolish Zamindari there is likely to be considerable difference of opinion even when there is no such difference about the need for its abolition. Similarly the general recognition of the need for compensating the Zamindars will not necessarily imply a unanimity of opinion regarding questions like the basis of compensation, the rate of compensation, etc.

It is by no means easy to lay down definite principles for the determination of compensation payments in all parts of this huge country. Conditions differ in different parts of the country and all the Provincial Governments concerned may not be equally strong, either politically or financially. Whilst the abolition may be comparatively very easy in certain Provinces considerable difficulties may have to be encountered in other parts and the payment of compensation may differ considerably.

Need for a Common Policy.

The difference of compensation referred to above would be rather unfortunate for the evil of Zamindari as an institution is universal and there is no reason why Zamindars in one area should be compensated more than in other areas just because of their relative strength or other factors such as a difference in the political complexion of the governing political party. To import communalism in a problem like this and judge the nature of compensation according to the religious or political group to which the Zamindars belong would also be disastrous. It is best therefore to look upon the problem as a common one, and a general solution and policy, with sufficient scope for adjustments to suit local conditions wherever necessary, is desirable from more than one point of view.

Theoretically speaking we have several alternative principles for determining the amount of compensation payment and the following are some of the important alternatives suggested:—

(1) Compensation according to full market value.

(2) Compensation according to cost of collection of revenue.

(3) Compensation according to a certain percentage of the **total rent collections** of landlords.

(4) Compensation according to the full net profits of the landlords.

(5) Compensation according to a **legitimate share** of the profits of the landlords, this share to be a certain percentage of the total net profits capitalised at a certain rate.

The Test of Market Value.

We have already ruled out the question of **full** compensation according to market value of the lands in the previous chapter. It may be added that land valuations based on the price Zamindari property has been fetching are regarded by many as undesirable since these prices are proportionate to rental income. There are some who have even doubted whether there is any stable market value in the real economic sense of the word for such property. The representative of the Finance Department, Government of Bengal, himself mentioned in his oral evidence before the Land Revenue Commission many years ago that the price paid for estates at revenue sales varied from 1 to 282, times the net profit.[1]

Zamindars Considered for Pension as Revenue Officials.

Suggestions No. (2) is based on the idea that we should treat the Zamindars as if they were revenue officials and give them a compensation not exceeding what they would get if they had been officials appointed for collecting the revenue. Slight modifications of this idea can be introduced according to local conditions. In the U.P. for example if we take it that the Zamindars have been collecting about Rs. 7 crores as revenue for the State and the cost of collecting this revenue is about Rs. 70 lakhs a year (at 10 per cent. of revenue demand as cost of collection in the past) this amount of Rs. 70 lakhs can be used as pension grants to the landlords.

This suggestion is not likely to be taken very seriously. The payment it envisages can be fixed according to cost of collection of revenues and this again depends on what percentage of the revenue should be regarded as cost of collection. The estimates of experts vary from 5 per cent. to 18 per cent. or more which means that in the case of the example taken from the United Provinces the compensation payment may vary from Rs. 35 lakhs to much above Rs. one crore. It is clear that the ultimate payment is likely to be so

1 He was quoting approvingly from a Report by Rai Bahadur M. N. Gupta.

little that it may create the same dissatisfaction as payment of no compensation at all.

Compensation on Basis of Original Rebate.

Suggestion No. (3) is really nothing but an amplification of the idea that we should allow the Zamindars to take only the original rebate of 10 per cent. on the total rent collections allowed by the early Regulations at the end of the 18th century. This idea seems to be popular among certain leaders in the United Provinces and appears to have been suggested by Shri Sampurnanandji himself. It is true that subsequent Regulations and Rules such as those of 1822, 1833, 1855, etc. allowed the U.P. Zamindar much more than the original 10 per cent. rebate but it has been suggested that these must all be ignored since they were political concessions of an alien government offered as bribes to potential Fifth-columnists.

The above suggestion of Shri Sampurnanandji also cannot be considered in its pure form very seriously. It will mean a loss to the recent purchasers of land whilst it may not involve any loss to the old purchasers who have been enjoying the gains of Zamindari for the last many years. Really speaking it is the former class of landlords who deserve compensation and not the old landlords who have enjoyed the profits of Zamindari say for the last 20 years or more. Any scheme that benefits the latter class specifically whilst it ignores the former class will have little meaning and may be regarded as an example of unnecessary injustice to the recent purchasers of land.

The Technique of Net Profits as Basis of Compensation.

Compensation according to the present total net profits of the Zamindars is the next suggestion and it can mean either nothing, something or everything according to how the net profit is arrived at and at **how many times** it is intended to be given. Normally it is presumed that the net profit should be arrived at after we deduct from the gross rentals which the landlords get several items such as: (a) land revenue, (b) share of the cess payments, and (c) cost of collection and management. At least this was the presumption of the Bengal Land Revenue Commission, the cost of collection being estimated by it at 18 per cent. of the assets.

Those who talk of payment of compensation according to the full net profit or present income of the Zamindars take it that this implies full capitalisation of the income and the number of times the net income is to be multiplied to fix the amount of compensation will depend on the prevailing rate

of interest. Under the ordinary Land Acquisition Act the number of year's income to be capitalised is 16.66, 20, or 25 according to whether the interest rate is 6 per cent., 5 per cent, or 4 per cent. We have already referred to this in the previous chapter in discussing the argument for full compensation. To anyone who is serious about the abolition of Zamindari, compensation according to the present rate of interest on safe investments as those of the Reserve Bank is out of the question. It is ridiculous to talk of paying full compensation which implies 33 times the present net profit when the rate is only 3 per cent.

The prevailing market value may also be considered instead of the prevailing rate of interest. We have seen in detail how market value considerations are not beyond strong criticism but the fact remains that in most cases consideration of market value may be and is regarded as necessary when the prevailing rate of interest is ignored. In fact when market value of land is falling due to special circumstances like a **sudden fear or uncertainty** as to property rights or other things to-morrow it may be considered better to take the market value rather than to capitalise the net income at the prevailing rate of interest.

The Floud Commission's Estimate of Adequate Compensation.

The Land Revenue Commission, Bengal, could not make a unanimous recommendation regarding the rate of compensation. The **majority** of the members believed however that 10 times the net profit would be a most equitable compensation. The remaining members proposed 12 and 15 times. For the purpose of framing an estimate the Commission adopted 10, 12, and 15 times the net profit as its basis. The majority of the members however chose 10 times the net profit steering clear of the two extremes given in the recorded evidence—at one extreme 20 times the net profit and at the other only 5 times.

The Floud Commission gave little indication of the reason why compensation at 10 times the net income found the greatest measure of support. It appears that it was inclined to ignore the rate of interest and that it based its recommendation on the current market value of Zamindari land. It must have calculated roughly that if a Zamindar offered his estate for sale it would fetch him about 10 times the net profits. This is not of course made clear in the Report but anyone who goes through the mass of evidence put before the Commission will find that some of the witnesses had testified

to the fact that a Zamindar offering his property for sale **voluntarily** would get about 10 times the net profits.

The Criterion of Adequate Compensation.

The fixation of a rate of compensation that would be financially manageable is a more important criterion of the justice of our compensation schemes than either the market value or the present income of the Zamindar. The Floud Commission rejected the idea of giving compensation payments which would ensure to each rent-receiver his present income, but it could not gather enough courage to reject even the present market value as a criterion. It talked of the danger of social upheaval "which may ensue if many of the middle classes lose their vested interests in land" and this seems to have induced it not only not to go below the level of 10 times the present net profits but even to consider the possibilities of going above this up to 15 times.

It should be clear to us that the progress of the country must not be blocked between the dangers of heavy financial obligation on the one hand and of social upheaval on the other. If it is not financially possible to consider even the present market value as a criterion, however much that value may have fallen below its real level due to factors such as political and economic fear or legislation pertaining to tenancy or rural indebtedness, we **must** set it aside. It may not be possible to obtain finances by mere courage but it is possible to courageously set aside the fear of social upheaval with proper precautions discussed later.

The trap of being too liberal in theory and reactionary in practice.

If we must have the courage to face the fear of social upheaval we must also have the wisdom to avoid the trap of being too liberal in theory and reactionary in practice, i.e. advocating liberal compensations and then sabotaging the scheme on the ground that it is financially impossible. It is worth recollecting the fact that whilst the Bengal Land Revenue Commission was criticised severely for suggesting a compensation payment only up to 10 to 15 times the net profit (i.e. a payment varying from Rs. 77.9 crores to Rs. 135 crores as the total amount of the compensation) the Bengal Famine Commission presided over by Sir John Woodhead regarded even this compensation as such a heavy financial burden that it promptly decided that it was not worthwhile pursuing the idea of the abolition of Zamindari in the immediate present. It came to the conclusion that because of the heavy financial

commitments involved in the idea of paying compensation up to 15 times the present net profits it was wiser to give priority in the allocation of available resources of Government to irrigation and industrial development rather than to schemes designed to replace one land system by another. It sought support for this conclusion by showing how in the case of Bengal alone the amount required for compensation at 15 times the net profit would be equal to the total capital outlay on all irrigation works in the whole of British India, and how according to the Land Revenue Commission itself this total debt (if raised at 4 per cent.) could not be discharged within 60 years.

From what we have seen above it will be clear that the financially manageable rate of compensation will imply a considerable reduction in the present income of the rent-receivers. We will not of course be able to satisfy all the Zamindars but if our object is to satisfy all the Zamindars we might as well abolish not Zamindari but the talk of the abolition of Zamindari. There are Zamindars who will be satisfied with five or less than five times the present net profits as compensation whilst there are others who would not be satisfied with even 30 or 50 or even more times the present profits. There are Zamindars who look upon Zamindari as a crime and there are others who attach a social prestige to it which is monetarily incalculable for compensation since they will not part with it for anything.

The Problem is not a Normal Peace-Time Problem of Gradual Nationalisation.

The abolition of Zamindari is not something that can be done leisurely and it cannot be regarded as a normal peace-time problem of gradual nationalisation spread over 25, 50, or 60 years. Only Zamindars can hold that we should pay full compensation and avoid the financial strain by going slow and by spreading the whole scheme over a period of 60 years. Only they can regard this as "a brief space" of time. Only they can point out to us the example of Ireland and show us that whilst the policy of purchasing landlords' rights was initiated in 1871 it continued up to 1922. Only they can have the audacity to show how the Small Holdings Act of 1908 has worked in England and how only 13,122 small holdings were established within a period of ten years (1908-1918). Those who do not represent vested interests cannot and will not forget that the India of to-day is neither the political slave of England like the Ireland of 1871 nor is it England itself—the England of peace and prosperity of 1908.

If the normal and legal abolition of Zamindari is to be of any use we cannot regard 60 years as a "brief space" of time nor wait patiently till the last Zamindar disappears peacefully in 2007 A.D. We dare not tell the masses to wait like this. If we do not do our best now the masses will do their worst now and not wait for our concept of Kingdom Come in 2007 A.D. If we are not actually in the midst of a mass revolt we are also not in peaceful times like those of England in 1908. We are fighting against time and we have to reorganise agriculture quickly. Any scheme of compensation which involves a delay of more than a few years will be useless.

It was suggested in Bengal that the work of State acquisition should be undertaken district by district and as the work in each district was completed and the compensation assessed loans should be raised by instalments of about Rs. 4 crores each time. This obviously is not advisable at all. When we talk of taking up only one District at a time or two we imply a very long period for the completion of the reform since the normal settlement in a District takes about two years. Whenever plans are proposed to pay high compensation they can also be expected to take many years to be completed. The moral of this ought to be obvious to those who are serious about abolition.

There is also ofcourse the talk of giving very high compensation and of raising a big loan for acquiring lands **in several districts at the same time**. Such talk is not reasonable for it is difficult to think of any Provincial Government being able to float a very big loan for this purpose. If loans are raised, loan charges have to be met from the budget and have to be kept down. A large revenue is often required **before** a big loan is floated. The effect of a big loan on industries and the money market is an important consideration, apart from its effect on the circulating media.

The basic essentials of a practical plan of compensation payment.

It should be clear from what we have noted that there are several basic essentials to consider. We must be less liberal in theory than the Bengal Land Revenue Commission and less pessimistic about the outcome than the Bengal Famine Commission. We may have to differentiate between the old landowners who have enjoyed the benefits of their possession for a sufficiently long period of time and those who have bought the land comparatively recently. We may also have to differentiate between the big landowners and

the very small landowners and treat the latter entirely differently if required. Further we may have also to refuse to pay compensation where the title is in dispute or where there is a suspicion of fraud in the coming into possession of certain well known estates.

Since it is impossible to pay compensation large enough to ensure to each Zamindar his present net profits or income it would be best to take only a certain percentage of the net income as the basis of compensation. Considering all factors carefully it appears that 30 per cent. of the net income would be the most practicable basis of compensation which would at the same time also be the nearest approximation to a just basis. This will exclude all possibility of the feeling that Government seeks intentionally to make a considerable gain at the cost of the property owner and it will also prevent the other possibility of Government having to face a disastrous loss in the transaction. This rate of compensation is likely also to approximate the market value of a large number of Zamindari estates and when the payment is made in bonds carrying 3 per cent interest it will approximate roughly the payment of 10 times the present net profits. There is no reason why many landlords should not be satisfied with this. No less a person than Mr. Robertson, C.I.E., I.C.S., one-time Divisional Commissioner and Settlement Officer and later Chairman of the Federal Public Services Commission expressed his belief in 1939 that landlords would probably be satisfied with 10 years' purchase.

If the finances of any Province permit, the proportion of net profits to be regarded as the basis of compensation can be increased from 30 per cent. to something higher **not exceeding 50 per cent**. but it is unlikely that this increase will be in real public interest. The acquisition will involve many heavy expenses besides the compensation payment as we shall see later.

If the payment of compensation sufficient to guarantee 30 per cent of the present income is ruled out as inadequate and at the same time it is not within the financial means of a Province to pay more, we may have to consider further the possibility of paying the high compensation proposed not to all Zamindars but only to a certain group and exclude the others completely or pay much less than the proposed rate to them. There are several possible variations of the application of this suggested modification.

One suggestion within the scope of the above principle is to exclude from all compensation payments all those land-

owners who have enjoyed the benefits of their possession of land for any period above 20 years. It may be recalled that in the case of usufructuary mortgages land is allowed to be redeemed after a period of 15 years. If this principle could be adopted in the Tenancy Amendment Act of Bengal (1938), the principle of not paying any compensation to those who have enjoyed the profits and benefits of land (which really belongs to the people) for an unbroken period of 20 years is very reasonable. The working of this principle will depend on two factors, the political strength of the Government and the numerical strength of the landowners in the category mentioned. If the landowners who have possessed lands for 20 or more years are not in a minority but constitute a clear majority in any area, a position which appears to be very unlikely, then of course it would be good politics and not bad economics to stick to the plan of compensating **all** landowners so as to guarantee 30 per cent of their present income.

Another suggestion is that instead of paying no compensation at all to the category of landowners referred to above we may, if finances permit, give them a token compensation appreciably smaller than that given to the others. It is also possible to divide landowners into three categories—owners who have enjoyed the benefits of possession of their land for ten or less than ten years, beyond ten and upto 20 years, and for any period beyond 20 years. We may then decide to give compensation sufficient to ensure 30 per cent., 20 per cent., and 10 per cent. of the present income to these three groups of landowners respectively.

In matters of compensation payment it may not be so bad as it appears to consider the possibility of not paying any compensation to the very small landowners who pay land revenue below Rs. 50|-. They can be guaranteed the right to cultivate the land as tenants or as members of collectivised farms and they would actually prefer this to the other alternative which may be offered to them, viz. to accept the compensation and to get out of the land. In the United Provinces, for example, it is quite likely that more than 40 per cent. of the total number of Zamindars are very small landowners paying not above Rs. 50|- as land revenue.

No Compensation in Case of Fraud or Defective Title to Land.

Zamindars who have come into possession of land by fraud have no right to compensation. Several estates can be eliminated from the scheme of compensation if we institute proper inquiries into their origin and present position. Simi-

lar to this are the cases of estates where there is no documentary evidence to title. Such estates are a positive obstacle to both State purchase and to the giving of compensation. It would be best not to pay compensation in such cases. Previous owners coming up later and claiming compensation can be dealt with on the lines of the principles governing compensation for all others.

Compensation for the Acquisition of Estates the Income of Which is Used For Religious, Charitable and Other Public Purposes.

The problem of compensation for acquiring estates the income of which is devoted to a good public purpose is different from all that we have considered so far. It is clear that since the income from such estates as these is used for a good public purpose the acquisition of these estates should not mean a complete stoppage or even any reduction in the income. This implies that as far as possible the compensation given should be adequate enough to yield the same income as before without any or much reduction. It may be difficult sometimes to distinguish between public and private trusts or waqfs but we must try to treat the two very differently. Waqfs for maintenance of individuals (such as heirs of original granters) may be treated less liberally than public trusts. The concessions granted to public trusts and to grants of land made in the name of God must not be allowed to be exploited for fraudulent purposes.

Compensation In Cash Or In Bonds? The De-Merits of Cash Payment.

The question whether compensation should be paid in cash or in bonds is vitally important. There are advantages and de-merits of both these modes of payment. Payment in cash is on the whole more desirable than the use of bonds but it raises various financial difficulties and is likely to embarrass Government. The raising of large funds to pay in cash is not easy specially if we do not want the abolition to be a slow process managed through the raising of loans by instalments of a few crores of rupees for one or two districts only taken up at a time. Besides the use of a large amount of cash is likely to increase the circulation of paper money and inflate the currency just when we do not want this to happen. Such an eventuality as this will be disadvantageous both to the State as well as to the Zamindars. To some it may even appear that when a Government is poor it is better that it should invest all its capital and use its cash resources as fully as possible in land development and agricultural im-

provement rather than pay it to the landowners as compensation.

Apart from these important considerations there are other arguments which have been put forth against cash payments. It has been asserted that it is likely that many of the Zamindars prefer to have the bonds rather than the cash lest it should be frittered away by their heirs. We are told that there is the danger of Zamindars using up their cash recklessly and thus rapidly disintegrating at a time when it is necessary to preserve them in the interest of social stability in the present age of flux.[2]

The De-Merits of Payment in the Form of Bonds.

If the use of bonds has its own advantages there are serious disadvantages also and not all the advantages claimed are really worth serious consideration. There is the feeling that it would be possible to pay much more by way of compensation if only bonds are issued and are made non-transferable but heritable. This has been actually suggested for Madras and it is claimed that this would lead to social stability. The idea of making the bonds non-transferable and the exclusive property of the Zamindars and their heirs is very misleading. The preservation of the huge body of Zamindars for many years to come is not politically desirable particularly when the country is passing through rapid political changes. Far from having social stability we are likely to have social trouble if we preserve any large body of idlers.

If payment of cash is likely to embarrass government, payment in the form of bonds brings in administrative and financial difficulties of its own. The Floud Commission made it clear that in the case of certain districts of Bengal like Bakarganj the administrative difficulties would be serious—the maintenance of accounts at each District Treasury and the mutation of every sale and each case of inheritance etc. would not be easy. We have also to face the danger following upon the issuing of a large number of bonds. They may depress the prices of other stocks on the market by increasing the total supply of saleable stock. They themselves would fall in value if the nominal rate of interest was too low or if the people lost confidence. For purely speculative or other reasons their market value could depreciate so much as to make the position of the holders ridiculous. Here it may also be added that the idea that Zamindars would prefer bonds

2 This is the view of Dr. Narayanswamy Naidu. See, *Report of the Economist for Enquiry into Rural Indebtedness*, page 61.

rather than cash is only a presumption. It is more natural for them to prefer cash. In fact they are likely to accept much less compensation as cash in hand rather than as bonds.

Payment Both in Cash as well as in Bonds.

The question of payment in cash or bonds will depend largely on the financial circumstances of a Province as well as the total burden of the compensation. For example what may be possible in Madras may not be possible in Bengal and so on. There should be nothing against a compromise on this if it is necessary. We may accept the principle of payment partly in cash and partly in bonds. From 20 per cent. to 50 per cent. of the total amount may be given in cash, the rate of cash payment being adjusted according to the total compensation payment — being much less for bigger amounts than for smaller amounts.

Should Compensation Payments be Tax Free or Not.

There is no reason why the future income which the Zamindars will get from compensation payments should not be taxed. If the compensation is paid in bonds these bonds need not be tax-free. There is also the possibility of imposing a death-duty on the capital value of the bonds for more reasons than merely the financial ones. The idea that a death-duty of 50 per cent should be levied so as to terminate the entire claims of the Zamindars on our land within two generations at the most has been mooted by some in this country. It may be added however that if we do not pay very heavy compensation we may not also think of levying very heavy death-duties or other taxes.

The Problem of the Rate of Interest.

The use of bonds and the raising of loans necessitate a decision on several questions such as what should be the rate of interest, whether bonds should be permanent or redeemable, etc. The rate of interest cannot be fixed theoretically on fanciful grounds and will depend on the financial strength and the credit of the Government as also on the total amount so raised and the state of public opinion. Where bonds are issued the rate of interest in certain cases may have to be higher than on ordinary Central Government Paper. Likewise where public confidence is not strong and where a Government has to raise a big loan without much experience we cannot think of very low rates of interest. There is a feeling to-day that so far as bonds are concerned we can fix the rate at about 3 per cent and that in normal years the net income from land in the past must have been at or near this rate.

Redeemable Bonds and Flat rates?

It is held that if compensation is in government securities there is no reason why such securities should be redeemable, though of course the securities may revert to Government on the death of a holder who has no successor. Some even advocate the use of irredeemable bonds on the ground that they facilitate financial calculations as they do not involve charges for a sinking fund. There are other arguments also in favour of irredeemable bonds. It however appears that as we stand to-day the idea of redeemable bonds is much better and if financial conditions permit a redeemable bond with the shortest possible period would be the next best alternative to cash payments.

The idea of having a flat rate of compensation for all interests and for all kinds of estates—large or small estates, permanent or temporary tenures, raiyati holdings or non-raiyati holdings, etc. has been challenged by those who want to go into the details of all the differences and distinctions between the estates. In the case of normal compensation, one of the grounds for the opposition to a flat rate is that it would work unjustly in so far as the prices of all estates are not uniform. Relatively speaking small estates are found to be more in demand than big estates and fetch larger prices. Revenue-free estates, likewise, are more valuable than revenue-paying estates and so on.

It is true that a flat rate is likely to introduce a certain element of injustice and may put the small landowner at some disadvantage compared to the owner of a very big estate. But it must not be forgotten that the arguments against a flat rate have much less significance in our scheme of compensation payments than what they would have in schemes based on payment **strictly** according to the market value of all estates without exception. Complications such as those of tenure, size, etc. are not necessary in our scheme. In so far as we are avoiding abstract conceptions of justice in the interests of practicability we may stick to the idea of a flat rate. This does not however rule out completely the possibility of some kind of **graded compensation** where such compensation is deemed absolutely necessary.

Should there be special Discrimination against lands granted for help to the British in 1857?

Some people may be tempted to suggest that we should lay down entirely different and very low rates of compensation in regard to lands granted for help to the British

in the suppression of the uprising of 1857. It appears that in so far as such lands are not many it would not be worth the while to think of 1857 in the matter of compensation. Besides there is no need to judge any present owner in the light of the political motives of his forefathers. The present owner may well be a Congressman though his ancestor in 1857 helped the British. It may even appear that since the British are in a different position in relation to us to-day than some years ago it would be bad diplomacy to make a distinction of this type in the compensation payments for land.

An Evaluation of the Costs of Abolition.

As we have seen we have to refrain from being too generous in compensation payments because we are too poor for unrealistic generosity. The full importance of the need for cutting down the burden of compensation cannot be appreciated till we evaluate all the costs apart from the actual amount to be paid as compensation. There are various heavy expenses involved.

Expenses of Floating a Loan.

To begin with even the floating of a loan is a very costly affair. It involves two kinds of expenses. We have non-recurring items like brokerage and discount, advertisement charges, etc., and also recurring costs of items like management, annual interest charges, sinking fund charges, etc.

Costs of Acquisition Proceedings.

Before Zamindari estates are abolished we must prepare or revise the records-of-rights which are completely out-of-date. In many Zamindari areas the rights of the parties concerned to the land have been subjected to frauds of all kinds. It has been openly admitted that records in Zamindari offices have been fraudulently manipulated. It will be remembered that when Zamindari settlements were established not much reference was made to any records of landed rights and too much scrutiny into such rights was forbidden. We cannot make the same mistakes again though now for very different reasons. A proper scrutiny of rights in the case of certain estates would reveal facts of great importance.

The costs referred to above may be taken in general as the costs of acquisition proceedings. The cost of this before the war was between Rs. 700 to Rs. 1,000 per square mile. If we multiply the total area involved by Rs. 1,000 we get our rough estimate of the cost on pre-war basis. Even on pre-war basis the cost for Bengal alone would be not less than Rs. 6 crores. To-day the All-India cost would involve a very

large capital outlay as can well be imagined.

It is necessary to remember that the task of finding out the income of each and every Zamindar will in itself involve the appointment of thousands of officers and the cost for this alone is likely to be anything from one to two crores of rupees per province.

Expenses of Taking Over Social and Economic Duties of the Zamindars.

When Government takes the place of the Zamindar for social or economic purposes it cannot afford to be as negligent as the Zamindar and much extra expenditure will have to be incurred because of this also. So far as the permanent settlement Zamindars are concerned they were given certain duties to perform such as the obligation, (a) to maintain, construct or improve irrigation works, (b) collect the land-revenue for the State, (c) administer agricultural communal rights pertaining to forests, grazing-grounds, building-sites, etc., and (d) in general to promote the material and moral welfare of the ryots by opening schools, maintaining hospitals, etc. Most Zamindars have failed to discharge these duties but wherever and whenever even a part of these duties have been performed the cost has been borne by the Zamindar. Since the Zamindars will now withdraw from all such fields as these the responsibility of Government will increase.

To begin with the Zamindars will stop financing religious and charitable endowments and institutions of all kinds. A loss of anything from Rs. 20 lakhs in certain parts of the country to Rs. one crore in other parts may be anticipated under this head. The withdrawal of Zamindars from other fields implies the setting up of an administrative machinery for various purposes such as collection of dues, helping cultivators in all directions, maintenance of irrigation work, etc.

Cost of New Administrative Machinery.

The new machinery for the collection of Government dues will have to be much more than an organisation of petty rent collectors and therefore will be costlier than the organisation for collection of dues by Zamindars. The collection expenses of the Zamindars should be no criterion for our evalution of cost here. The smaller Zamindars who constitute a majority do not spend much on this and in some cases they spend nothing except their own labour. The big Zamindars are short-sighted and whilst they pay very little attention to their collection agents they do not object to illegal dues taken by them.

If we take only the ordinary collection costs we find that they have been variously estimated—at 3 per cent. to 18 per cent. of the gross assets. Some of the District Collectors have shown that these collection costs in the Khas Mahals (Government estates) of Bengal come to 3 per cent. to 4 per cent. of the demand. The higher figure of 18 per cent. was accepted by the majority of the members of the Floud Commission and was based on the actual cost figures of many Court of Wards estates. Much depends ofcourse on what items we include in the ordinary cost estimation of State management. An ex-Director of Land Records and Surveys in Bengal has told us that the cost normally would not be more than 8 per cent., i.e. for a collection of Rs. 25,06,000 the cost would be about Rs. 20,000. It may appear to some that if we consider only the cost of direct collection and adopt a rough average, the cost will not be less than 10 per cent. in any case. The exact maximum cost of course cannot be estimated by these figures for we may have to change our present conception of "collection and management" costs and add several items to those normally taken into account to-day.

The real costs of the new administrative machinery to be established will depend on the economic order we visualise. But even if we take it that we are not visualising here in the cost estimation a far-reaching State administration, we find that there will have to be very heavy expenditure on things like (a) maintaining a permanent survey establishment, (b) splitting up holdings, (c) organising large farms, (d) re-settlement of tenants, etc. The State cannot afford to neglect duties like the construction and maintenance of irrigation works, soil improvements, etc. It may also be necessary to make a detailed survey of the land in order to find out what crops and other changes would be best suited to the various talukas both as regards production as well as markets. At the present moment there is a paucity of really good information of this type necessary for the reorganisation visualized.

Probable Losses and Gains in Revenue.

No idea of the cost of the abolition of Zamindari could be complete without an idea of two other things—the loss in existing revenue and, on the other hand, the gain through extra income brought about by the abolition.

The abolition of Zamindari will involve a certain loss in certain sources of revenue to-day. The Stamp revenue in Bengal, based largely on title suits and rent suits, is a good example. This revenue was as much as Rs. 3 crores even

before the present war and the possible loss in this revenue for the whole of Bengal is not likely to be less than Rs. 1 crore and will probably be much more than this.

The likely loss of revenue through remissions necessitated by partial or complete failure of crops is particularly noteworthy. Under Zamindari the recoveries are almost cent. per cent for the Zamindar in most areas is bound to pay the revenue whatever happens. For conditions after the abolition we should normally calculate the anticipated loss up to 12 per cent. or so although it can be as high as 17 per cent. of the total demand in Bengal and even 33 per cent. of the demand in Madras. To this should be added the loss due to deterioration of soil and diluvian action. The grant of more and more remissions due to political pressure cannot also be ruled out. During British rule political parties used to take up remissions of rents in programmes of reforms and this cannot now be ruled out specially if nothing is done to relieve the pressure of population on the land.

There is also some possibility of a decrease in revenue through a decrease in indirect taxation, though this is rather uncertain and can be grossly exaggerated as has been done by the supporters of Zamindari. The latter tell us that the present low income in the form of land revenue and the inelasticity of land revenue have really imported elasticity to other sources of revenue. They try to show that Zamindari under the Permanent Settlement particularly has increased the purchasing power of the middle classes. It is affirmed that the sale of imported goods is greater in Bengal than elsewhere and the income in the form of income-tax and customs has been high. There is ofcourse not much in these arguments to frighten us, but at the same time they need not be brushed aside as absolute trash. We have to note that a low level of direct taxation can encourage trade and give revenue through indirect taxes. It may therefore be possible that the income from a few indirect taxes may decrease for a time in certain areas. Whilst we may not object to the decrease in indirect taxes and may even welcome it we should not be unaware of the possibilities of the decrease in revenue.

The Gain through Extra Income.

Coming to the question of the probable extra income which the abolition will bring in the immediate present, we must avoid mixing up this question with the larger and more long-range question of the reorganisation of our taxation which may be dealt with separately.

The extra income which the State may except and the form in which it will get it should depend upon the new economic order that we set up. If and when we set up collective and co-operative farms the weight of taxes borne by the farmers will not be a very heavy one and most probably there will be no income in the form of land revenue or rent as we know them to-day. Vacant plots and built-up land may be charged a Land Tax but not **agricultural** land which may be totally exempted as in Soviet Russia. But we may leave aside this for a moment and calculate the future income as our Provincial Governments are likely to calculate it in the immediate present.

The immediate question is, will the State get all that the Zamindars get to-day? So far as rent and land revenue are concerned it is very natural to expect that the State will be able to have at least some of the profits enjoyed so far by the Zamindars, particularly in the permanently settled areas. But as against this we will have to consider the possibilities of likely loss of revenue through remissions. It would also be wrong to labour under the impression that the State will now be able to extract from the Zamindars all that it has lost in the form of revenue under the Permanent Settlement. This revenue has been dispersed and scattered in the hands of a very large number of men which the Permanent Settlement helped to bring into existence.

There is definitely a possibility of getting more revenue but the possibility should not be exaggerated. Many who over-estimate the increase in revenues for the State also believe in the idea of creating small peasant proprietorships. It is forgotten that if our idea is to create small peasant cultivators rent on small holdings cannot be increased and may even have to be decreased considerably. Even if this is not the idea or if we are thinking of tenancies under the State the question is on what principles shall we regulate the rents to be charged?

Will the State charge competitive rents? Will the political party in power have sufficient strength to increase rents on the one hand and, on the other hand, resist the cry for rent reduction which may be raised in electioneering campaigns of rival irresponsible parties? In some areas the cultivators are not in a position to pay increased rents even if they are raised. It is a mistake therefore to count too much on a considerable increase in State revenues in these traditional forms. The acquisition of land by the State requires far-

sighted measures to make the acquisition profitable and to improve agriculture.

The Zamindars of to-day in the permanently settled areas have enjoyed most of the revenue from fisheries in navigable rivers as these natural resources were not taken into account at the time of the permanent settlement. It has been complained that the settlement of fisheries has resulted in even more injustice than the settlement of land. The abolition of all this will not only protect the fisheries and the mineral resources but give substantial returns to the State.

The deprivation of the Zamindars in Bengal and Bihar of their mineral rights will yield in these Provinces good profits for the State. The deprivation itself need not involve very high compensation for the Government's legal rights to the subsoil cannot be disputed and could have been exercised long ago even without the abolition of Zamindari in general. The rectification of present defects like the uneconomic working of the mines, wastage, etc. will prove very profitable.

Another source of income to the State which can be utilised after the abolition of Zamindari arises from the local industries which can be developed. In Bengal, for example, the salt industry was supposed to yield more than a crore of rupees at one time in the past. What has been lost during all these years can be got back if other extraneous ideas regarding the salt industry are not allowed to interfere.

CHAPTER VIII

THE REORGANISATION OF TAXATION AND STATE ADMINISTRATION.

The discussion of the probable losses and gains in Chapter 7 was intended to show why *taking things as they are today* we will have to be very economical in paying compensation. This should not be mixed up with the larger question of reorganisation of the country—including taxation. Whatever we may have said about the probable losses of revenue in **the immediate present when there is no agreement about the reorganisation**, there is little doubt that the acceptance of reorganisation schemes as discussed in this and succeeding chapters is bound to make the abolition a huge success from every point of view. The question of revenue remissions, loss of income from indirect taxation, loss of revenue from stamp duties, and other aspects of the problem we have touched upon in the last chapter will now display an entirely different complexion and some of them will not arise at all in the new schemes of reorganisation proposed.

A reform like the abolition of Zamindari will necessarily become a prelude to a long line of other reforms, and the heavier the cost of the abolition the more evident will be the need for reorganisation in other fields. In this chapter we shall examine the scope for reorganisation in taxation and the administrative machinery of the State.

The taxation system of a country is largely moulded according to its economic organisation and as we move away from our traditional concepts of private property and capitalism we also move away from our traditional ideas of taxation towards the new ideas more suitable to common possession of land in particular and socialism in general.[1] Since however there is always a transitional stage in economic reorganisation we may begin with certain reforms such as

1 When the Tsarist regime collapsed in Russia the old taxation system also collapsed with it for it was not suited to the practical purposes of the new State. Under the old taxation system indirect taxes (which fall unreasonably on the poor) accounted for 87 per cent. of the total revenue (in 1913) and of this nearly 59 per cent. was derived from duties on alcoholic beverages. Direct taxes on the other hand were confined only to trade, real estate and land and were levied not on actual income but only on estimates of such incomes made by authorities to suit the privileged classes. The result of exempting those classes who could pay and over-taxing those who were poor may well be imagined.

death duties and taxation of agricultural incomes and subsequently modify them to suit the conditions of an advanced Socio-Co-operative State as it emerges as a product of historical and economic necessity.

The Injustice in the Taxation System of To-day.

Our taxation system to-day is notable for the great injustice in the incidence of its different taxes. If the proportion of direct taxes to the total tax revenue is high it is an index of more equitable distribution of the tax burden between the rich and the poor. From this point of view the policy of the Central Government after 1921 has been open to much criticism in as much as it has showed an increasing emphasis on indirect rather than direct taxation. The proportion of direct and indirect taxes to the total was 44.54 per cent. and 55.46 per cent. respectively in 1921-22 whilst in 1935-36 it was 35.18 per cent. and 64.82 per cent. respectively. In 1938-39 the proportion was 22 per cent. and 78 per cent. respectively.

A sample measurement of the tax burden in Gujarat (Bombay) undertaken recently showed that a landless labourer earning about Rs. 150 paid 4.6 per cent. by way of taxation whereas those earning more such as the village artisan and the village trader paid only 3.4 per cent. and 2.2 per cent. respectively.[2] Ordinary farmers (most of them partly landowners and partly tenants) as a class were more heavily taxed than city people earning the same income. A farmer earning Rs. 400 paid Rs. 68-4-0 (17.06 per cent.) as taxes. Only the very rich farmers earning above Rs. 40,000 who were also apt to be absentee landlords were better off than city people earning similar incomes.

Fortunately for us the regressive nature of our taxation system has not escaped notice and the desire to have an equitable distribution of the burden of taxation between the different classes of tax-payers has been keenly felt by all—including several Finance Ministers. Sir James Grigg admitted that the present tax system "is regressive .... it lets off the rich too lightly and .... it taxes the poor too heavily." During the war there was a distinct tendency to make use of direct taxation on an increasing scale and in 1943-44, 58 per cent. of the total revenue came from direct taxes which were necessitated by the expenses of the war.

The Necessity and Advantages of Death Duties.

The evil of regressive taxation referred to by Sir James

2 Dr. D. T. Lakdawalla: *Justice in Taxation in India:* page 285.

Grigg has been regarded as undesirable even in all advanced capitalist countries. It has been realised that a political democracy that does not also aim at democratisation of the economic system is apt to be inherently unstable. Political liberty has no meaning and cannot be preserved without economic equality.

The first notable reform aimed at even in capitalist countries is the imposition of death duties in one form or another. The idea that we should have an inheritance tax is in fact a very old one. It was referred to by Adam Smith even before capitalism could develop fully. The tax has been imposed in a large number of European countries and has been accepted as necessary.

Restrictions on inheritance and bequests have this advantage that they have been accepted both by the socialists as well as the defenders of private property. If such restrictions are advocated by some as a measure towards the abolition of property, others look upon them as a step towards making property more secure. Wedgwood tells us: "It is certain that the institution of property would stand more securely if the right of unlimited bequest and inheritance were not attached to it."[3] Liberals like Laski feel that property can be made secure only if its possession is made justifiable: "The only principle upon which the possession of private property can be justified is the performance of function. I own because I serve; I cannot own because someone else has served. It follows that there cannot exist an exclusive right of bequest."[4] It is quite likely that many capitalists themselves would support even the extreme idea of an inheritance tax that could absorb the entire excess value of estates over a certain limit. Such absorption becomes necessary even from the pure capitalistic point of view for incomes can exceed the capacity of profitable private investments and lying unused they can actually help to produce depression and unemployment which are the bane of capitalism. It is significant that the Mississipi State Commission approved some time ago of the idea of an estate duty that would absorb all the excess of estates over 5,000,000 dollars.

Though the idea of socialism is repugnant to many people in India, the idea of Death Duties has not been considered equally repugnant and the advocacy of this in the second part of the Tata Plan (or the Bombay Plan) is very signi-

3 *Economics of Inheritance:* page 202.
4 *Grammar of Politics:* page 187 and 525-6.

ficant in so far as it shows that even the richest amongst us are aware of the necessity of such taxation.

Death duties have various other advantages. They satisfy the canons of taxation. They have the advantage of being an impersonal form of taxation where the burden falls on practically nobody, whatever students of incidence of taxation may say to maintain the principle that there can be no revenue without an "incidence." They can help the State to acquire revenue at the most convenient time—when the giver is dead and the inheritor is merely expecting to become more rich than he was before. They help to rectify the inequities of the income-tax which for instance cannot differentiate between earned and unearned income. They also help to bring about better distribution of wealth and when properly adjusted they may aid in the process of the equalisation of inheritances. Above all their high yield in the form of revenue is their greatest practical advantage.

Some Objections to Death Duties.

There are of course certain disadvantages of death duties. It is sometimes suggested that these duties are inequitable and arbitrary or uncertain in as much as they do not fall on all estates at the same interval of time. The greater the frequency of transfer of an estate the more it is taxed as compared to others. In the course of say 30 years one estate may not change hands at all whereas another may do so several times due to frequent deaths. The inequitableness is also supposed to arise from the fact that "such duties do not take into account either the capacity of the individual to make provision for them during life or the effect of fluctuations in property values."[5]

The difficulty regarding quick deaths in a family can be met by suitable provisions to reduce the estate duty in such cases, as is done in U.S.A. and England to some extent. The use of insurance may also help. But on the whole there is little reason for believing that anybody in particular should feel that he is treated unfairly as compared to others because of the frequency of deaths. No inheritor ought to feel that the State should compensate him because his predecessor died early.

The most important objection against death duties however is that they prevent the accumulation of capital and thus reduce its supply. It is said that whilst all other taxes are paid, partly at least, out of either income or through other

5 For this and the answer to it, see, Wedgwood; *Economics of Inheritance;* page 224.

economies in consumption, death duties are taxes on capital and are paid "out of capital." This is not correct and it has been shown that the distinction between Death duties and other taxes on this ground is "either meaningless or definitely fallacious."[6] Sir Joshiah Stamp has come to the conclusion that the net **ultimate** effect is only slightly against the death duties as compared to other taxes whilst the **immediate** effect is almost the same as that of income-tax which may equally entrench upon potential savings.

Prof. Pigou has vehemently rejected the idea that taxes on capital are necessarily paid out of either actual capital or from resources which would have necessarily become capital. Whilst he rejects the first idea as the product of "a gross confusion", he rejects the second idea as being the product of a failure to distinguish between the **object of assessment** and **the source of tax payment.**[7] According to Dalton the ability to save is reduced by **all** taxes paid by those who have any margin out of which any saving is possible. "The only taxes .... which do not to some extent reduce ability to save are those which fall exclusively on people who are so poor that they have no such margin."

The General Methods of Levying Death Duties.

Death Duties can be levied in two ways. First, as an Estate Duty levied on the estate as a whole without any reference to the amount of the individual inheritor or inheritors, and secondly, as an Inheritance or Succession Duty levied according to the wealth to be inherited by each successor or legatee. To take an example, in Britain we have both these types of Death Duties. The Estate Duty is on all estates in excess of £100 net with a progressive scale according to the value of the whole estate. The Legacy and Succession Duties are levied on bequests and inheritances and are progressive according to the distance of relationship of the successor (not according to the amount received).[9]

The Bases of Progression.

Death Duties are usually based on principles of progression and the **accepted** principles of progression are three:

6. For detailed discussion, see, Josiah Wedgwood: *Economics of Inheritance:* Chapter VIII and also Sir Josiah Stamp: *Fundamental Principles of Taxation.* Chapter V, pages 157-169.
7. A. C. Pigou: *A Study in Public Finance:* page 140.
8. Dalton: *Public Finance:* page 33.
9. In Britain the Legacy and Succession Duties are levied at the rate of 1 per cent. where the beneficiary is the husband, wife, or other direct descendant; 5 per cent. on inheritances of brother, sister or descendant of a brother or sister; 10 per cent. in all other cases.

(a) Progression according to the size of the property.
(b) Progression according to distance of relationship.
(c) Progression according to the amount received by each beneficiary.

Whilst the first principle is applied to Estate Duties, the last two principles have been applied almost exclusively to Inheritance or Succession Duties. In some of the European countries the third principle is recognised, but on the whole it has received less recognition than the other two. Two other principles of progression are possible besides the above, namely:—

(d) Progression according to the age of the estate (as suggested by Rignano).
(e) Progression according to the previous wealth possessed by the successor at the time of the inheritance (as used in the German Inheritance Tax Law between 1919–1923 and also as suggested by Dr. Dalton).

Death Duties for India.

In India we have had no death duties so far, though the Indian Taxation Enquiry Committee referred to them more than 20 years ago. We have, ofcourse the duties on probate, letters of administration, and succession certificates levied under the Court-fees Act but the idea behind them is different.[10] They only appear like death duties of some primitive type and are based on religious and racial discrimination because of which some communities like the Hindus and Muslims are escaping the tax burden whilst others like the Parsees have to suffer.[11]

The Government of India Act, 1935, clearly anticipated the coming of Death Duties and Sir Jeremy Raisman in his Budget speech (1944–45) announced that the Government of India intended to levy such duties. The Federal Court ruled that the Federal Legislature had no power to levy an Estate Duty of the English type, and this led to the amendment of the Act so as to authorise the imposition of Estate Duties in respect of non-agricultural property. The Act has provided that duties in respect of succession to agricultural land shall be levied and collected by the Provinces. As the Provinces have shown no initiative the Government of India have now decided to start with an estate duty on non-

10 For full discussion, see Dr. B. R. Misra: *Indian Provincial Finance:* pages 206-207.

11 For the exact legal position, See *Report of the Indian Taxation Enquiry Committee:* page 268.

agricultural property. This is a good start but it will mean very little so long as agricultural property is not touched.

Methods for Levying Death Duties in India.

When we examine carefully the idea of experts like Dalton, Henderson, Rignano and Luigi Einandi and see the actual working of the system of death duties in different countries of the world we find that several adaptations and modifications are necessary to suit our own peculiarities and bring about the result we want in order to solve our principal problem of landownership and the problem of the abolition of Zamindari in particular.

We shall have to adopt two kinds of death duties to begin with, (a) an Estate Duty as well as (b) an Inheritance Tax. The Inheritance Tax may offer many difficulties in the immediate present but in the long run it will prove to be more useful and permanent than the Estate Duty. Even when all the means of production cease to be private property the Inheritance Tax will remain.

Our Death Duties will have to be based on progression according to the combined standards of the size of the inheritance plus the wealth already possessed by the beneficiary. The principle of taxing according to previous wealth already in the possession of an inheritor is very sound. It was tried for some time in Germany and Italy after the first world war and has been strongly advocated by Dr. Dalton as very necessary to make a tax system really progressive. It is true that the taxation of prior wealth possessed entails great administrative difficulties but one wonders whether it was abondoned in Germany and Italy simply because of this or because of conservative influences operating there. In any case it does not seem reasonable to rule it out so far as India is concerned simply on the ground that our administrative machinery is not efficient enough for the purpose.

We may also consider seriously the possibilities of introducing Rignano's scheme according to which the rate of taxation increases every time the ownership of an estate is changed by inheritance, being much lower when the ownership by inheritance is changed for the first time than when it is changed for the second time. Pigou is inclined to believe that the compound type of death duty contemplated by Rignano "would enable a given revenue to be raised with somewhat less damage to saving than is possible under duties of the ordinary type.[12] Dr. Dalton also seems to hold

12 A. C. Pigou: *Study in Public Finance:* page 144.

much the same view though independently of Pigou.[13] This is an important point to be taken into consideration under the present conditions of the rate of capital accumulation in India. The introduction of Rignano's scheme or even modifications of the scheme as suggested by Dr. Dalton and Mr. H. D. Henderson, will require a considerable amount of further investigation in view of several inherent difficulties which cannot be easily brushed aside.

The principle of relationship discrimination is also worthy of serious study. The position of the widow, or of the children as compared to grand-children, and other relations requires careful consideration in the light of our customs and the possibility of changing them. To take an example the position occupied by a widow in relation to inheritance rights differs in different countries. The position of women is very different in India and the question of the widow will have to be treated with special reference to the position in India.

The question of taxation of wealth left by the dead is closely connected with that of the taxation of wealth given by living persons to each other. If the latter is not taxed it becomes a most convenient method of avoiding the payment of death duties. Gifts can be of four kinds, (a) gifts **causa mortis** (death-bed gifts), (b) gifts made through knowledge of death through an incurable disease, (c) gifts **inter vivos** i.e. gifts given at any period in the life-time of a person without any knowledge of coming death and (d) gifts which are **purely** charitable. The last mentioned gifts are in a different position from the others and may be largely exempted from taxation. The other gifts however should be properly taxed and not allowed to become a source of evasion of payment of the legal duties.

Social and Religious Difficulties in India in the Levy of Death Duties

We have to face various social, religious, and administrative difficulties. The Hindu Joint Family and the Mitakshara principle of the Hindu Law of Inheritance are formidable obstacles. Taxation according to some of the principles of progression, such as according to the amount received by each beneficiary or according to the age of the estate or even according to the distance of relationship is extremely difficult because of this.

According to the Mitakshara principle, which is appli-

13 Hugh Dalton: *Principles of Public Finance:* 13th Edition, page 115.

cable to most parts of India except Bengal, the sons in a family have an equal interest with the father in the moveable and immoveable property and this interest or share is acquired by birth. The family thus owns the property and there is no one individual owner. The family is continuous and though individuals in it may die this does not mean the death of an owner. Thus the descendants of any deceased coparcener are themselves coparceners. It is only in Bengal, under the **Dayabhaga** principle, that the interest of a co parcener is treated as individual property and therefore can be assessed, the sons acquiring their property interest only after the father's death.

The existence of a large number of different religions and communities with a great variety of laws of succession and inheritance is another great difficulty. To this may be added questions like those of the widow's estate in the husband's property, the problem of **stridhan** in Hindu Law in general, etc.

Estate Duty alone without Inheritance Tax Not Enough

The above difficulties have induced some people to take for granted that we cannot possibly have any Inheritance Tax and that an Estate Duty of the British type alone is best suited for India. This is a great mistake indeed. It is true that an Estate Duty of the British type has great advantages. In Britain itself the Estate Duty was not introduced as an Inheri tance Tax because of administrative reasons such as the dangers of evasion, difficulties of collection, etc. However, it would be ridiculous to have no Inheritance Tax of any kind here and rely only on an Estate Duty of the British type. After all even in Britain we have (in addition to the Estate Duty) the Legacy and Succession Duties, however defective they may be.[14]

The Remedy for Our Social and Religious Difficulties.

If we are not to make the mistake of allowing out-of-date social and religious institutions to govern our destiny, the only remedy is to fight them. If the Mitakshara principle comes in the way of better taxation and distribution of wealth we must change the principle so far as it applies to our purpose here. There are several changes possible. First, we may levy the Death Duty only on the death of a coparcener of the

14 They have come in for a great deal of criticism in the past on the ground that they took no account of the previous wealth of the inheritor, they did not apply to the large number of gifts made by the living to other living persons, they ignored the age of the estate, etc.

oldest generation and only on his share of the property. If in a joint family there are three brothers and three sons and when one of the brothers dies the duty should be levied; and it should be on one-third of the total value of the estate. The death of one of the sons would not naturally be an occasion for the levy of the duty so long as any of the brothers are alive. This suggestion has been made and accepted as workable by several economists in India. We may also find it convenient to levy the tax only whenever the **head** of a family dies and this tax may be levied on the share of the deceased. Other alternatives to these are by no means impossible.

The existence of a large number of religions and communities with separate laws of inheritance and succession is a great obstacle but if we develop enough strength to abolish Zamindari and landlordism we shall also have the strength to pass legislation which will put all the religions and races on a uniform basis. The present communal discrimination we have noticed in discussing probates must go and in any case there can be no organised society of to-morrow if religious differences are allowed to come in the way of reconstruction. Narrow religious differences constitute our Enemy No. 1 and we shall have to wage a relentless war if necessary against them.

Administrative and other Difficulties.

Besides the above we will also have to face administrative and other problems arising from the imposition of death duties. When we look at the indifference of the present Provincial Governments we are tempted to rush to the conclusion that centralised administration would be best for the imposition of these duties. There is of course a great need for a strong centralised Government in India but this need not be mixed up here with the question of the part to be played by the Provincial Governments in relation to death duties. If Provincial Governments are weak not much can be done in the immediate present for there are dangers of evasion of the payment of duties and other difficulties which the Provincial Governments must regard as their responsibility. It may also be added that so far as the proceeds of the tax are concerned they must also go to the Provincial Governments, i.e. to those who have to pay the compensation for the abolition of landlordism and incur the manifold expenses of reconstruction measures.

The Problem of Land Taxation.

Next only in importance to death duties is the question

of reform in taxation of land in general and of incomes from agriculture in particular. Both in the permanently-settled as well as in the temporarily-settled areas the taxation of land has had no scientific basis and its arbitrariness and lack of uniformity have been criticised by many.

The unscientific basis of the temporary settlements of to-day are no less an evil than the arbitrariness of the original permanent settlements. The basis of a settlement is usually taken to be "rental value," or "net assets," or "net produce," but this means nothing at all as there is no uniformity in the use of these terms. There is no exact definition of "Net Assets" though when expressed in Urdu (as Khalis Munafa) it means pure profits. Different Provinces have interpreted this expression differently. In certain areas we are supposed to find out the net cash produce by deducting the cost of production from the gross produce. Unfortunately the calculations of cost of production have never been scientific. The exclusion of items like the value of the labour of the cultivator and his family, returns for enterprise and management, etc., have destroyed the accuracy of cost accounting.

Theoretically land revenue is a tax on rental value which is not supposed to weigh heavily on anybody. In actual practice however it has led to such injustice that it has been condemned by nearly all, including Dutt, Ranade and Gokhale in the past and almost all the leading economists of to-day. It is extremely important to note that the chief defect of this tax is **not** its burden so much as its basic injustice. **As a tax it has proved to be incorrect in assessment, uncertain in incidence, unequal in distribution of the burden, and inelastic in operation.**

As we shall see below it may not be proper to talk of land revenue being a very high tax. But its burden can be seen when we consider it in relation to the evil of private ownership of land. Its main sting is that when the incomes from agriculture are taxed in the form of land revenue it is supposed that there is no need to differentiate between lower and higher incomes or to have any exemption or progression in the tax. Whilst the incomes of the very poor agriculturists have not been exempted from taxation because of the financial fear of a considerable decrease in total revenue, the incomes of very rich landlords and intermediaries have been exempted from higher taxation. The land revenue code does not seem to recognise the existence of any uneconomic holdings and official writers on Indian Land-revenue have defended the tax

on principles which are completely divorced from facts.[15]

The fact should not be overlooked that when the Taxation Inquiry Committee wanted information as to what part of the value of land constituted the rate of assessment many of the Provincial governments were unable to say anything definite. The rate of assessment differs not only from province to province but even in the same province it differs from tract to tract. In some cases wide variations in the rate are noticeable even in the same tract in the same province. The figures of the proportion of revenue to rental values, as given in the Report of the Taxation Enquiry Committee, show that the rate varied from 6.5 per cent. to 57.7 per cent. in certain districts of Bengal and from 17.1 per cent. to 50 per cent. in Bombay. A variation from 10 to 100 per cent. in Madras, 7 to 42 per cent. in the Central Provinces and 20 to 50 per cent. in the United Provinces exists as a well-known fact of our revenue history.[16]

A very important cause of the injustice in land revenue, and one which has not received as much attention as some other defects, is its inelasticity. This is not merely a theoretical defect which can easily be ignored or rectified. Between 1929 and 1933 general prices fell by about 49 per cent. (July 1914 = 100) but the total land revenue fell very slightly. The total land revenue came to Rs. 33.16 crores in 1928-29 but fell only to Rs. 30.27 crores in the worst year of the depression and rose to Rs. 32.99 crores in 1931-32. No doubt attempts have been made as in the Punjab to establish a relation between revenue and the price-level but this has not proved satisfactory in the eyes of the experts. Some experienced economists are convinced that even under this new system land revenue will continue to be "a tax on the subsistence of the cultivator."[17]

Most of the defects of land revenue as a tax spring from the neglect of calculations of the cost of cultivation and profits in agriculture. It is true that a few economists of outstanding merit such as Principal D. R. Gadgil and Dr. Radhakamal Mukerjee have recommended scientific agricultural costing as a remedy. It is natural to suppose that if agricultural accountancy has become a science in the United States or Denmark it can also be developed

15 For a discussion of this see, Sarkar, *Economics of British India*: pages 353-357.

16 See, Rangaswamy Aiyangar: *Some Modern Trends in Public Finance.*

17 See, Brij Narain: (a) *India Before the Crisis*: pages 45-56: (b) *Indian Economic Problems*: Part I: pages 316-318.

here to overcome our difficulties. It ought not to be difficult at least for our Agricultural and Revenue Departments to establish full-fledged Price and Costing Sections for keeping accurate and scientific cost data. Unfortunately the importance of this has not been fully realised either by the Provincial Governments or by all non-official economists. Some economists have found special pleasure in accepting defeat without experimentation by openly saying that we should abandon the test of profits of cultivation. Whatever the merits of the controversy, or the motives involved, land revenue continues to be assessed and collected on inherently defective lines.

Reform or Abolition of Land Revenue?

There can be no place for land revenue as a tax when we change our conception of private property in agricultural land. The yield of the land may continue to be taxed but the State may take only a moderate share (preferably in kind) leaving the farmer a large part of his surplus which to-day goes in the pockets of others. If and when we have co-operative collective farms, the tax should become a type of income-tax for each producing unit, and not all the forms of farm income should be taxed nor should there be the same rate of taxation for all kinds of taxable income. Besides, with suitable exemption limits, there may also be an income-tax on incomes of all individual farmers deriving their income from agriculture.

So far however as things stand to-day and so long as private ownership of land continues it does not appear necessary to talk of complete abolition of land revenue. The problem of land revenue must be considered in close relation to the other more serious problem of private ownership of land and there should be no confusion in our minds as to what we want and why.

This warning is necessary because the use of the two words **revenue** and **rent** has itself caused confusion in our minds as to the relative importance of the two problems of (a) land revenue, and (b) landlordism based on rack-renting. A great deal of the enthusiasm wasted in India in attacking land revenue as a tax could have been used more profitably in attacking the evil of landlordism. Our desire to reform land revenue must go hand in hand with the awareness of the fact that the **rentier** class and the **capitalist** farmers are the first to raise the cry of land revenue being very high. These are precisely the people who can pay more land revenue than they do.

The cry of the rentier and other capitalist landed classes that land revenue is very high can be contrasted with the opinion of some of the best English experts like Darling and also of some of our own workers in the cause of reform. According to Darling and others, land revenue has been low rather than high and this low revenue has been the bane of our agriculture. We are told that it is the low land revenue which has induced people to purchase lands at boom prices and made the rentier class larger than it should have been. We need immediate reforms but we must also remember that the actual burden of land revenue can be exaggerated by those who like to side-track our attention.

Reforms Necessary to-day in the Prevailing System of Land Revenue.

As matters stand to-day the best reforms we can introduce in land revenue as a tax, are those which will discourage the private ownership of land by absentee-owners and other ordinary parasitic rent-receivers and encourage or help the real cultivator. Merely reducing the present tax would benefit absentee-owners, however small, whilst leaving untouched the real cultivator.

The best method of helping the small holder of land is to introduce a suitable exemption limit. This does not mean that we should exempt, as is sometimes suggested, all incomes from land below Rs. 1,500 or Rs. 2,000 or any other such high exemption limit as may be fixed for our present income-tax. This is both impracticable and undesirable. We may begin by helping the cultivator of very small holdings by exempting all who pay Rs.10/- or less as land revenue. If possible we may fix this limit by reference to the particular size of land in each tract which we consider to be either uneconomic or very near the uneconomic size. We should consider however the fact that if nothing is done to-day to discourage uneconomic holdings the number of such holdings will be so large in certain areas that the fixing of the limit in this way would be less desirable than the fixed limit of Rs. 10/- (or some other amount) for all areas.

Whilst we grant exemption to the small cultivator we must increase the burden of payment of all rent-receivers and absentee-owners. If private property in land and land revenue as its tax are to continue at all, for howsoever short a time, we should penalize all rent-receivers by much heavier taxation than owner cultivators, and through this weapon of heavy taxation at least try to make the existence of such absentee-

landlords and rent-receivers very difficult. There are many possibilities of discouraging ownership in land through steeply graded taxation.

It is significant that some of those who do not support the abolition of all forms of landlordism have no objection to the principle of differentiating between owner-cultivated and tenant-cultivated lands with a view to levying a heavy surcharge on owners who do not cultivate their land.[18] For absentee-landlords we have had in some countries, such as South Australia, an absentee-tax amounting to 20 per cent. There is no reason why we should not have even a considerably higher tax than this with the idea of completely abolishing all absentee-owners as long as private property in land is likely to continue.

The Agricultural Income-Tax.

One of the measures urgently called for in relation to the reform of land taxation is the income-tax on all agricultural incomes above a certain limit. Different people have recommended agricultural income-tax for different reasons. While some recommend it as a substitute for the present land tax in India others recommend it as a substitute for the abolition of Zamindari itself. Some others again recommend it as an extra tax over and above the present land revenue whilst others champion its cause because they look upon it favourably as an anti-inflationary measure.

A tax like this can certainly neutralise the effect of enhanced rents in the Zamindari areas when we look at the problem from the standpoint of the State, but it would be utterly foolish to think that it will remove **the necessity** of the abolition of Zamindari itself. On the other hand it should be noted that the tax would be eminently useful for the **purpose** of the abolition of Zamindari and it will continue to be useful even after the abolition of the permanent Zamindari settlement.

This tax is by no means unknown in India. Agricultural incomes were not exempted from the first Income-Tax Act, 1860, and though exempting of Agricultural Incomes may have been a temporary measure resorted to to stabilise the finances after the Revolt of 1857, such incomes were taxed again for a period of five years from 1869 to 1873. The Taxation Enquiry Committee examined the details of this tax and recommended it about 1925. The Simon Commission

18 Principal D. G. Karve's article on Taxation: *Economic Problems of Modern India*, Edited by Mukerjee and Dey, Vol. II, page 463.

was not against it. The framers of the Government of India Act of 1935 were also in favour of it. The Bengal Floud Commission also recommended it though only as a transitional measure pending the decision on the scheme of State acquisition. Recently the Naidu Report on Rural Indebtedness has also recommended it in Madras for all incomes above Rs. 3,000.

In recent times an attempt has been made to tax agricultural incomes in certain parts of India such as in Bihar, Assam and Bengal. Madras also has shown at one stage its willingness to follow suit. The Indian States as a rule have not broached the subject at all but we have the example of Travancore where the tax was introduced about 1942-43. Sir C. P. Ramaswamy Aiyar made it clear however that it was intended as an experimental measure only to see how far the old land tax system could be replaced by the new.

We find four principal defects in the attempt to tax agricultural incomes to-day. (a) The exemption limits are very high; (b) the income from non-agricultural sources is not considered everywhere for the fixation of the rate of the tax; (c) the rates of the tax are low and (d) there is no Super-Tax of any kind. In Bihar and Travancore the exemption limit is as high as Rs. 5,000, whereas in Assam it is Rs. 3,000. It is true that the Bihar Act was passed before the passing of the Income-Tax (Amended) Act of 1939 but there is a definite tendency to exempt very large agricultural incomes. In Bihar there has been talk of a secret agreement to keep the rates very low and the rates have varied from 6 pies to 30 pies in the rupee. The highest rates in Bihar are applicable only to incomes exceeding Rs. 15 lakhs and it is said that they have affected nobody at all with the solitary exception of the Maharaja of Durbhanga.

Utility of Agricultural Income-Tax as a Pre-Abolition Measure.

If a considerably improved agricultural income-tax is introduced immediately everywhere it will yield a very substantial and justifiable income and this can be a very useful pre-abolition measure. In 1860-65 it yielded more than half of the total yield of the income-tax in Bengal (Rs. 90 lakhs out of Rs. 165 lakhs). In spite of every attempt to keep down the rates and keep high the exemption limits it has yielded in Bihar from Rs. 15 to Rs. 18 lakhs and in Assam the yield went up to Rs. 27 lakhs in 1942-43. If properly assessed and collected it can yield a crore of rupees or more in many areas. The introduction of the tax would

also help to reduce the assets of the Zamindars for the calculation of compensation money. If a big Zamindar was to pay an income-tax of Rs. 11 lakhs on an income of say Rs. 66 lakhs his assets would be reduced to Rs. 55 lakhs. The tax satisfies the canons of economy and in adjustability and elasticity it will prove far superior to ordinary land revenue.

The tax has its defects but many of the disadvantages put forward by its critics are not real. That the tax would be illegal, the Zamindars are too poor to pay, the yield will not be enough, etc., were common arguments at one stage.[19] That the tax is now legal is obvious enough and if the Zamindars are too poor they have nothing to fear because of the exemption limit. It is said that the levy of tax involves double taxation. But as has been shown in most countries land is subject to four different taxes: (1) a flat rate on annual or capital value, (2) Death Duty, (3) Local cesses, and (4) a tax on income.[20] It is the absence of the tax which has meant more than double injustice to all whilst its introduction will make our land tax less regressive, and will stop the tendency to invest savings in land to escape taxation.

There are ofcourse several difficulties, the most important being that of calculating the exact incomes. The cultivator's illiteracy and inability to keep accounts are undoubtedly serious obstacles. However there would be no meaning in using this as an excuse for injustice in taxation. We shall be exempting a large number of the real tenant-cultivators and owner-cultivators who are too poor and who are the most backward of all. Those who should be taxed heavily are the parasitic rent-receivers whose incomes are not as difficult to estimate as it is imagined.

The fixing of a proper exemption limit is a solution to more than one difficulty in this case. There is ofcourse no case at all for keeping the exemption limit even higher than that fixed for the general income-tax. There are very good reasons on the other hand for keeping the exemption limit actually below that fixed for the general income-tax on non-agricultural incomes to-day. Either we reduce the exemption limit of the latter or fix a lower exemption limit for the agricultural rent-receivers. This question as also the question of the rate of the taxes should be determined according to financial and other considerations.

19 See, evidence of Sir P. C. Mitter before the Taxation Enquiry Committee.
20 Professor Sovona Sengupta: *Indian Journal of Economics:* Vol. XXIV, page 215.

All agricultural incomes of course are not of the same type and there is no reason why we should not tax incomes from the organised plantations of to-day more heavily than the incomes of the ordinary cultivator. Their capacity to restrict output and keep up prices, their general profits and facilities of employment, control, etc., have all to be considered. Travancore has attempted to tax the planters at a steeper rate. There is no reason why this should not be done in Assam and Bengal and elsewhere to get a considerably higher yield. In a similar way the very high incomes from agriculture should be considered as fit objects for the levy of a Super-Tax and the maximum rates of taxation should be very high like those of the Excess Profits Tax in certain countries during the war.

(b) The Reorganisation of Administration.

The reorganisation of taxation and the abolition of Zamindari require a thorough reorganisation of the State administration. It would be fatal to forget that the problems of administration and of the administrative machinery to be set up in the future will trouble us more than anything else The abolition of Zamindari is actually easier than the creation of a strong and incorruptible administrative machinery. The abolition of Zamindari may be brought about by the natural forces of a mass revolt if we do not do anything constructive now. But the creation of a strong administration requires much more than either the idle talk of revolution or the rosy dreams of idealists. A mass revolt can easily end in utter disaster and the setting up of a strong and efficient administration is by no means the automatic result of any mass revolt.

We Need Political Strength Before Economic Reforms.

Those who talk of the abolition of Zamindari or of other evils should not forget that the first essential of any reform in India is a strong political party and organisation. We do not want abortive and reckless attempts to reform society. What we need first is political strength—political strength to organise strong administrations in order to institute reforms and crush counter-revolutions. Many of us may see no sign of this political strength anywhere to-day but we cannot help hoping that we shall produce wise leaders and a political organisation which will be both strong and democratic at the same time. We have to be strong enough to carry out reforms courageously and democratic enough not to tread the fatal path of Fascism and dictatorship.

This is by no means just wishful thinking and hoping.

Without faith and hope in ourselves and in the leadership, symbolised by men like Jawaharlal Nehru we can only end in becoming conservatives and reactionaries and thus hasten the very revolution and mass trouble which we fear and which it is our duty to prevent by wise planning and timely reforms. Whilst we may admit the difficulties in setting up a strong administration we cannot suffer defeat in our task of abolishing Zamindari, an institution which is the best ally of impending mass revolt.

The Necessity of a Large and Incorruptible State Organisation.

The walls of privilege and parasitism are crumbling to-day before the atomic blast of mass discontent and our task of reconstruction requires a huge State apparatus which can help our cultivators in all aspects of agriculture. We need much more than an organisation of petty and corrupt rent collectors. The exact nature of the organisation will depend on the nature of the new economic order visualised by us but we may be sure that whatever the new system a large and efficient organisation for State help of all kinds will be indispensable.

Almost the first requisite of the new order will be an administration that is above corruption. It is a well-known fact that the records in Zamindari offices have been fraudulently manipulated and the peasantry left entirely at the mercy of unscrupulous agents of the Zamindars. This must end at once. We cannot afford to work as the Zamindari administration did before 1900—without village maps or other proper records. The work of the abolition and the early part of the reconstruction involved will necessitate proper records of rights.

It would be fatal to forget that one of the most important defects in a State machinery for collection of dues is the possibility of corruption and favouritism. Hence the abolition of the corrupt agent of the Zamindar must be followed by drastic measures to prevent mis-deeds of the agent of the State who succeeds him. This is not an easy task. Once a Government owns land and lets it on special terms there will be endless possibilities of corruption. We have to avoid this and evolve a workable system, a subject on which we do not seem to be concentrating much attention at the moment.

It is interesting to note that even some of our communist writers have no faith in the incorruptibility of the State or its officials. Perhaps this is one of the reasons why some

of them have suggested that the cultivator should be given the right to own land.[21] It is to be hoped however that the abolition of Zamindari will go hand in hand with the abolition of corruption among State officials. It is hardly possible to think of a better future if we take for granted that corruption cannot be abolished.

The Village as the Basis of Administration.

The second supreme necessity of the new order is to bring the cultivator in close touch with the State. This is ofcourse impossible under the present Zamindari settlements, but the abolition of Zamindari will not automatically remove the defects. One of the drawbacks of ordinary State administration is that it is extremely difficult for anyone to detect special cases of cultivators requiring special consideration. This is why there has been a certain rigidity in the collection of dues by the State to-day. We shall have to remedy this defect and evolve an organisation from the village upwards where the voice of the peasant can be felt, and his needs made known to the ruler. This takes us to the third necessity.

The question of administration and management becomes delicate and difficult under all schemes of nationalisation. There is always the danger of excessive bureaucratic control in administration and the disappearance of the personal touch. To avoid this evil we shall have to associate popular elements in all things done through Government machinery. For important work we may make extensive use of the members of the legislature, the judiciary and co-operative organisations. We may also have to set up different Advisory Committees chosen from among efficient members of the public. In the United Provinces we have had Advisory Committees asscciated with the administration of the Court of Wards. We will need many more of such committees considerably improved for all kinds of work and with considerably more powers and sense of responsibility.

21 Speaking of Bengal, Mr. Bhowani Sen writes, "We demand a Bill which declares that the Kisans who till this surplus land should own the same. This is the only way to guarantee the kisans their rightful share and save them from having to go begging for their own land to the officials who will make of the land another commodity like kerosene and cloth in whose distribution corruption and nepotism prevail."

CHAPTER IX.

THE REVOLUTIONARY SIGNIFICANCE OF THE ABOLITION OF ZAMINDARI.

It is by no means easy to touch the land in any part of the world for here we touch the roots of traditional organisation. The fact that such an organisation may have out-lived its utility does not make the task of its removal any the easier. Even when private ownership of land loses its utility the process of its removal becomes very painful. Like a bad tooth rooted deep in the body politic its extraction can cause the most excrusciating pain.

Revolting Landowners vs. Revolting Masses.

All talk of the abolition of Zamindari has therefore a revolutionary significance of two kinds. One the danger of a revolt of the masses if the problem is delayed too long and the other the revolt of the landowners if the abolition is tackled without sufficient political strength, administrative tact and educative effort. We have to consider carefully the principal parties involved in the abolition and its consequences.

Zamindars Who Have Talked of Using the Sword.

The first thing to be cautious about is the influence, and potentialities for mischief, of the big landlords. It would be folly to under-estimate their power of resistance. In open conferences we have had talk of Zamindars using their swords to defend their rights.[1] There may be little meaning in such talk and what one could say in the summer of 1947 one may not be able to do in the summer of 1948 due to the increasing momentum of political and economic changes. None the less we have to be careful and not forget the lessons of the conspiracies of landlords in other countries against national interests. Apart from the White Russians, in recent times in Yugoslavia, Poland, Hungary, Rumania and other places the big landlords have played no small part as agents of foreign imperialism.

The Part Played by Landlords in Poland, Etc.

Everywhere the big landlord has supported Fascism. The

1 In the conference of Zamindars at Lucknow in the summer of 1947 a speaker is known to have jumped on the dais brandishing a sword declaring that the Zamindars had won their Zamindaries by the sword and would not hesitate to use it again to defend their rights.

big landowning families of Eastern Germany were the greatest supporters of the Nazi Party. Marshal Antonescu of Rumania, who let the Germans overrun his country in 1941, was a big Rumanian landlord. In Poland we had the Radziwills and Potockis and in Hungary, Count Bethlen and Horthy. As Count Karolyi, himself a big landowner at one time, has pointed out recently in the Press the landlords of Hungary had betrayed their country and even to-day they were trying to organise conspiracies against the nation.[2]

Influence of and Sabotage by Landlords.

European experience shows us that even when landlordism is abolished and nationalisation of land established, the influence of the landlords can continue to operate. In countries like Poland the landowners seem to have succeeded in penetrating into the State apparatus, particularly inside the agricultural administration, and from these vantage points they have sought to sabotage the new schemes of rural reconstruction. The influence of the landowners can continue long after nationalisation, because groups of people such as the rural clergy, teachers, etc., who in former times used to receive from the landowners remuneration in one form or another continue their loyalty. Many State officials—judges, departmental heads, etc., who got into important positions originally through the landowners would naturally continue to support their supporters of old. These elements can be used for organising active political opposition which opposition would be supported by imperialist and capitalist interests abroad. We should be against dictatorship but phenomena like the above in some parts of the world show why some kind of a strong political dictatorship is supposed to be inevitable when society passes from capitalism to socialism.

Misleading the Masses by Communalism and Caste Prejudice.

We need no proof of the mischief Zamindars and Jagirdars can do when the situation makes it possible for them to take advantage either of any political trouble or communal flare-up. According to statements made by responsible members of the legislatures in Zamindari provinces ever since the talk of the abolition of Zamindari started the landlords have intensified their rule of terror and tyranny on the peasants.[3] The Bihar correspondent

2 *Bombay Chronicle*, 10th June 1947.

3 cf., statement made by Mr. Jadubans Sahay, Congress M.L.A. from Daltonganj, Bihar.

of the **Hindustan Times** has reported how the Zamindars have started to put "all possible obstacles in the way of the progressive measures introduced by the Ministry."[4] It has been reported openly in our Press how in Bihar the Zamindars have influence in the Select Committees of the Legislature, how they have used not only the communal but also caste and tribal differences to their own advantage, how they have tried to remove from power sponsors and supporters of anti-landlord legislation, how they have taken possession of thousands of acres of land, etc.

Tenants as Pawns in the Game.

The big landlords have begun their offensive in India and are misrepresenting things and misleading the tenants. Apart from a criminal use of communal feeling about which we may remain silent here, they have begun to organise the tenants as if the tenants stand to lose by the abolition of land-ownership. Here is an extract from "the Pioneer", dated 15th March 1947 about what happened when the Zamindars met in a conference at Unao in the United Provinces:

> "Unprecedented scenes of enthusiasm were witnessed at the conference where about 7,000 tenants mustered strong and decided to organise a common front for agriculturists with a view to fighting the move for the abolition of Zamindari."

In the Unao Conference Rai Bahadur Lala Prag Narain, Chairman of the Reception Committee did not hesitate to declare that the abolition of Zamindari would ruin agriculturists and he appealed to the tenants to face the "common peril" by joining the Zamindars who, he said, "never cared for name or fame and had no ambition for leadership and always worked in a silent and unostentatious manner." All this is helped by the pro-Zamindari newspapers which talk of "a common front for agriculturists." The recruitment of tenants to fight for Zamindari reminds us of the use of slaves to fight the Federal Army in the American Civil War. If Negro slaves could be recruited to fight against the white men who were trying to free them, why not recruit the tenants to fight those who are trying to free them?

The Victims of Illogical Fear.

Those who are governed by fear cannot be conscious of the logic or absurdity of an argument. Taking advantage of this the Zamindars appeal both to the poor as well as to the

4 *Hindustan Times*, May 12, 1947.

rich. Both the poor tenant as well as the richer classes are told the same thing—that they will lose everything. The reason how and why they should lose is not expounded for it is enough if the poor are told that they have no friend better than the hardworking and unassuming landlord and the rich are told that they have no enemy worse than communism. The rich are told that since land means income, position, and responsibility a deprivation of these through the abolition will create irresponsibility among the rent-receivers of to-day who will automatically turn towards communism.[5]

Very few people have ever understood communism or realised how to avoid it in India. Whilst the Zamindars tell us that communism will come if Zamindari is abolished, there are others who tell us that communism will come (in the form of an agrarian revolution) if Zamindari is **not** abolished. It is clear that here either the Zamindars are right or the others are right. Both cannot be right, for if both are right then communism is coming whether we abolish Zamindari or not and we can do nothing excepting just wait for it as we would for an expected flood when the river is rising continuously. The richer classes readily accept the argument of the Zamindars, howsoever fallacious, largely because of the fear of the future. But even were the fear overcome there is not enough knowledge or understanding. The common man fails to understand what to do and who is right in all this, for economic issues require knowledge of economic laws in addition to common sense.

The revolutionary significance of the possibility of a mass revolt cannot be ignored by anyone who understands the truth. Communism spreads through a mass revolution and if we do not do anything now to satisfy the hungry masses, there will be an agrarian revolution which may end in anything. This is the real fear if any that we should have. It is to prevent an agrarian revolt that we should abolish Zamindari now. The Zamindars forget that it is they who develop communism without knowing it. In Madras, for example, the Zamindars have continuously demanded an increase in the prices of food-grains which has increased discontent among the low income groups and this is increasing the influence of the communist organisers. What has happened in Bihar, Bengal, and Orissa is equally clear.

Some of us have been able to discern the signs of the

5 Sir Bijay Chand Mahtab (Maharaja of Burdwan) and Mr. Brajendra Kishore Roy Chowdhury in their Note of Dissent, *Report of the Land Revenue Commission, Bengal*, Vol. I, page 228.

approaching storm in the same way as it was possible to discern it in the late eighteenth century France. Apart from the warning given to us by radical writers,[6] here is what a hundred per cent American moderate tells us after his study of the agricultural developments in the Middle East. "History shows that if the problem of the absentee landlord is allowed to drift it is liable to be solved by an agrarian revolution."[7] The Floud Commission gave almost a similar warning as we know.

The Danger of Middle-Class Discontent.

The Zamindars referred to in the above paragraphs would be more correct of course if they said that the numerous annuitants of to-day in Bengal and elsewhere are more likely to become the nucleus of a Fascist reactionary movement rather than of a communist one.

We have a large middle class which has become interested in the land. The Permanent Settlement, for example, has not only encouraged sub-infeudation but through this has created a numerous and potentially mischievous class of men. The number of people likely to be expropriated is undoubtedly large in certain provinces but there is also a tendency among representatives of Zamindari interests to exaggerate the figure. We are told by the leading Zamindari interests in Bengal that the number of people involved in the expropriation would be about 1|3rd of the entire population of Bengal.

One of the social results of sub-infeudation as we have seen is the unfortunate increase in the middle-class in a country which has little industry. This class has been created artificially at the cost of the cultivator for it lives on the labour of the cultivator. Bernard Shaw and other brilliant members of the Fabian Society warned England about the working of the laws of rent and value at the beginning of this century. The same has happened in a much worse form in the Zamindari tracts for the last 150 years.[8] Those who do no work get the maximum returns and those who do most of the work get nothing or very little. It may not be very charitable but it is true to say that in places like Bengal it is the poor who work and the middle classes who talk most.

The large number of persons who will be involved in

6 See, R. P. Dutt: *India To-day:* page 162.
7 B. A. Keen: *Agricultural Development of the Middle East:* page 172.
8 See, *Fabian Tract* No. 142, "Rent and Value": page 4.

the abolition and the ever present danger of an unemployed middle-class becoming the nucleus of Fascism is not an insignificant difficulty. One of the curious things to note is that many of the opinions received by the Land Revenue Commission in Bengal did **not** favour the annulment of the Permanent Settlement or State-purchase of Zamindaries. One of the reasons for this of course is that the opinions called for were from people or organisations connected in one way or another with vested interests and the **status quo**. But the opposition of organisations like the Hindu and Brahmin Sabhas, certain other Middle Class associations and some Bar associations is rather significant in so far as the potential danger is concerned.

The Need for Educative Propaganda.

It should be clear to all that the abolition of Zamindari requires carefully planned propaganda on our part to counteract the mischief of communalism, vested interests, tenants who are misled by false promises, etc. The vast rural masses do not adjust themselves automatically to proper reforms. We need the active cooperation of all the middle and the lower peasantry and the best way to win them over is to come to an agreement with them, give them concessions, and fight their backwardness by means of educative and ideological propaganda.

The Futility and Danger of Premature Use of Force.

Some people have a blind faith in the use of force. This faith is a great danger to all real constructive effort. It is a danger which must be avoided even for the very purpose of using force itself. Those who want to use force successfully cannot afford to neglect the importance of educative effort. Educative effort is of course much more difficult but also much more effective and important than any blind faith in the use of force. The real lesson of all true radical changes is that we must avoid all irresponsible talk of force which may become a farce. Those irresponsible spirits who wear a red tie or carry a red banner and regard this as sufficient authority for any irresponsible talk of force may do well to note some of the warnings of Lenin himself. Lenin believed in force but regarded educative effort as equally important. He believed that what is demanded by an overwhelming majority of peasants cannot be set aside with contempt and that we have sometimes to accept certain demands till such time as the peasants learn to discard them of their own accord

through educative effort.[9]

The Role of the Middle Peasantry.

The success of everything in our task here in India will depend upon the policy we adopt towards the **middle** and poor peasants who do not exploit others as the Zamindars do. The whole idea of the abolition of Zamindari rests on the assumption that it will be supported by an overwhelming mass of the people. Whilst the big Zamindars must be suppressed if they resort to counter-revolution, any talk of the use of force indiscriminately, without proper educative effort to make such force unnecessary, would be extremely foolish and dangerous. We will have to learn to tackle the middle peasants and rural masses with great imagination. There is no reason why with proper educative effort these non-zamindari classes should not help us actively.

The Inherent Vacillations of the Middle Peasantry.

All half-baked radicals ought to study the causes of the failure of the French Convention in the French Revolution. It is futile to launch out on any sweeping measure of reform without knowing on what classes or groups of people to rely. Extreme tact is necessary in dealing with our peasantry—particularly the small landowners and "middle peasants" who have no definite bias against socialism as such but who are known to vacillate as it is in their nature to do this.

It is necessary to understand that in the ordinary tactics of expropriation one has to make a difference between the ordinary middle classes or bourgeoisie which may become the nucleus of Fascism and the middle peasantry and other poorer rural peasants who are not opposed to socialisation of land but who can vacillate from here to there. The small peasant in our villages, as elsewhere, is both a toiler and a seller of grain. As a toiler he can be made to understand the importance of the abolition of landownership and the need for land nationalisation; as a seller of grain however he has not shown much love of State "controls" and is apt to accept the doctrine of decontrol, free-trade, etc. We are facing this dilemma to-day even among the politically developed peasants of Gujarat (Bombay).

9 " ... ideas and demands of the majority of the toilers are things that toilers must *discard of their own accord*, such demands cannot be abolished or skipped over. We Bolsheviks will help the peasantry to discard petty-bourgeois demands, to *pass* from them as quickly and as painlessly as possible to Socialist demands." *Lenin's Selected Works:* Vol. II, page 421, Moscow Edition, 1947.

We can achieve nothing great without the support of these middle and very small peasants. These groups have been the backbone of Congress resistance in the past but are likely to vacillate and be fooled by false propaganda of the other side. The same peasants can however become our friends if through patient educative effort we convince them of the good of our reforms and by practical help give them the essentials of economic betterment—better implements, better machinery, organisation etc. We have millions of small farms which it is not practical to abolish at once if we are thinking of co-operative and collective farming. This does not mean however that we must do nothing and continue to advocate small farming till another type of disaster overtakes it.

If Force is Bad, Inaction and Inertia are Worse.

In avoiding the use of force we must not inadvertently advocate the use of inaction. The opponents of collective and co-operative farming tell us that if the majority of peasants do not want these how can we have them? This attitude is another great danger facing us. Soviet Russia is a country of collective farming to-day and yet the attitude of the middle peasantry at one time was just the same as here. Lenin indeed advocated caution and the following lines from his writings will be appreciated by all: "We have millions of individual farms in our country, scattered and dispersed throughout remote rural districts. It would be absolutely absurd to attempt to reshape these farms in any rapid way, by issuing an order or bringing pressure to bear from without. We fully realize that one can influence the millions of small peasant farms only gradually and cautiously and only by a successful practical example. For the peasants are far too practical and cling far too tenaciously to the old methods of agriculture to consent to any serious change merely on the basis of advice."[10]

The opponents of co-operative and collective farming would like to quote the above lines in their own writings but they would do well to remember that Soviet Russia is a country of collectivised farming to-day and that Lenin did not advocate King Stork for King Log as some of us do. His remedy was to encourage co-operative and collective farming for side by side with his caution he told his followers in 1919: "Only if we succeed in proving to the peasants in practice the advantages of common, collective, co-operative, artel cultivation of the soil, only if we succeed in helping the peasants by means of co-operative or artel farming....be able to....

10 Lenin's Speech at First Congress of Agricultural Communes.

secure the real and durable following of the millions of peasants."

In estimating our chances of success in our educative propaganda we must avoid both the dangers—of over-confidence as well as timidity. A proper study of the class constitution of our rural population and of the psychology of the peasant are essential.

The difficulties here are not very different from what they were in Russia so far as the psychology of the small peasant is concerned. The small peasant may be keen on destroying big landlordism but when it comes to large-scale farming he will be inclined to be suspicious for he will think that we want him to become a mere agricultural labourer. This is only one out of the several points we have to consider in our propaganda and educative effort. The peasant has very bad experience of our big landlords and Zamindars. We must show to him that our new reforms in large-scale farming have nothing to do with the old landlordism which forced him to the position of a rural labourer.

How Far the Class Constitution of Rural Society is Favourable to Radical Reforms.

It would be best to remember that the great majority of our rural population is so constituted as to stand to gain by the abolition of all kinds of private property in land. This fact is hidden by our conservatism and inability to grasp the situation as it is developing in our rural areas. The majority of our cultivators are semi-proletarians. Even the technical distinction between middle, small, and dwarf peasants would have little significance for the overwhelming majority of our cultivators. Even if we are giants in our love of property the huge majority of cultivators are "dwarfs" in their economic circumstances and it is this that is more important than mere un-enlightened sentimental and traditional love of land. Proper educative propaganda should bring out the economic significance of this.

Another very fortunate circumstance for us is that the number of big Zamindars everywhere is small. In the very headquarters of parasitism—Bengal—it was calculated some years ago that the number of landlords with an income of not more than eight or ten thousand rupees a year did not exceed 707. Likewise in the case of the United Provinces to-day the number of big landlords is very small. According to Mr. Ajit Prasad Jain, "statistics collected about the four districts of Kheri, Fyzabad, Aligarh and Bareilly show that 89.6 per

cent of landlords pay Rs. 100 or less as land revenue and another 8.7 per cent, 1 per cent and 0.7 per cent pay between Rs. 101 and Rs. 500, Rs. 501 and Rs. 1000, and Rs. 1001 and Rs. 5000 respectively."[11] The number of landlords paying over Rs. 5000 was reported to be only 23 in Lucknow, 31 in Unao, 24 in Badaun and so on. An editorial of **The Hindustan** tells us that in the whole of the U.P., 81 per cent of the Zamindars pay less than Rs. 100.

It is true that if the number of big Zamindars is small the number of small Zamindars is big but this too is as favourable as the other factor and we have seen how this actually helps us in our solution of the problem of compensation. It should be recollected that in some parts of the country, as in Bihar, if there are huge estates with a revenue of several lakhs of rupees there are estates which in some cases have been known to be as small as 1|9th of an acre with an annual revenue of not more than 10 pies.[12] The number of estates have increased due to sub-division and in some districts in certain provinces they have even been doubled or trebled during the last 70 years.[13] A large number of Zamindari and other estates tend to get mortgaged to the hilt in two or three generations on an average. The number of estates which default is also very large. These are by no means signs of a well-established aristocracy capable of offering stern resistance to any well-planned change.

The popular mind accepts the evolution of a great change much more easily when it is accustomed to the acceptance of other changes than when it is not so accustomed. Fortunately for us there are revolutionary changes all around us to-day. The opening of the citadels of religious orthodoxy to the untouchables, the sale of shoes and leather goods by Brahmins and other changes of this nature are equally revolutionary. If economics makes a vegetarian a non-vegetarian or an untouchable very much of a touchable indeed this is more revolutionary than the conversion of land from private property to common property.

When we talk of revolutionary changes all around us we must not forget the forces released by the culmination of the political struggle for freedom. Events have moved so fast even during these 12 months ending August 1947 that great changes have already taken place. Whilst as late as in 1946 the Zamindars could count on the support of the British

11 Writing in *The Hindustan*, of Lucknow.
12 Dr. Gyan Chand: *Indian Journal of Economics:* Vol. IX, page 486.
13 In Gava the number of estates have trebled between 1876 to 1946.

power the atmosphere of 1947 is altogether different. Even a conservative paper like **The Times of India** was forced to admit editorially a few months ago that the objectors to the abolition of Zamindari have realised that "they are fighting a losing battle.... This conviction has brought about a change in the attitude of those sought to be dispossessed of their long-enjoyed rights."[14]

14 *The Times of India* itself has changed with the changing times in India and its opinion given above reflects the trend much more than any quotation from any learned writer can show.

CHAPTER X.

THE PRACTICAL DIFFICULTIES IN THE ABOLITION OF ZAMINDARI.

We have seen how there are many circumstances favourable to the introduction of radical reforms in the country and how in any case the choice before us is clear. We have to choose between the sufferings of a comparatively small class of dispossessed rentiers and those of a vast mass of semi-starved cultivators and labourers. We have also seen that if the problem is allowed to drift we are likely to face an agrarian revolution. In this chapter we shall see what are the practical political difficulties facing us.

The Need for Executive Strength.

We saw in the beginning of the last chapter that we need sufficient political strength if we are to avoid the danger of a revolt of the vested interests—of the landowners and the middle classes who live on rent to-day. Any organised attempt to abolish Zamindari requires a strong political organisation. We want executive strength, not mere legislative talk. In this country our legislatures learn to talk far more quickly than our executives learn to act. This is dangerous and therefore one has to be very cautious.

The Role of the Indian National Congress.

Of all the political parties there is none which is more powerful, better organised, and with a greater record of service and sacrifice from all communities than the Indian National Congress. It would be a sad day for us when the Congress either weakens or disappears for that would be a clear sign of the weakening or disappearance of our nationalism itself. If the Congress governs us it is because it has made us politically what we are and for this every true nationalist owes his loyalty and devotion to it.

The Congress however has its commitments and this has its consequences. It represents all the elements of our national life, the rich as well as the poor, and it would be just wishful thinking to expect it to throw overboard its commitments. The Congress has not been able to declare itself either on the side of the tenants or the landlords. A Congress Working Committee Resolution made clear more than 25 years back that the Congress movement was "in no way

intended to attack their (Zamindars) legal rights."[1] At the Gauhati session in 1927 the President made a clear declaration that the Congress was not committed on either the side of the tenants or the landlords.[2] The Zamindars of the United Provinces declared in a recent conference (Unao, March 1947) that they had given full support to the Congress and that it was mostly due to their sacrifices that the Congress had come to occupy its present position.[3] Though the claim is exaggerated, their connection is no myth and can be traced to 1934 when the Zamindars had gone to see Mahatma Gandhi at Cawnpore and where the undisputed veteran leader of the nation told them: "I shall be no party to dispossessing the propertied classes of their private property **without just cause**. . . . Supposing there is an attempt to deprive you of your property you will find me fighting on your side."

Gandhiji's position of course has always been clear, however much some people may misunderstand him. The belief in non-violence precludes anything that can lead to class-war. It would have been ridiculous of course for us, after we had got so much from Mahatmaji and his doctrines which strengthened the mass support behind our demand for freedom, to expect him to encourage non-payment of rent or violent mass uprisings against the Zamindars.[4]

It is however a very hopeful sign to see that in recent times the Congress has realised the full importance of the internal economic issues which were obscured for a very long time by our struggle against British political exploitation. The Congress Election Programme of 1946 has recognised the principle of the abolition of landlordism. Recently (about November 1946) in response to a non-official resolution moved in the A.I.C.C. it was decided by the Working Committee that the provincial governments be asked to send to the A.I.C.C. their schemes for the abolition of the Zamindari System. We also know what the Congress Governments have

1 Clause 7 of the Resolution which brought the first great national struggle to an end, Bardoli Working Committee meeting, February 12th, 1922.

2 It is significant that this declaration was made in the midst of cries of "Shame! Shame!"

3 See, *The Pioneer*, March 15th 1947.

4 Mr. R. Palme Dutt, the most brilliant among Indian communist writers, thinks that the other leaders associated with Gandhiji used non-violence as a cover, conscious or unconscious for class interests and maintenance of class exploitation. This criticism does not appear to be fair, specially when we realise that it tends to ignore the fundamental nature of the national struggle of that time which was more against political exploitation than class exploitation.

done in U.P., Madras etc. about this problem. The National Planning Committee also has recommended that the parasitic landlord must be eliminated.[5] All this however does not mean that the Congress can now do exactly as it would like to do.

True as the Congress is to its commitments it cannot talk of abolition **without** compensation for example and, secondly, when it talks of compensation it means compensation which is adequate in the opinion of the Zamindars. At least this is what the authoritative voice of the Congress President told us when he referred to the U.P. Zamindars.[6] The ideal of Acharya Kripalani to-day is a classless society brought about by non-violence without any kind of class-war. Thus whilst others might say that we cannot destroy an exploiting class without violence the reply of Congress theorists and workers like Sri Kripalaniji is that violence even if it leads to quick results is useless for it is bound to create new classes. Whatever the merits of the Congress view the fact thus remains that the process envisaged is bound to be a slow one.

Besides the above there is the other difficulty about the absence of unanimity among the different Provincial governments both regarding (a) the basis of compensation and its rate and quantum, as also (b) regarding the policy to be adopted **after** the abolition. The difference of opinion among the different Provinces regarding the basis of compensation is clear enough and is largely due to the relative influence or strength of the Zamindars in the different parts of the country, a factor which really should not be allowed to come in the way of uniform agrarian progress throughout India. There should have been a more or less uniform policy on the basis of which compensation should be paid but the proposals made so far show that it is only in Madras that an attempt has been made to cut down the compensation with some courage. Madras opinion seems to have favoured compensation on the basis of reassessment of the rents in comparison with those of neighbouring rayatwari areas so as to eliminate the rent increase during the last many years, the ultimate compensation to be about 25 per cent of this reassessed gross income. It will be noticed that numerically the Zamindars are much weaker in Madras than in Bengal or

5 *Priorities in Planning:* National Planning Committee: (Vora and Co.), page 13.

6 Referring to the then impending Bill for the abolition of Zamindari in U.P., Sri Kripalaniji said, "It is hoped that the Bill will have a smooth passage. The Zamindars should have no objection as the Bill provides for adequate compensation (*Bharat Jyoti*, November 24, 1946).

Bihar and it is in Madras that the scale of compensation seems to be the lowest.

Besides the differences among the different Provincial Governments, there are the relatively more serious differences among the members of the majority ruling party in certain individual provinces. In Madras there was a great difference of opinion on the proposal to abolish **inam** lands along with other Zamindari lands. This difference extended to the members of the Cabinet itself. Most people are now quite definite about the need for the abolition of Zamindari but differences like the above are allowed to creep in and are very dangerous indeed.

The Short-Sightedness of the Agrarian Upper Classes in the Congress.

More distressing than the possibility of a very slow abolition of Zamindari, is the phenomenon of the present-day hostility of the rentier and upper class closely associated with the Congress towards radical but necessary reforms. This hostility is a reality in the politics of to-day and tends either to weaken the Congress or to weaken its real constructive reforms like the abolition. The rentier class is an important element of the Congress and its influence cannot be ignored. Several leaders of the Congress itself as well as of other non-Congress organisations like the Servants of India Society have complained about this difficulty. Mr. K. G. Sivaswamy of the Servants of India Society speaking in Madras last November (1946) told us that in his province agrarian questions were badly neglected and whilst he criticised legislators for pulling down the Ministry without fundamentally differing from it in their policy, he also added, "the policies of the present Ministry may be either due to the excessive influence exercised by the rentier classes as against the overwhelming majority of cultivators or to want of clear grasp of the village economy of to-day."[7]

Sjt. Narharibhai Parikh, one of the most selfless and devoted of Gandhiji's followers, has complained in **The Harijan**, that the reactionary agrarian upper classes actually live on the toil of the poor tenants and agricultural labourers and are so influential that they cannot be pulled up. The result is, as he adds, "we take shelter under the hackneyed maxim—'hasten slowly' it being a safer course than antagonizing such

7 Presidential address at Mayanoor on 1-11-1946 at the South Indian Federation of Agricultural Workers' Unions Conference. See, page 2 of *Legislative Protection for the Cultivating Tenant and Labourer*, published by the S. I. F. of Agricultural Workers' Union, Madras 14.

people.... We think it advisable to postpone all such programmes as are from the point of view of justice and urgency very important but are likely to be unpopular."[8] Sjt Narharibhai talks of the tragedy of tenants even under Ryotwari for here the Sowcar takes the place of the Zamindar as the oppressor thus showing that the need for reforms is great everywhere if we want to help the real cultivator of the soil.

The opposition and influence of the rentiers is very unfortunate indeed. The Congress as a political party has to stand by its duty towards all classes and is unable to expedite the tempo of agrarian reforms to the degree expected because the rentiers are in no mood to see this tempo of reforms being expedited in the interests of stability and for the avoidance of agrarian distress. Far from being a real help to the nation these rentiers and other elements of the middle classes are a source of a potential Fascist reaction as we saw in the last chapter. The Congress has the extremely difficult task of steering clear between Communism and Fascism on the economic plane and between Provincialism and Communalism on the political and social fields.

Whilst Provincialism is a menace to Nationalism our Communalism tends to hide the real economic issues involved. One can only hope at present that a substantial part of the middle classes or the rentiers will be patriotic enough to see through the danger facing us and will stand by the Congress to strengthen its hands in its work of national economic reforms. The Congress leadership on the other hand must help this process by discouraging Provincialism and by its adherence to a pure national policy based more on economic issues than on communal ones.

We have to guard against middle class unemployment which is the historical harbinger of Fascism. If we are to induce the middle classes to realise their duty to the masses we will have to plan very carefully to give them employment and to link them with the country's industrialisation. A political organisation like the Congress must not fail to-day. If it fails to do its duty the result will be the development of the two diametrically opposite tendencies of communalism and communism.

If we are not satisfied with the progress likely to be achieved in the matter of the abolition of Zamindari in provinces like U.P. or Madras or Orissa, we have much less cause for being satisfied with its likely progress where the Congress

8 *The Harijan*, February 16, 1947 (page 26).

does not guide the destinies of the people. When in addition to a non-Congress Government we have the further disadvantage of a Cabinet of landlords the results may well be imagined. Speaking of Bengal in 1939-40, Mr. Bankim Mukherji, M.L.A. complained to the Floud Commission, "the land revenue system has already broken down but 80 per cent of the Cabinet are landlords who want to revive the system." It is true that we need not be as pessimistic as were our economists about the late twenties who had no hope whatsoever that Zamindari would be abolished. Perhaps the Muslim League may take up the question of the abolition much more quickly than we anticipate. However the fact remains that the political partition in a province like Bengal should make the question of the abolition more uncertain than before. The destiny of the tiller of the soil there will then lie in the hands of two different Governments.[9]

9 It may be noted that this is exactly what has happened after the Partition.

CHAPTER XI

PEASANT PROPRIETORSHIP AND RYOTWARI LAND TENURE.

One of the unfortunate things about the abolition of Zamindari is that whilst we are agreed on the necessity of the abolition we have no common policy as to what we should do on an All-India basis after the big estates are abolished. Some Provincial Governments have remained dangerously silent whilst others are still groping in the dark with the best intention to do something really good. On the whole, however, there is a definite tendency to accept Peasant Proprietorship as a solution and many of us have fallen into the trap of thinking that since Zamindari is bad Rayatwari is good. The Prakasam Committee in Madras, the Floud Commission in Bengal, Dr. Naidu's Report on Indebtedness (Madras) and many individual writers and legislators have all recommended Rayatwari tenure and peasant proprietorship as a solution. Acharya Kripalaniji has also raised his influential voice as President of the Congress (in 1947) in favour of peasant proprietorship.

The Universal Popularity of the Idea of Small Holdings.

The idea of small holdings has had a big hold on the minds of people throughout the world, its praises having been sung by both revolutionaries and conservatives. Ever since the French Revolution its praises have been sung by Jacobins and Jesuits, Nazis and Communists, radicals and reactionaries alike. The re-shaping of land on this basis after the first world war in Denmark (1919), Poland, Czechoslovakia, Rumania and Germany is well-known. At a later date the reactionary Nazis, and to-day the Communists in some countries, have upheld the idea.

Advantages Claimed in Europe for this System.

The popularity of a small holdings policy rests on certain advantages claimed for it, the following being the most important of all:

(1) It promises relief of unemployment.

(2) It increases productivity.

(3) It is conducive to social stability.

(4) It gives us a powerful slogan, "Land for the Masses."

(5) It increases population.[1]

One of the principal motives in the adoption of a small holdings policy has been that of creating employment and though this is of special importance in countries which are not industrially developed it has had great effect also in countries like Great Britain. Agriculture through small holdings is expected to create employment without the disadvantage of much competition, the small holding creating in itself both a home for the worker and a source by which he could feed himself and his family, thus relieving the State from the burden of having to import food.

The idea that peasant proprietorship leads to the highest productive developments in agriculture has been accepted by many. The example of Danish agriculture is sometimes cited to show this for whilst in 1861 about 88 per cent. of the cultivators were tenants by 1925 about 88 per cent. of the cultivators were occupancy owners. The fact that Denmark is the one country where the majority of land owners are opposed to private property in land is rarely if ever noticed. The advantages of greater productivity on small-sized farms, which are more manageable by a limited number of owners or cultivators as compared to relatively big farms which are not manageable with the same efficiency, are sometimes identified with the advantages of peasant proprietorship because small holdings and peasant proprietary holdings are erroneous ly supposed to be the same.

A large number of writers from Toynbee to Turnor have felt that as the increase in productivity raises the status of the worker, peasant holdings make for social stability and independence of mind. The Yeomen of England of old have been looked upon as the backbone of popular resistance to Stuart absolutism for they are regarded as having been fearless men who could look the whole world in the face with courage and with faith in God. Not all supporters of peasant proprietorship however, have connected social stability with independence of thought in this sense. It is also believed that the establishment of a peasant community creates social stability through the development of groups of people who are self-contained and who have a strong sense of property. Such people as these are supposed to be beyond the control of ordinary trade-unions and cannot be brought together for mass

1 As a rule small-holders are supposed to marry young and because of the importance of the wife and children as workers on a farm small-holders are supposed to have big families (which are considered desirable in certain countries).

action or for any communist or other revolt. This was the foundation of the German Nazi idea of peasant proprietorship working as an instrument of social stability.[2]

In all periods of turmoil and reorganisation the slogan "Land for the Masses" has never failed to create great enthusiasm and the political utility of this is tremendous. The idea of abolishing big landlords has a lesser appeal for untrained human nature than the idea that land will be distributed among the masses. Whether we take France of 1789 or China of 1947 we find the same thing. Much of the enthusiasm of the revolting masses springs from the promise that after they are freed from their feudal burdens land will be given to them. Many communist programmes of Agrarian Law aim at making land "the individual property of each person" to whom it is redistributed.[3] All communists in India likewise are by no means opposed to the redistribution of land on a similar basis.[4]

Arguments of the Indian Champions of Peasant Proprietorship

The advocates of peasant proprietorship in India are even more emphatic about its utility than the European writers like Warriner, Karl Brandt, or Dr. Spiegel whom they quote. The following are some of the important arguments put forth in favour of the system in India:

(1) It will give maximum employment to the labour available.

(2) It will bring about economic decentralisation and give an independent means of support to the majority of producers.

(3) It will preserve liberty and a democratic rural society and establish social stability and self-respect.

(4) It will give the greatest possible yield per acre, maintain maximum soil fertility, and also help to

2 Some supporters of peasant proprietorship who are not Nazis hold the view that there are certain men who cannot be disciplined easily in the mechanical requirements of factory life. They become anti-social leaders of other disgruntled men in the cities whereas when these men are allowed to settle on land without the necessity of obeying orders of others they develop into useful citizens. The discontented worker of the factory is thus supposed to become a contented boss of himself and his farm.

3 See article 6, Basic Programme of Agrarian Law of the Chinese Communist Party, Sept. 1947.

4 A reference is invited here to Comrade S. A. Dange's speech in the Bombay Assembly on the Bombay Fragmentation (Prevention) and Consolidation of Holdings Act.

intensify livestock production.

(5) It offers no hindrance to technical progress whilst it suits our social structure and satisfies the Indian peasant's love of land.

Advantages of Peasant Proprietorship are not for all Countries and at all Times.

The advantages claimed for peasant proprietorship have been mentioned at some length, and could have been discussed at even greater length if space permitted, because only a thorough analysis of these advantages can enable us to see why the idea of small holdings is popular and also how far it is likely to be useful when applied to India. **Some people seem to imagine that we can expect to enjoy the theoretical advantages of peasant proprietorship under all circumstances and at all times in all countries.. This is the fatal blunder which we have to avoid in India.**

Peasant proprietorship is very attractive indeed but what determines its workability and makes it suitable for a country is the presence of certain conditions favourable to its growth. These conditions are not always present in every country nor in any one given country can they continue to remain the same at all times. These conditions are not present in India and as we proceed we shall see why to accept peasant proprietorship to-day is to hug illusions and ignore the stark realities of the economic situation.

There is not enough Land in India for the Success of Peasant Proprietorship.

Almost the first question the supporters of peasant proprietorship should ask and answer is whether the area of land available for cultivation is sufficient to provide economic peasant holdings for all the cultivators to-day, and also whether this area of land will continue to be sufficient for our increasing population in the next 50 years? There is no magic in the phrase "small holdings policy" and such a policy would be ridiculous in the face of a rising man-land ratio where all our energies have to be devoted not in encouraging but in fighting the evils of small-holdings.

In a country like ours where land is limited whilst population is not, where fertility is more the characteristic of the population than of the land, where holdings are too small to be profitable or to remain profitable in the future a system of peasant proprietorship based on decentralisation would be just as ineffective as the use of cottage made rifles for defence against enemy bombers. The abolition of

Zamindari is the first barricade we have to storm in our advance towards prosperity but behind it and supporting it are other evils of which the most important are the growing pressure of population on the soil and the uneconomic cultivation of subdivided holdings. The abolition of Zamindari must not be followed by a substitute or a solution which does not take into account these fundamental evils for we can no longer afford to substitute Zamindar King Log by a Peasant Proprietary King Stork.

If we take the **whole** of India we find that we have some 1000 million acres of land of which the cultivated area is about 280 million acres. This gives us an average holding of between 4 to 5 acres only for each cultivator in addition to one acre kept as current fallow.[5] On a 'per capita' basis the area under cultivation, including fallow, would be no more than 0.85 of an acre which compares very unfavourably with the minimum of 1 acre to 2½ acres regarded by different authorities as absolutely indispensable for the nourishment of man.[6] Despite all our separations and divisions, and all our Provincial differences, our main task everywhere is to provide a programme of reconstruction for millions of men all over the country. If we take the old British India alone we have some 500,000 villages with a population of more than 300 millions scattered all over in the 243 districts of the old 11 Provinces, an average district having about 200 villages, each village having about 500 souls. It would be an under estimate rather an over-estimate to say that the number of cultivated holdings comes to over 60,000,000.

The Increase in Total Population.

We must consider the paucity of land in relation to the frightful rapidity with which our teeming millions have multiplied and are continuing to multiply. From 100 millions at the time of Akbar's death (1605) to 150 millions only by 1850, then a sudden increase to 208 millions by 1872, about 303 millions by 1911, and 389 millions by 1941.[7] Between 1800 and 1900 our population increased by about

5 (a) Sir Pheroze Khareghat: *Problems of Agriculture and Nutrition.* Indian Farming, Special Number, 1946.

(b) If we take the 1931 figure of 66½ million workers in agriculture consisting of all cultivating owners, tenants and rural labourers and consider total amount of land available for cultivation to be 362 million acres, the amount of land per worker will be 5½ acres.

6 The two limits are given by Professor Radhakamal Mukerjee and Professor East respectively.

7 The exclusion or inclusion of Burma causes a certain inconvenience in considering comparative statistics but this is not very important and the discrepancies can be overlooked.

150 millions in spite of 30 famines which killed off 32.4 millions. The rate of increase has varied ofcourse from 0.9 per cent. (1911-1921) to 15.1 per cent. (1931-1941). It is hardly any consolation to us to be told that our rate of increase between 1870 and 1930 (31 per cent.) was much less than the increase in the same period in England and Wales (77 per cent.) or Russia (115 per cent). U.S.A. (125 per cent.), and Japan (113 per cent.). Those who take this lightly should consider the facts a little more seriously.

In ten years we added to our population more human beings than the total population of Canada, Australia, New Zealand and the Union of South Africa put together, though we have got here only 22 per cent. of the total area of these countries. In this one country of ours we have more population than that of about 30 countries of Europe put together. It has taken some thousands of years for the populations of Britain and Wales, France, Greece, Belgium, Denmark and Finland to increase to their present level but in India more human beings than this total population of all these countries put together were born within 40 years. In fact during the decade 1931-1941 more than the total population of Canada and New Zealand put together were born **every year in India.**

The possibilities of increase in our population in the immediate future must not be overlooked. The National Planning Committee thinks that we shall be about 450 millions by 1951 and that to-day (1947) we are more than 420 millions. Professor Fisher has anticipated that we shall be 500 millions in 20 years and Professor A. V. Hill thinks that we will be over 650 millions by 1970. Some scientists like Dr. H. L. Richardson are of the opinion that we should consider the present rate of increase to be 6 millions a year and even if we take no more than the present rate of increase the population of India would be doubled in sixty years.[8] What shall we say of other estimates which, though more moderate than that of Professor Hill, tell us that we will be 600 millions by the end of this century, about 1300 millions in 2100 A.D., about 3000 millions in 2200 A.D. and after three centuries we will be nine times as many as to-day? It is of course not necessary to accept all these figures but we cannot escape from the logic of the position as it is today.

Provincial Figures of Man-Land Ratio.

Provincial figures of cultivable area and population pres-

8 *Science and Welfare of Mankind:* Proceedings of a Conference held in London in February 1946: Page 26.

sure are not more encouraging. If we take Bengal in about 1940, we find that for a cultivated area of 30 million acres there was an agricultural population of 34 millions. The 1931 Census showed that 6 million families (each of 5.2 persons) possessed only 28.9 million acres of cultivated land, formerly each family having had a bare 4.8 acres. The average cultivated area per family as calculated by the Floud Commission came to less than this. This can be compared with the size of economic holdings which was not supposed to be less than 5 acres in eastern and northern Bengal and not less than 8 to 10 acres in the rest of the Province.

Enquiries made by the Director of Land Records and Surveys showed that 41.9 per cent. of the agricultural families in Bengal had holdings of 2 acres or less. The figures given by the Floud Commission showed that more than 70 per cent. of the cultivators were in a desperate condition. According to Khan Bahadur S. M. Hosain, a member of the Commission, the average income of this large majority of cultivators could not be more than Rs. 10 to Rs. 14 per head per annum (pre-war price level). The Commission's conclusion was that "already the area of land available for cultivation is insufficient to provide economic holdings for all .... and the situation will become steadily worse if the population continues to increase at the present rate." The Census of 1941 has shown that the rate of increase has been more than this—about 20.3 per cent., which is greater even than the All-India figure. Within 50 years (1891 to 1941) the population has increased from 390 lakhs to 603 lakhs.[9] The pressure of this population on agriculture can be seen from the fact that the percentage of population dependent on agriculture has increased continuously from 53.83 per cent. in 1881, to 63.19 per cent. in 1891, 71.5 per cent. in 1901, 75.4 per cent. in 1911 and 77.3 per cent. in 1921.

The situation in other Provinces is not of course much better. The average size of a holding in the United Provinces was estimated to be about 6 acres in 1931 but the average condition of the agricultural classes there is even worse than in Bengal—a fact admitted by the Floud Commission. The United Provinces Banking Inquiry Committee itself reported that a large proportion of the holdings were only 2½ acres or less when the minimum economic holding could not be less than 4 to 5 crores. In several areas in the East and the North the holdings are small beyond imagination. In certain parts

9 Census of India, 1941: Vol. I, part I, page 62.

of Gorakhpur the average holding at the time of the last Settlement was only 1.3 acres, in parganas like Hata the average was only 0.9 of an acre and in Salimpur 0.6 of an acre.[10] A village survey of district Hadoi showed that one-third of the cultivators had holdings of only 3 bighas whereas in a village in district Gorakhpur the average holding was only 0.29 of an acre the average cultivated area per individual being only 0.27 of an acre. In Bihar and Orissa taken together (excluding the old Chota Nagpur) the average holding is even less than in U. P. and in fact the pressure of population in relation to land was felt even as early as 1901.

There is very little difference between Zamindari and Rayatwari areas so far as this paucity of land is concerned. In Madras, 74 per cent. of the Ryotwari holdings have an average size of not more than 2.4 acres, whilst if we put 94 per cent. of the ryotwari holders together their average mean holding is no more than 3 acres in size. If we include all the estates of all the ryotwari owners, big as well as the small, we find from the Settlement Reports that the average size of land (per patta) has been reduced from 6.85 acres in 1900 to 4.13 acres in 1940-41. The net cultivated area per head of the population was only 0.76 of an acre in 1943-44. The Madras Government has admitted that "a substantial number of holdings in the Province are uneconomic and their produce is not enough to maintain the ryots' family and the minimum livestock required for cultivation purposes."[11] The total population has increased during the last 50 years from 337 lakhs to 493 lakhs (46 per cent.). To-day while the population is increasing by one million every year the number of holdings is increasing by about one lakh every year.

The Province of Bombay is supposed to have holdings of a bigger size than most other Provinces, but on the other hand the yield per acre of net area sown is the lowest in India —about 0.19 of a ton per acre. Besides this though the average ryotwari holding is about 11 acres, nearly 50 per cent. of the holdings are below 5 acres in size, while as many as 78.5 per cent. of the holdings are below 15 acres. The number of holdings increased from about 12 lakhs and 72 thousand in 1904-05 to over 23 lakhs in 1942-43.

The situation revealed by village surveys is far from satisfactory. Non-official investigations have shown that there are villages in the Bombay Deccan where there has been no

10 *"India Analysed"*: Vol. III, page 179.

11 Madras Government Monograph on *Rural Problems in Madras* (By S. Y. Krishnamurti, I. C. S.) page 67.

increase in the area cultivated during the last 100 years and yet the agricultural produce of the village has to support 700 or more inhabitants compared to about 250 people in 1832.[12] Official investigations made more thoroughly have shown a more gloomy picture than this. Dr. Mann's conclusions are known to everybody. If he found more than 30 years ago that 81 per cent. of the holdings were uneconomic (Village: Pimpla Soudagar) the proportion of such holdings to-day can be imagined.

The results of an investigation made by the Professor of Agricultural Economics, College of Agriculture, Poona, in one of the most prosperous of the agricultural regions of India —Charotar, in Kaira District, Bombay—showed that the size of the net cultivated holding for the tract was only 6 acres and 36 gunthas. Charotar is known for its intensive farming and Mollison regarded it as one of the most fertile of all agricultural areas in the whole of India, yet the holdings of the farmers whose conditions were examined were so small that they could provide employment only for 57.9 per cent. of the available time of the male workers and 32.4 per cent. of the available time of bullock labour.

World's Highest Rural Density Records.

A study of population density shows the seriousness of the problem equally well. It is true that density may have very little meaning when we consider industrial countries. Where there are great facilities in transporting food a density figure loses much of its significance, as in the case of London City or England as a whole a few years ago. But in India density is an important consideration. If we ignore a couple of very extreme cases like that of the Nile Valley with a density of over 11,000 persons to every square mile, it can be said that we have in India a rural density which is unknown in most other parts of the world. In some parts of this country we have reached the world's highest conceivable density records of this type.

For several decades on end we have had in the rural regions of Bengal, Bihar, etc., a density of 1,300 persons per square mile which even more than 20 years ago was regarded as four times the rural density that could be supported in Western Europe. It is held that agriculture in Europe cannot support more than 250 persons per square mile.[13] In several

12 See Professor Kale's investigations at Kondhanpur: *Indian Economic Journal:* October 1932: page 127.

13 Writers as far apart as Prof. Brij Narain, Sir Edward Blunt and Dr. Radhakamal Mukerjee have all seemed to have agreed on this.

parts of Bengal itself, such as the south-western part of Dacca, the adjoining strip of Mymensingh, central portions of Faridpore and Bankurgunj, etc. we have had a population density ranging from 1,000 to 3,275 per square mile which is practically the world's highest record. In parts of Bihar (like Saran sub-division) a density varying from 985 to 1077 per square mile was reached more than 56 years ago.

We have here areas of great fertility like the Indo-Gangetic plain. The necessities of life of our people are also much less than in Europe. Both these factors make it possible to support more than 250 people per square mile. But there is a limit to this and the present density leaves no doubt as to the fact that we are living on a more unbalanced diet than any other European people. A density like ours can only be attained at the sacrifice of proteins for carbohydrates and a more or less complete absence of fruits or milk. This is the inevitable result of a dietary forced on the people by paucity of land.

The land situation in relation to the density in the Ganges Valley—covering large portions of the United Provinces, Bihar and Bengal is serious indeed. In some areas there has been serious soil erosion, agricultural decadence, and denudation of forests.[14] We have extensive double-cropping in some of these regions but those who have studied this closely look upon it as a sign of improvident husbandry and subsistence farming.[15] The encroachment on land necessary for fodder crops and pasture and the denudation of forests are tragic facts. Expert opinion tells us that the area under forest should be 20 per cent. of the total area of a Province but except in C.P. and Berar the area is much below this. In the United Provinces the forest area is only 5 per cent. of the total. In Sind, N.W.F. Province and the Punjab it is even below 4 per cent. For India as a whole we require on this basis about 102 million acres of forest but actually we have only 68.1 million acres. We thus require millions of acres of land for **re-afforestation** alone.

The land per capita of population, as compared to other countries, reveals the paucity of land here. We have less than one acre per capita as compared to 6 1/3 acres in Argentina, 4 2/3 acres in Canada and 3 1/3 acres in the United States of America. There are countries like Germany which have the same area per capita as we have and there

14 See, Birendranath Ganguli: *Trends of Agriculture and Population in the Ganges Valley.*

15 Ibid, Introduction, page XIII.

are also countries like Japan where the area per capita is supposed to be even less than ours, but these countries are highly industrialised and also have much more intensive and scientific farming than we have. In many parts of our overpopulated country the land per capita is only half or less than half an acre. In Dacca for example we have only 14.4 lakh acres of cultivated land for a population of over 42 lakhs which means that the area available per head is only 0.34 acres. In Faridpore district there is not even a single acre of forest or cultivable waste left to-day and the acreage per head is reported to be only half an acre. The same story is repeated in several parts of other Provinces.

A comparison of our density with that of the most overpopulated regions of Europe is equally significant. Density figures of Europe's 42 most overpopulated and poor rural regions given by the League of Nations show that only in one case (Ardino—Stara Zagora) was the density as high as 483 per square kilometer (or about 1236 per square mile) whilst in the majority of cases (22 districts out of 42) the density was less than 100 per square kilometer (very roughly about 256 per square mile).[16] It is true that cultural and natural conditions differ from country to country and international comparisons are not likely to be very useful but we do not want here any great precision and the wide differences between the density here and in overpopulated Europe ought to be significant.

Are Zamindari Estates Large Enough for Proper Re-distribution of Land ?

The above study of our man-land ratio and our fast increasing population and high density ought to show that it is fallacious to presume that there is enough land for the success of peasant proprietorship. This fallacious presumption however has received support largely on the understanding that the present Zamindari and other big estates are large enough to permit a proper re-distribution of land after we abolish all the big estates. Besides this there is also a general belief that we can increase the area of cultivable land as well as the productivity per acre on the basis of a system of peasant proprietorship.

It would have been a good thing of course if the amount of land in the possession of the big landowners had been so extensive as to permit us to increase the average size of a

16 *Population and Agriculture with Special Reference to Agricultural Overpopulation:* League of Nations: page 49.

peasant farm upto the level of a reasonably sized economic holding based on a proper conception of the standard of living of our masses in the future. But the actual facts do not warrant such a presumption. We cannot deny that the present distribution of land in Zamindari areas is very bad. But though land is very badly distributed and in certain areas a very large percentage of the total land is in the form of big estates—as can be seen from the size of individual **jagirs** and **Zamindaris** referred to in a previous chapter—the **total** land available is much less than necessary for a proper redistribution in the form of prosperous individualistic peasant farms.

It is true that apart from the big Zamindari estates, land has been very badly distributed also in the raiyatwari areas. The bad distribution of land in ryotwari areas leads us however to the same conclusion as in Zamindari areas—that bad distribution cannot and does not in itself mean that there is enough land to distribute among all. After all the limit is set by the **total** amount of cultivated and cultivable land available. The idea that we can increase the area of cultivable land by bringing into cultivation all our waste lands on a peasant proprietary basis is even more fallacious than the idea of re-distributing our present-day big estates. We shall discuss this more fully later when we shall see how impossible it is to bring more waste culturable land under cultivation under the present system. We may however note here that even in exceptional cases such as in those of the two districts of Malabar and South Kanara in Madras, where extensive new areas were brought under cultivation under the present system the heavy pressure of population could not be relieved by the extension of cultivation and there has been no improvement of any kind whatsoever.[17]

The Advantages of Small Holdings have no Meaning for us in India.

The supporters of peasant proprietorship in India wax eloquent about the theoretical advantages of family farming or small holdings. In actual fact the question of the paucity of land in relation to our population makes this talk of the advantages of family farming quite meaningless. Phrases like "small holdings", "peasant ownership", etc. are very misleading when applied to India without a due consideration of the paucity of land. We forget that the small holdings of India are not and cannot be the same as the small-holdings

17 The cultivated area in the West Coast of Madras was increased from 1,358,000 acres in 1902 to 2,099,723 acres in 1942.

referred to by European writers when they speak of their advantages.

The word "peasant" itself is not a very exact term and a peasant farm in Europe does not mean a very small farm. No doubt a "peasant farm" or a "family farm" may vary in size, depending on climatic and economic factors, but this does not mean that it can be of any size howsoever small. Our supporters of peasant proprietorship make the same mistake as has been made by some continental agronomists regarding the minimum size of small farms. Our writers do not hesitate to quote authorities like Warriner in support of small holdings but they do not seem, to have read Warriner and others carefully. Warriner and P. Lamartine Yates have made it clear that the continental idea that a peasant farm can be good under all conditions, whatever its size, is "an ingrained illusion." We seem to love such illusions.

It seems a "peasant family farm" can be of any size upto 300-400 acres, though the most successful of such farms are not always as big as this. The most successful of peasant farms doing dairy business are much smaller than this but not smaller than 50 acres. They are supposed to vary from 50 to 150 acres in Holland and Denmark. Likewise it is necessary for us to know when a small farm necessarily ceases to be really small. P. L. Yates and Warriner feel that no family farm should be below 10 acres, though even 10 acres according to these writers are not enough to keep the family fully occupied.

The average size of a normal peasant farm even in Eastern Europe is not below 12 acres and it seems any size smaller than this would be regarded as absolutely undesirable even in this poor and overpopulated portion of Europe. If we take the "small holdings" of U.S.A. or England the size ofcourse is considerably bigger and these small farms would be the equivalent of very big or large farms here. In classifying farm sizes in general writers like Warriner describe only those farms as "large farms" which are over 50 hectares or 120 acres in size.

Dwarf Holdings must not be Mistaken for Small Farms.

Those who speak of the advantages of peasant farming generally refer to farms well over 12 acres in size, in fact to farms which are by no means "small farms" in our traditional Indian sense.[18] When we compare the size of these prosperous

18 A few years ago, the size of an average holding in Italy was 15 acres, in France 29 acres, in England 65 acres, in Germany 21.75 acres, in Denmark 38.75 acres and in U.S.A. 392 acres.

European farms with the size of average peasant farms here we find that our "small holdings" are really no better than the "dwarf farms" of Europe (under 2 hectares or 5 acres). The advantages of small farms are not the same as the advantages of "dwarf farms" for the latter have no advantages. All great writers have been quite emphatic in asserting that dwarf farms are the weak point in a peasant economy, unless ofcourse they are in the possession of industrial or other workers who cultivate them as a subsidiary occupation.

The Small and Dwarf Farms of Europe.

There are ofcourse a large number of "dwarf farms" in Europe but everywhere their existence is looked upon as a tragedy. Holdings under one hectare are not even included in national statistics in some of the countries and it is difficult to find the number of holdings from 2½ acres to 12 acres in any classified form.[19] However we have consolidated figures showing the percentage of holdings in the group 1-5 hectares. It seems that Greece, Spain, Roumania, and Yugoslavia have the largest number of holdings below 12 acres. But holdings upto 12 acres can be far better than anything we know of here in India.

Southern Poland (formerly Galicia), Yugoslavia, and Bulgaria are probably the poorest among the rural overpopulated regions of Europe but no one sings the unrealistic song of the advantages of small farming there. Yields per acre have been decreasing in Galicia and huge areas have been denuded of the very soil in Yugoslavia where children suffer from rickets and "almost every family has its cripple."[20] Bulgaria is more dependent on agriculture than any other European country and reminds us of India for its implements are primitive, capital is scarce and there is little manuring of land due to burning of dung as fuel.

Dwarf Farms can be Harbingers of Communism.

Western Europe is ofcourse happier than Eastern Europe and the praise of small family farming is supposed to emanate from there more than from overpopulated Eastern Europe. And yet there are parts of Western Europe also where small farming would have been a definite cause of ruin and poverty but for the saving factors of high intensive farming and industrialisation. Switzerland, Germany, Belgium, France, the

19 According to the *First World Agricultural Census* (p. 214-215) about 35.5 per cent. of the holdings in Italy are supposed to be under 1 hectare but they cover only 2.5 per cent. of the total agricultural area.

20 Yates and Warriner; *Food and Farming in Post-War Europe:* page 48.

Netherlands, etc. may be happier than Poland or Bulgaria but this is by no means due to small farming by itself.

In Switzerland holdings are very small, as small as in South-East Poland but here and also in Germany and in Czechoslovakia the peasants are side by side employed in industrial work. Swiss cottage industry is well-known of course. The existence of dwarf farms thus does not mean poverty and starvation in countries like these because these farms are in possession of industrial or other workers. In Germany about 27.4 per cent of the farms are only about **5 acres** each, as in India,' but most of them are located in highly industrialised parts of the country and the farmers work in the factories also. These farms of 5 acres each are not supposed to be self-sustaining and are only a means of improving the diet of industrial and other wage-earners.[21]

In some countries such as Norway the small size of holdings is compensated by the rights of pasturage or timber which help considerably. In most other cases in the past there has also been a partial escape through emigration. Where there are no compensating factors of these types or where these factors are inadequate there is unrelieved poverty and one can perceive a definite drift towards communism as in Poland or Bulgaria or Yugoslavia to-day.

A study of the European countries having dwarf farms has convinced advocates of small farming like Karl Brandt himself that if our ideal is to get the best return from land the size of the holdings must be capable of utilising to the full the available man power. If we ignore this we will only be planning the pauperization of our masses which will soon develop into political chaos and end in communism. The view of men, who are normally opposed to any kind of joint cultivation, that peasant proprietorship will help us to utilise our man-power more fully than other alternatives is tragically fallacious as we shall see as we proceed further.

The Causes of the Success and Failure of Peasant Farming Abroad.

Any impartial study of peasant farming abroad ought to open our eyes to the realities facing us before it is too late. If peasant farming has succeeded in certain countries it has also failed in many others. The success of peasant farming in certain parts of the world has been due to a combination of economic, technical and marketing conditions which cannot exist here under peasant proprietorship. The extensive use

21 See, Henry W. Spiegel: *Land Tenure Policies:* page 111.

of mixed farming, the presence of conditions which could encourage both milk and meat production, the possibilities of animal husbandry and of investment of extra crop production in extra livestock, and, above all, factors like sufficient land and rainfall and absence of a high agricultural density seem to have been the principal factors responsible for the success of this system.

It will be noticed that peasant farming has failed to succeed in most countries like Rumania, Yugoslavia etc., where the holdings have proved to be too small due to high agricultural density in particular. The creation of small peasant units in grain-growing areas in some of these countries was a definite mistake and some authorities on peasant proprietorship have admitted that large-scale methods would have proved of greater benefit than the land reform which created such peasant farms in these countries.

When we talk of small farming we must not ignore the importance of animal husbandry which is its very foundation. But not all countries have the requisite conditions suitable for livestock farming. As in the case of cereal production so in the case of animal farming we must have enough land, apart from other things like adequate capital, proper irrigation etc.

Can we in our complacency forget that animal husbandry is as essential to our small farming as elsewhere but to make it successful our small cultivators must be rich enough and lucky enough to have plenty of capital, irrigation facilities, and a reasonably heavy effective demand for livestock products including milk, meat, etc.? Unless cattle can be used for more milk as well as meat production there is a tendency towards the development of an excessive number of working animals on the small peasant farm. This system of farming also requires in all areas adequate rainfall considered in relation to animal husbandry and mixed farming.

Warriner tells us that it was the inadequacy of rainfall that made peasant farming in Russia less successful than in Germany.[22] The inadequacy of rain-fall in many parts of Bombay, N.W.F.P., Sind, Rajputana, Western India States etc. cannot be lightly brushed aside by saying that where rainfall is inadequate we can have artificial irrigation. The latter

22 It would thus appear that the influence of Hitler in Germany or of Stalin in Russia was less decisive than the annual rain fall (of 30 inches in Germany and only 15 inches in South Russia) in the evolution of family farming in Germany and Collective farming in Russia: See, Doreen Warriner: *Economics of Peasant Farming.*

would be like the advice to eat cakes given to people who have not even bread to eat.

Peasant farming cannot succeed anywhere where there is not enough land to distribute but this is most obviously true in predominantly cereal farming areas where rainfall is inadequate. In such areas it would be almost suicidal to ignore the importance of large-scale production on the basis of co-operative and even collective farming. It is important to note that some such solution as the use of machinery and large-scale production is regarded by more than one writer on peasant farming as the only practical solution in such areas. Because of this we find that the idea of collective cultivation has received good support in the Balkans. This is very understandable.

The Tendency to Ignore the Question of Uneconomic Holdings.

It is time for us to understand that it is impossible, even for the short period of the next 50 years, to establish any system of peasant proprietorship on the basis of proper economic holdings. We can, if we want, make the same mistake as that made by the land reformers in countries like Rumania and Yugoslavia but a starving peasantry based on a small-scale peasant system will give us neither political stability nor economic prosperity.

Most of those who prefer the **status quo** that is, do not like the idea of changing the present system or at least do not wish to go beyond the ryotwari tenure in general, have tended in the past to ignore the question of uneconomic holdings. There have been of course important references to the evil of subdivision of land in Reports and letters written in the last century by officials such as Sir Charles Elliott and Sir Edward Buck, Mr. J. G. Lumsden, Rao Bahadur G. V. Joshi and others and in recent times the Agricultural Commission as well as several experts like Mr. Keatinge and Dr. Mann have also drawn our attention to this evil, but on the whole there has been a strong tendency to ignore the evil as if it was not vitally important. The Provincial Governments before August 1947 did not care to collect statistics regarding the different sizes of holdings cultivated and not many noticed this or even protested about it. As late as in 1944 the Government of India issued its **Second Report on Reconstruction Planning** and though this was a critical period in the history of our food production there was no reference to uneconomic holdings.

The Supporters of Ryotwari Tenure and Peasant Proprietorship have no Final Solution for Uneconomic Holdings.

The silence about uneconomic holdings is now of course a thing of the past but still we find that there is (a) a very inadequate appreciation of the need for scientific agriculture and of the capital investment required to make agriculture profitable and (b) the absence of a clear-cut solution for the evil of uneconomic holdings, the seriousness of which has not been fully grasped.

If any proof were needed of the inadequate appreciation of the capital investment required for our agricultural development it is furnished by the Tata Plan itself. It made a provision of only Rs. 250 crores for the working capital which it thought was necessary for introducing improved methods of farming all over India. As this sum was to be spread over 15 years it meant an annual provision of less than two and a half rupees per cultivated holding or about half a rupee per head per year of the village population.

The inability of the supporters of ryotwari to give a proper solution for uneconomic holdings is a very serious matter. The Bengal Land Revenue Commission looked upon the pressure of population as the ultimate cause of Bengal's economic troubles but it had nothing to suggest as a solution for it. It avoided facing the logic of the situation by saying "it is the most difficult problem which we have to face but it is virtually impossible under present conditions to suggest any remedy for it."

It is interesting to see that the Government of India, before the recent transfer of power, had also shirked the issue. In one of its war publications entitled *400 Millions to be Fed*, it was mentioned that our population had increased greatly but when the discussion came to the question of the stabilising of an adequate ratio of the cultivated area by the total population, the only conclusion given was "That is a problem that has to be solved".[23] As we shall see below, many people to-day want the control of sub-division of land by legal methods but even these men have to add in conclusion an honest note of pessimism and they can by no means be regarded as sure of their remedy.

Peasant Proprietorship Encourages Sub-Division of Land.

The honest supporters of peasant farming who admit that it is difficult to find a final remedy for the uneconomic

23 *400 Millions to be Fed*, 1945, page 11.

size of farm business should go a step further if they want to know where the difficulty lies. We have still to learn the truth that if subdivision of land is an evil the ryotwari tenure of land is also an evil for this land tenure actually encourages the processes of sub-division. It was the break-up of our village communities and the making of individual ryots responsible for the payment of their quota of land revenue which considerably encouraged the sub-division of land. Likewise the settlement of individual cultivators on the same basis as this on small plots of land, whether as a method of helping demobilised soldiers or otherwise, has not helped to check the evil.

How can anybody escape the fact that the trouble about the subdivision of land seems to be even more rampant in ryotwari tracts than in the non-ryotwari areas? Legislative action to stop this evil was found to be first necessary in the ryotwari areas. The history of small peasant farming in Europe also shows that the subdivision of land among the children in each generation is the principal evil of this system and the principle obstacle to progress. With it of course there is also the other evil of fragmentation, a curse which is no less serious in Europe than in India. The evil of fragmentation has been described as "the biggest curse afflicting European farming to-day."

Why Consolidation of Holdings is no Real Solution.

Many people are under the impression that we can have peasant proprietorship and avoid the evil of sub-division and fragmentation by adopting the remedy of Consolidation of holdings for fragmentation and the principle of Primogeniture for subdivision of land. Some people seem to have taken to the idea of Consolidation of holdings with almost blind faith and are not even aware of the fact that subdivision of land and fragmentation of land are two different evils requiring two different remedies.

We have been trying to bring about consolidation of holdings for the last many years. There is no reason why we should not realise that not only have the attempts at consolidation been a failure but there is very little possibility of consolidation being an effective solution for uneconomic holdings. We can consolidate, even under the most favourable circumstances, only our present fragmented holdings but if these holdings are too small they will continue to remain uneconomic even when they are consolidated. Where existing holdings are very small they can be unprofitable or uneconomic even if we have no evil of fragmentation at all.

The second main shortcoming of consolidation is that it is a solution at the best only for the problem of fragmentation but not for the more serious evil of sub-division of land. For this reason it has not succeeded much even in Europe under more favourable circumstances than our own. For example, after the last war the French Government succeeded in consolidating all the strips of fragmented farms in North-East France, but within 20 years all this work was undone by the evil of inheritance subdivision of land. The results of consolidation in other countries under other conditions such as in Switzerland or Germany, or the Netherlands, have not been more encouraging either.

The creation of "pocket handkerchief strips of land" is a tragedy and a curse everywhere but the evil of sub-division of land is even more serious than fragmentation. Even if we cannot think of anything better than the present system, which is by the way a completely untenable view, we have at least to create economic holdings out of the small holdings of to-day and also to preserve those holdings which are large enough to be called economic and prevent them from being sub-divided. It is easier however to prevent further subdivision than to create new economic holdings.

The adoption of the principle of Primogeniture and measures usually connected with this reform can help us only to prevent further sub-division. Even this simple and one-sided reform however has not been readily accepted and will be difficult to put into practice under the conditions created by our present system. Normally, it is presumed that if land is inherited only by the eldest child the other children should be paid some compensation by the inheritor. The problem of finding this money is regarded as insurmountable by some.[24] Others, in sheer desperation, have proposed that there should be no compensation except the obligation on the part of the inheritor to maintain the excluded minor heirs, if any, till they attain majority. There are other more serious difficulties to be faced besides that of compensation such as the question of the employment of the dispossessed heirs and that of a possible fall in land prices.

Those who have faith in peasant proprietorship and expect reforms like consolidation of holdings to bring about a prosperous agriculture in this country are doomed to dis-

24 See, (a) A. N. Agarwalla and S. N. Agarwalla: *Economic and Commercial Essays:* page 7; (b) S. S. More: *Fragmentation and Consolidation*: page 32-33.

appointment. We cannot stop the uneconomic cultivation of our small farms and we cannot create new economic holdings so long as we do not decide to introduce far reaching changes in our land tenure system and in our farm organisation itself. Joint cultivation of our small farms on a far-reaching co-operative and collective basis is our only solution.

Those who do not want to give up their illusion about individualistic peasant farming may do well to notice that those who believe in consolidation and similar remedies are not sure of the results. Land revenue experts like Mr. Fawcus, late Commissioner of Dacca Division, and Mr. F. W. R. Robertson, who was also a Commissioner (and later became Chairman of the Federal Public Services Commission), have openly stated in their evidence before the Floud Commission that they cannot regard consolidation of holdings as a practical method for checking subdivision and fragmentation. The stoutest supporters of peasant proprietorship who have accepted consolidation of holdings as necessary have added at the end of all their lengthy support of these remedies that "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."[25]

The Supporters of Peasant Proprietorship are not very logical.

One would expect that those supporters of the peasant system who are honest enough to say that they have not enough confidence in the possibilities of finding a final remedy for the uneconomic size of farm business would gladly support **joint** cultivation of holdings on a co-operative or collective basis. But surprisingly enough some of these honest men are the most opposed to any such joint farming operations. They are, we are told, moved by the ideological consideration of liberty, democracy, etc., but this attitude is not very logical.

The principal reason put forth by several supporters of peasant farming and ryotwari tenure for their opposition to any kind of joint farming or anything resembling the Russian system of collectivised agriculture is their abhorrence of force or compulsion. But not all of these opponents of force are quite logical. A very prominent young leader recently denounced in an Economic Conference, the Russian system on the ground that the use of force was bad. But when it was

25 Charan Singh: *Abolition of Zamindari*: page 244.

pointed out to him that voluntary consolidation will not succeed he agreed that force may have to be used even under peasant proprietorship. His attitude did not show that he felt (a) that if the use of force was bad for purposes of collectivisation it must also be bad for purposes of consolidation of holdings, or (b) that on the other hand, if force was inevitable it was definitely mischievous to start terrifying people from now by drawing horrible pictures of the use of force in other countries.

It is true that several eminent writers are still in favour of voluntary consolidation and even as late as to-day have expressed a desire to win over the countryside by "persuasive demonstration of practical advantages." Compulsory consolidation is looked down upon by these men since "acts of ejectment and forcible expropriation" involve, in their opinion, a violation of "the very fundamental aspects of the institution of private property." This is certainly more logical than believing that if force is bad for collectivisation it is not bad for consolidation but when we examine the view of these peace-makers on earth we find that they too in their own way seem to believe in force after all. They begin by suggesting voluntary co-operation and end by suggesting a combination of compulsory and co-operative consolidation. Their logic teaches them that if "a section of cultivators agree to consolidation, compulsion may be used against the rest".

It is also worth noticing that one or two writers who hate compulsory consolidation on the ground that it involves ejectment and forcible expropriation which violate private property do not hesitate to recommend compulsory exclusion, without any compensation, of all except one heir to the succession of land. This latter suggestion is justified on the ground that individual interest must yield before national interest and that such deprivation involves no question of justice or injustice. These writers do not see that if national interest requires the exclusion of all individuals from private possession of land such a thing should also be welcomed rather than opposed on the ground of sanctity of private property. To place private property interests above the national interest and then talk of national interest being above private individuals in comparatively insignificant matters is unreasonable.

Equally illogical is the attitude of those who suggest ryotwari and peasant proprietorship as a good substitute for Zamindari and admit at the same time that the economic evils of ryotwari tenure are even worse than the economic results of Zamindari. This is more or less the attitude of the Floud Commission itself. While it recommended

Ryotwari as a solution it also admitted that in predominantly ryotwari areas the economic situation was actually worse than in Bengal. Referring to ryotwari Madras, for example, the Floud Commission showed that in every way conditions were much worse there than in Zamindari Bengal—the number of labourers was more, the poverty of the sub-tenants was greater, rents were higher, the amount of debt per head of the population was more, the average area per farming family in relation to the yield of crops was less. Even for the Punjab it admitted that the peasant proprietors there were exploiting the tenants and the condition of the tenants there was worse than that of Bargadars in Bengal.

Peasant Proprietorship is no Solution for Fighting the Evils of Landlordism.

Just as the peasant system in itself cannot solve the problem of uneconomic holdings due to the pressure of our teeming millions on the soil it cannot also solve the problem of the other principal evils associated with landlordism such as sub-letting, rack-renting, parastism and bad distribution of land. If we start with things as they are to-day we notice that since landlordism is found everywhere in India, the parasitic rent-receiver and the exploited tenant cultivator are also found everywhere—like pain in a diseased body. In all ryotwari areas the exploitation of the real cultivator is a normal feature of our agricultural life and this exploitation is not less serious than the evils in Zamindari areas just because the landlord goes by the glorified name of a peasant proprietor.

One has only to look at the extensive process of subletting of land, the increase in the number of rent-receivers, and the large areas of land which have lapsed into the hands of money-lenders in all ryotwari tracts to realise that these evils cannot be stopped by the adoption of "peasant proprietorship" as a solution. In India as a whole 70 per cent. of the total area is cultivated by non-owners whereas in Bombay Province as a whole 60% of the area is under non-cultivating owners. According to Pearson at least half the land in Western India is now leased by landlords who do nothing for the tenants.[26] It is also to be noted that at least one-third of the holdings in the ryotwari areas are sub-let to-day.

In the Punjab the landlord goes under the glorified name of a peasant proprietor but the number of persons living on rent increased from 626,000 in 1911 to 1,008,000 in

26 *Growth and Distribution of Population*: page 92.

1921. This evil has not been checked to-day nor can we expect such a miracle. To-day in the Punjab as a whole about 52% of the soil is cultivated by crop-sharing tenants-at-will. It is reported that there are districts where the percentage of the total area cultivated by such tenants-at-will is unbelievably high. In Multan it comes to 74.1% and in Montgomery about 62.9%. The tenants-at-will have not even the ordinary legal protection given to other tenants in Zamindari tracts like Bengal.

Law Cannot Prevent the Evils of Rural Landlordism if it Continues to Protect Private Property in Land.

The supporters of peasant proprietorship presume that they can prevent by law most of the evils of landlordism mentioned above. This presumption ignores the fundamental fact that if these evils are the **natural results** of monopoly of land where the demand for land is considerably more than its supply, to protect that monopoly by law and prohibit its misuse is not possible. The misuse of economic power by a small group of privileged people cannot be prevented. We might as well give rifles to a small group of men tempted to be irresponsible and then prohibit them from using them.

It is easy to conceive of legal remedies such as primogeniture, compulsory cultivation of land by its owners, etc. but the fact is that whilst such legal prohibitions will have to be supplemented by a whole host of other legal bans and will ultimately have to be as revolutionary as the abolition of private ownership of agricultural land itself, they will fail in their purpose so long as the source of the evil continues to be protected by law. **If we permit the private ownership of land to continue it will be totally impossible to prevent sub-letting of land for example.** To ignore this is to ignore reality. After a certain limit is reached it is more profitable to sub-let the land and rack-rent the tenant than to cultivate land as its owner. At this stage no law can prevent the real evil. Legal evasions of any law against any kind of tenancy and sub-letting or against the taking of rent in any form whatsoever are easy and manifold.

Hidden Forms of Tenancy

Hidden forms of tenancy can easily be visualised. The tenant may appear as a nominal partner of some kind. If all kinds of partnerships and ordinary tenancy are prohibited the tenant may appear as a mortgagee and the owner may enjoy very high rents first in the form of high land values and then in the form of interest obtained through a bank deposit or other investments. If there is a legal ban on

this too and on any kind of transfer of land the tenant may appear in the form of an employee (permanent or temporary) on the farm. If even the employment of hired labour on a farm is then declared illegal, the tenant may appear as a member of the family—he may be a relative of some kind who can be regarded as a member of the family though in economic relationship he is a tenant. It is well nigh impossible to put a stop to this unless of course we produce a Dictator who has the temerity to ban the joint-family as an institution,

It is not necessary to visualise such developments however since the banning of the use of any kind of extra or hired labour itself will lead to a breakdown in agricultural productivity. Outside help of some kind is indispensable for operations like harvesting, weeding, transplanting, etc. and a legal ban on hired labour may make even the cultivation of proper economic holdings an impossibility.[27] There is also the other fact that a large number of our landowners, whether they be the Jotedar in Bengal or the Brahmin in Madras or even the Lingayat in Bombay, have given up the plough. The Brahmins as a class, the large number of middle-class people who own land in Bengal etc., do not cultivate land without hired labour. Besides there are the widows, minors, invalids, charitable and religious institutions, who own land but cannot cultivate it themselves.

Attitude of Willing to Wound But Afraid to Kill the Evil of Non-Cultivating owners.

Apart from the important fact that the legal prohibitions referred to above will fail in their purpose we have the other significant fact that the legal bans contemplated are not acceptable to **all** champions of peasant proprietorship. We have permitted the growth of such a large class of non-cultivating owners that many supporters of ryotwari now even shrink from the logic of the necessity of fighting the evil of non-cultivating landlordism. Writers like Dr. Narayanswamy Naidu have been frank enough to admit that their support of ryotwari does not imply any immediate abolition of even absentee landlordism. It is admitted of course that the non-cultivating landholders form a high percentage of the agriculturists and, it is also admitted that only a "socialistic state" can make possible the complete abolition of the present evil, but instead of fighting the evil these writers come to the conclusion that to-day we can do nothing better than just try to wean

27 In many areas a family consisting of a farmer, his wife and children would find it impossible to cultivate any holding above 4 to 5 acres.

these landowners from their uneconomic ways of cultivation and make absenteeism as unattractive as possible.

The Support of Peasant Farming is More Sentimental Than Scientific.

Any impartial study of the reasons given **in favour of establishing a system of peasant proprietorship** will show that the supporters of the system are more sentimental than scientific on this question. We may analyse some of the so-called scientific reasons usually put forth in support of this system to see why they become just ordinary sentimental half-truths.

Peasant Proprietorship as the Salvation of Rural Labour.

We are told that "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." It is also added that, "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."[28]

Statements like the above are quite scientific and unexceptionable when considered in the abstract as general principles. But when they are put forth as principles applicable to India at all times and under all conditions of the type prevalent to-day they cease to be scientific and become mere sentimental half-truths. A great deal of truth is usually mixed up with a great many dangerous generalisations in statements like these.

The author of the above quotations is convinced that "production diminishes in the proportion in which the size of the agricultural undertaking increases." To say this, and also to express the idea that we can give maximum employment by not using machines and not having large farms, may appear to be quite scientific but these are general principles which ignore completely several fundamental truths regarding productivity, employment, and size of farms. It is certainly true that production does not go on increasing in proportion as the size of the farm increases. But where we have dwarf farms as in India production will certainly increase in proportion as the size of the farm increases. Similarly maximum employment is not always secured by means which restrict output per acre or by perpetuation of small farms.

28 Charan Singh: *Abolition of Zamindari:* pages 136-137.

It is true that peasants like to stick to old methods of production rather than use machinery because of their fear of unemployment. But we have to balance the fear of unemployment with the necessities of more production. The questions of mechanisation in relation to productivity and the low productivity of our peasant farms will be taken up in the next chapter. It is necessary to realise here that where there is an ample labour supply and very small holdings we have a considerable amount of **hidden unemployment** and we cannot complacently talk about giving maximum employment to all under a system of peasant proprietorship. Such a dream as this of giving maximum employment to all in our small peasant economy will end in nothing except low production and stark poverty for all.

It is utterly fallacious to support peasant proprietorship because of the fear of overpopulation and unemployment. **Peasant proprietorship is supposed to increase population rather than decrease it**; and as to agricultural unemployment we are already so overpopulated that even without the use of machinery or large-scale farming we have almost double the population required for the cultivation of our fields by the traditional methods of our peasant proprietors. Our salvation lies in more production through technical progress. To have small farms and to limit the use of machinery with the false idea of giving full employment is to prevent all technical progress. To limit output by not using machines is also to limit support to more workers. To increase output per acre by modern methods is thus a far better remedy for the evil of overpopulation than that of stopping the use of machinery and large farms. Where output per acre increases the land can and will support more workers than is possible now.

It is quite possible and proper to agree that family farming is better of course than capitalist farming so far as employment of labour and maintenance of soil fertility are concerned. But it is difficult to believe that our dwarf farms can be better than joint farming for full employment or for maintaining fertility or for other like purposes. On the peasant farms of the size that will be forced on us by the paucity of land it will be impossible for labour to get decent wages or even for the State to fix minimum wages. This aspect of the problem has been almost completely ignored by the lovers of peasant proprietorship.

Since small holdings cannot solve the problem of poverty they cannot also solve the problem of labour employment, housing, or wage agreements. The system of cultivation of

small holdings being uneconomical our present-day peasant proprietors are openly talking of resisting any attempt on the part of the State to fix a minimum wage. The desire of Government to do justice to the labourers and prevent them from becoming communistic-minded is thus likely to be thwarted by the inability of the small farmer to pay a decent fixed minimum wage. It is not possible to help rural labour and at the same time continue the present system of land ownership under which the employers of labour are themselves poor. European experience shows us that when the supply of labour exceeds the demands of small holders of land no minimum wage contracts can be enforced even if the State were to fix such minimum wages. If there is no radical change in our conceptions about ryotwari and small holdings no great reform in the direction of fixation of hours of work, or unemployment insurance or fixation of wages can be expected.[29]

One of the so-called great justifications of the adoption of a small holdings policy is that it is supposed to enable rural workers to rise to the independent position of farmers and the proportion of labourers who rise to such positions is believed to be higher in agriculture than in any other industry. This was actually the case in England not many years ago. Unfortunately an examination of conditions in our ryotwari tracts will show that far from many labourers rising to the position of farmers a very large number of our farmers have been reduced to the level of labourers and this process has been continuous. Ownership of land carries with it great power over the person of the landless worker. Though theoretically it may be true that where we have small properties and a large number of landowners rural labourers have good chances of buying land, in India this does not happen for our landowners are too poor to give wages high enough to enable labourers to save any money to buy land of any reasonable size.

Peasant Proprietorship and Decentralisation.

An exceedingly strong argument in favour of peasant proprietorship is that it will help us to establish decentralisation

29 Though India is not England, it is interesting to note that in England journals like *The Farmer and Stock-Breeder* look upon 70 hours of work per week as something extraordinarily bad. In some of the recent county conferences farm workers of England have demanded a minimum weekly wage of £5 — which by the way is more than the probationary salary of a class I Officer (like the Agricultural Economist or Horticulturist, etc.) in the Bombay Agricultural Service (In 1946).

in production, an ideal put before us by Mahatma Gandhi. One can well appreciate a man like Gandhiji advocating decentralisation as a part of his programme of 1921 which should be accepted as a logical whole. In this programme the use of non-violence for defensive purposes was the very foundation. Unfortunately many of those who advocate decentralisation are by no means logical. They reject non-violence, expect the country to be organised for armed defence with the best mechanised equipment and talk of central planning in several directions including food production. The fact is that there is some scope for decentralisation but not for decentralisation which **must** necessitate peasant proprietorship.

Gandhiji's greatness consists in his life and work considered as a logical whole, but those who want peasant proprietorship for the sake of decentralisation are unable to show how we can talk of things which are contradictory to one another. Most people agree that we need planning of our economic life, that we require a new agricultural policy based on crop planning and scientific rotation to ensure economic use of land and animal power, that intensive cultivation on scientific lines is necessary, and yet when it comes to actual production they desire complete decentralisation. It is not realised that all our present talk of democracy and decentralisation cannot and will not help us to fight the anarchy of our present agricultural system and that a predatory individualist agriculture and proper planning cannot go together. Planning necessitates strong centralisation and social control whilst its effectiveness depends not on a multiplication of independent units of production, but on as small a number as possible of large units of a workable size.

One of our principal tasks in the future economic reorganisation is to increase productivity of labour by supplying labour the material basis of large scale industry—fuel, iron, chemicals, engineering, etc., and by instilling in labour a new sense of discipline and new incentive for work. If we abolish Zamindari in the interests of more production we have also to abolish the other causes of low production such as bad work, indiscipline etc. The Indian worker is supposed to be a bad worker compared with workers of more advanced countries. This was so also in Russia and just as it had to be remedied there we have also to set this defect right here. For the purposes, of supplying the material basis of more wealth through methods of modern technology as well as of instilling a sense of discipline and incentive for hard work, we shall require proper centralisation rather than decentralisation.

Peasant Proprietorship and Democratic Liberty.

Another argument about peasant proprietorship is that it will safeguard and preserve liberty. This land tenure system is supposed to be the only one which will give **independent** means of support to a **maximum** number of small cultivators. The arguments used in favour of this view by some writers on land tenures in India somehow savour of a theoretical study of the typical American attitude. They overlook several important aspects of the question whilst studying Economics in American Universities. In America, "independent proprietors of the soil", were deemed desirable as early as in 1787, and important Americans ever since have accepted the view that ordinary farm tenancy is unfavourable to freedom. destroys love of country and weakens the spirit of independence. In contrast to this the free holder is regarded as "the natural supporter of a free government."

The American view was the result of conditions prevalent there. Where there is enough land and adequate rainfall one can well speak of the essential goodness of private property in land but this cannot and should not be regarded as a great political truth in itself. Where land has been limited in relation to population, ownership of land has not been looked upon with the same social esteem as in America. In many European countries, for example, **farm tenancy rather than ownership has** been looked upon as necessary for agricultural progress. Tenancy rather than peasant proprietorship has been used as a means of land settlement in Estonia, Holland, England and Italy, as pointed out by experts like Henry W. Spiegel. Prof. Spiegel tells us that there are no farm economists in Europe to-day who would generally and unconditionally condemn farm tenancy. In fact European economists like F. List have regarded the argument that every cultivator must also be owner of land as very absurd. The English economist Pigou has even tried to vindicate farm tenancy by pure economic reasoning.[30]

30 It may be noticed that even in U.S.A. there has been a considerable increase in tenancy in spite of the sentiment in favour of land-ownership. From 25 per cent. in 1880 the proportion of tenants increased to more than 42 per cent. in 1935. No less a person than a Secretary of Agriculture of the United States Government has had to admit that private ownership has led to abuse of natural resources and that "perhaps we have gone too far in allowing freedom in the transfer and use of land." The American economist J. G. Gray has said that the American land policy has led to excessive land speculations, booms and depressions, and to frustration of the American ideal of home-owning farmers (*Journal of Farm Economics:* Vol. XX, I, 1938). The writer, Mr. V. Liversage, tells us that the economic effects of the system of occupying ownership are far from satisfactory and that ownership becomes an illusion and debt slavery the reality. (See, V. Liversage: *Land Tenure in the Colonies:* page 109).

Since the amount of land here is limited, it is ridiculous not to see that we cannot have both independent means of support as well as such support for maximum number of men. We have to choose between the end and the means. If our end is material prosperity our means cannot be peasant proprietorship or the theoretical talk of liberty, which in a poor country is nothing more than the liberty to die of starvation. There are countries where the end has been sacrificed for the means. This is what the great economist Marshal is actually believed to have thought about France and the French peasantry in that country of peasant proprietors. But France has at least the advantage of a population which is not increasing as our own and which in fact is showing trends which are the exact opposite of our population behaviour here.

The argument that peasant proprietorship is essential for liberty is not so sound as it appears. In England the Liberals rejected it long ago when they took up the policy of establishing a State tenantry. On the other hand peasant proprietorship was accepted by the relatively more reactionary conservatives who wanted it to reinforce the voting strength of property.[31] Those who support private ownership of land are by no means always those who want independence of mind and spirit in the people. The basis of true freedom is not ownership of land and if the Yeomen of England are regarded as an example of independent men we may with equal truth show that the Nazi support of peasant proprietorship was not meant to encourage real independence of mind but its exact opposite.

The supporters of peasant proprietorship believe that this system will be good for social stability. Unbelievably exaggerated panegyrics of the system have been sung and it has been held that the system will secure peace on the land, abolish litigation altogether and create an almost classless society.[32] Our experience does not justify these hopes of a system with the peasant, "standing in rags still, yet standing upon his feet .... with his head erect which will bow to none." Where the stomach is empty the head cannot be erect. It is security which gives confidence and acts as the basis of prosperity and activity, and security is what the cultivator lacks to-day and will always lack if we confuse the right to own land with the security of a planned organisation. The right to own land no larger than a family graveyard will be the graveyard of all the high hopes about our peasant proprietors being either contented or independent minded.

31 See, Hobhouse: *Liberalism*: page 175-76.
32 Charan Singh: *Abolition of Zamindari*: page 133.

Peasant Proprietorship as the Means to Self-Sufficiency.

A large number of people imagine that peasant proprietorship will help us to establish a self-sufficing and self-contained society. Several of these men also imagine that all talk of raising the standard of living of the masses is bad, if not a fad of the supporters of mechanised farming. This attitude ignores several fundamental truths both about self-sufficiency as well as about the low standard of living.

Peasant-proprietorship can really have no charms in a society where the standard of living of the cultivators is very low. Low standards of life are often associated with low output per acre even under climatic conditions which are favourable to increased output. It is often said that peasant farming furnishes a great incentive to produce more but in reality the growth of population and continuous decrease in the size of holdings makes this incentive meaningless. It is not possible to sustain any incentive to increased agricultural efficiency unless we can raise the standard of living of the masses. The truth about the impossibility of expecting a permanent increase in food production without a permanent increase in the standard of living has been noticed by English experts but, strangely enough, it has been ignored by us.

We want our cultivators to produce more food but the farmer will not farm better till he is sure of the need of producing more and the inducement to better farming requires fundamental changes in our conceptions about life. Under-consumption is regarded as the effect of under-production but it is equally a **cause** of low production. Large masses of people lack ambition to rise in life, are ignorant, have faulty methods of farming and are isolated from each other and from the world. The ideal of subsistence farming and self-sufficiency is fatal to the development of any backward people and we cannot perpetuate it in the name of peasant proprietorship, liberty, democracy, etc.

It has been found from the experience of backward subsistence farming in Africa, for example, that even a simple change like sale for cash can induce cultivators to go in for improved methods of production. Even simple improvements in the structure and equipment of the home have proved to be a powerful inducement to better farming since improved methods of production are essential to "support" the more expensive homestead.[33] We may not be as backward as is implied in African farming but the basic principles of

33 *Memorandum of Measures of National or International Character for Raising the Standard of Living:* League of Nations: page 73.

progress remain the same none-the-less. To bring in improved methods of production, to use modern knowledge in the service of the masses, to overcome the dependence of the vast masses upon their own petty environment, to increase trade and communications, to break the barriers that separate one group of men from another—is a national and international duty.

A certain amount of self-sufficiency may be desirable but to refuse to use modern scientific knowledge, and to go within our own shells in the name of self-sufficiency, will not only drag down the large portion of the population of the world which is in India to unnecessary exclusiveness and poverty but it will also have a disastrous effect on the world as a whole. We must strive our best to promote an active exchange of ideas and commodities among the different parts of India as a whole and also between India and her neighbouring countries. It is the exchange of ideas which quicken the mind and break down traditional modes of life and production.[34] International inquiries have shown that unnecessary and excessive protection given to peasant farming and to obsolete methods of farming have prevented all real progress and have served to retain an unnecessarily low standard of living for the rural masses.

We shall see in the next chapter why we cannot expect any substantial increase in this country's productivity and prosperity on the basis of peasant proprietorship and why the hopes about any such increase in productivity are doomed to fail if we stick to our traditional but out of date ideas as a solution.

34 According to the *Memorandum of the Economic Committee* of the League of Nations, 1938, "In the absence of such interchanges of ideas, the mind cannot be quickened, traditional modes of life and of production are not subjected to critical scrutiny and the practical knowledge which is necessary before improved equipment can be used to increase efficiency does not develop. The potential productive capacity of the natural habitant is not realised and a vicious circle of ignorance and economic impotence results."

CHAPTER XII.

PEASANT PROPRIETORSHIP AND RYOTWARI TENURE OF LAND—(Continued).

The supporters of peasant proprietorship believe that the present scarcity of land in relation to the population can be ignored because of the possibilities of developments in two important directions—increase in the area of cultivable land and increase in productivity per acre of the lands under cultivation to-day. Some even add to this the optimistic hope that our birth-rate will also decline due to factors like education of women, late marriages, etc.

Prospects of a Check to Population Growth.

The hope that there will be a fall in our birth-rate even when we continue the system of small farming seems to be very unrealistic. We can of course have changes like education of women, late marriages, improvement in public health measures, etc. but these changes are likely to decrease our death-rate rather than the birth-rate. We know that at present factors like the reduction in infantile and maternal mortality have been increasing rather than decreasing population. As the Census of 1941 points out "even if the infant mortality rate continues to be 160 per mile for the next two decades substantial additions of 6.5 and 11.1 millions are likely to result by 1951 and 1961." Similarly if maternal mortality is reduced from 20 per 1,000 to 10 per 1,000 live births the saving in female life would be over 6 millions in one decade. The ultimate increase in the population would be much more as most of these women would marry and beget children.

We cannot also be too sure that a factor like late marriages of girls will necessarily lead to a decrease in population growth. In fact it is more probable that if our girls do not marry early at about 13 or 14 years their health will improve and this will be favourable to fecundity. As Kuczynski tells us, an improvement in living conditions can expand the child-bearing period and intensify the child-bearing capacity. Similarly if we expect improvements in nutrition we cannot expect any decrease in the capacity to bear children, for our famine experience has shown to us that this capacity is kept in check to-day by dietary deficiencies such as of Vitamin E for example.

It would be most improper to expect an automatic fall in the birth-rate in a predominantly agricultural country like our own specially if we reject the possibility or necessity of developing an urban industrial environment. It is very risky to ignore the truth that small farmers are inclined to have more children than others. Warriner has tried to argue that it is the families of farm employees rather than farm owners which show the highest reproduction rates.[1] Apart from the fact that this conclusion has been successfully challenged we cannot look upon the question of farm employees and their families as something distinct from that of farm owners.

It may be of some interest to note here some of the findings of the pre-war German Census Bureau as given by Dr. Spiegel. It was found that in Germany farm labourers in general have a few more children than farm owners. But, in all occupations, married couples who own land have more children than those without land. Among farm owners, the size of the farm has a definite effect upon the number of children, the number increasing with the size in size groups under five hectares (12 acres). Owners of farms of 5 to 50 hectares have most children whilst the number of children decreases with farms of a size beyond 50 hectares.[2] In the light of facts like the above it is dangerous to ignore the trends of our population growth and keep on believing that peasant proprietorship will solve the problem of population pressure and unemployment. If we want to solve the problem of unemployment we can hardly accept as a solution a remedy which is supposed to increase population not decrease it.

Prospects of Cultivation of More Land.

One of the commonest of fallacies in India is the belief that even if the amount of land at present is not enough to give us substantially large-sized peasant farms we can increase the area under cultivation by developing all the cultivable waste lands of to-day. More irrigation and better manuring of our waste lands are regarded as quite adequate for bringing these lands under the plough.[3]

It is of course true that a very large part of our agricul-

1 Mr. Wilbert E. Moore, author of *Economic Demography of Eastern and Southern Europe*, thinks that the property system as such is relevant in this instance only as it determines levels of living and degrees of integration into a secular urban way of life.

2 See the several German sources for this information collected and quoted by Dr. Spiegel in *Land Tenure Policies*, page 147.

3 See, Presidential Address of Shri Kripalaniji, 54th Session of the Indian National Congress.

tural area lies uncultivated every year both as current fallows as well as culturable waste. Taking both these together we have about 150 million acres in the old British India alone or more if we take the whole of India.[4] If most of this area can be cultivated we can increase the total area under cultivation by more than 50 per cent. The National Planning Committee holds that if we bring under the plough all the culturable waste, including fallows, our total cultivated area in British India alone can be increased by more than 60 per cent. It is wrong however to take it implicitly that the mere existence of all these areas implies that we can bring them immediately under the plough. We have to face the fact that very little of all this extensive area has actually been brought under the plough during the last 30 or more years in spite of the tremendous pressure of population on the land. The percentage of net cropped area to the total area, of old British India, has decreased rather than increased between 1908-10 to 1937-39 and the maximum point of extensive cultivation was attained in India more than 40 years ago.

We have it on very good authority that most of our so-called cultivable waste land is really uncultivable under present conditions. We cannot make these lands productive and profitable without deep ploughing, adequate irrigation, and extensive use of power-driven machinery for pulverising the soil. The wooden-plough and even the ordinary iron-plough of our cultivators would be of no use at all over millions of acres of such land. Our small holders have neither the resources nor the knowledge and incentive required to cultivate such lands.

The question of capital resources required is vitally important. Where much capital has been and could be invested our cultivable wastes have become really profitable and productive. The late Sir Ganga Ram of the Punjab is reported to have made even his desert land productive through capital expenditure. There have been cultivators even in the Deccan who have made such waste lands cultivable by the use of power-driven machinery that could conquer and pulverise even the hard stones on the land. Such investment of capital is however completely beyond the means of the millions of the owners of land to-day.

4 Statistics relating to all the regions in India which gave reports of the classification of their areas up to 1942-43 are given in Statement No. VIII (P. 18) of the Government of India's publication, *Food Statistics of India*. However these figures are only of about 66 per cent. of the whole of India.

It is rather unreasonable to expect the small owners of land to bring more waste-land under cultivation when we actually find that these small owners are unable to cultivate properly even the land which is already under the plough. Millions of acres of cultivated land have been left completely neglected. There are very large stretches of land which are so neglected that they yield to-day only about 1/10th of what they can be made to yield. All such lands as these could produce much more than they do if we had even simple land improvements like proper drainage or irrigation but such improvements also are entirely beyond the means and the initiative of the peasant proprietor.

The under-cultivation, neglect, and misuse of land under private ownership is of course no new thing. It is a very common phenomenon even in advanced countries like U.S.A. and England. It is said that in U.S.A. less than 50 years ago more than 50 per cent. of the land was not properly cleared or reclaimed or irrigated, whereas in England even to-day, and perhaps more to-day than 50 years ago, the neglect of land has almost become a national scandal.

We admit that the proper use and improvement of land is of public interest but we allow individual owners to regard land as private property with the result that such owners prevent others from using and improving what they do not use or improve themselves. In most countries valuable land remains unused just because speculators and other individual owners want to sell such land for building and other purposes when prices rise. We find such plots of land in the very heart of prosperous rural areas in India. As Henry George pointed out long ago, "If the best use of land be the test, then private property in land is condemned, as it is condemned by every other consideration."[5]

Prospects of Increase in Productivity Per Acre.

The hope that we will be able to increase productivity per acre under a system of peasant proprietorship is another illusion which is as groundless as the hope about a stabilisation of population without any industrialization or increase in our standard of living. Our average yield of some of the principal crops like rice is the lowest in the world or very near that. It is also true that our low productivity is not entirely due to pressure of population or

5 A good discussion of the evils springing from the inability of a community to make full use of rise in the community values of land will be found in several books like Henry George's *Progress and Poverty* and S. Vere Pearson's *Growth and Distribution of Population.*

the size of our average holdings for in population and size of holdings we resemble China and Japan and yet the yield of some crops in Japan is three times and in China twice as much as our own. It would be wrong however to presume that because of this we can expect a great increase in productivity without any change in the present technique of production and in the present system of private ownership of agricultural land.

Some people imagine that if it was possible to increase food production in other countries like Britain by 70 per cent. or even more, we can also increase our production without any change either in technique or in the ownership of land. The improvements normally suggested are the use of better seed, better and more adequate manures, more irrigation, and control of crop pests and diseases. It is expected that whilst better seeds, manure and crop protection will increase the yield of some of our principal crops by about 30 per cent., more irrigation will increase the yield further to about the same extent—which means that all these put together will increase the yield by at least 60 per cent., if not more, over the present level. This expectation is even supposed to be below the real possibilities.

The optimism about the technological possibilities of more production is justified normally by a reference to an excellent Report issued on the subject by Dr. Burns who was Agricultural Commissioner with the Government of India. This optimism however is not justified at all and becomes meaningless when all the views of Dr. Burns are put together and his conclusions are analysed very carefully.

Dr. Burns' Report on Technological Possibilities in India is in reality a study of the failure of agriculture in India during the last three decades to develop on the basis of individual initiative and freedom. The Report reveals the tragedy of a country where there were no restrictions on individualistic predatory agriculture and no real policy to shape the course of production. It shows a continually declining yield per acre of the principal crops like rice and wheat. During two decades (1921-1942) the cultivated area under major food grains declined by over 2 million acres and the production of major food grains by as much as 8.6 million tons.[6]

6 There has been very little increase in any kind of intensive cultivation under the present system. The percentage increase of double-cropped area to the net cropped area has shown only a very slight increase since 1908-10 (if we take the whole of old British India.) This stagnation during the last 40 years ought to open our eyes.

Dr. Burns' Report must be read with greater care than what is devoted to it by certain technical experts who believe that economists are a nuisance and what is required is just nothing more than better seeds, better manures and a few other technical advances of this type. No doubt Dr. Burns refers to the need for utilising the services of Zamindars and Talukdars for land improvement but if he can be blamed for not being a little more of an economist himself he at least felt the need for compulsion and controlled collective action much more clearly than many others. In his words "most of the anti-waste measures can only be carried out by collective action . . . Even in activities where individual effort would seem to be most rewarded . . . . . there are great advantages in collective action . . . . . We must not be afraid of invoking a certain degree of compulsion."[7] He clearly pointed out that modern technological methods required for more agricultural productivity "the increase in the size of productive units." It was not his fault if he felt that it was we who were not prepared to accept the full implication of this.[8]

Dr. Burns emphasised the great need for mechanisation also. If on the contrary we stick to our fad about peasant proprietorship we must admit that in a system of small holdings and subsistence farming mechanisation can have no real place. It is not for nothing that Dr. Burns has quoted approvingly the appreciative remarks of such an impartial British authority as Sir Daniel Hall regarding Soviet Russia and her new system of agriculture.

Apart from the implications of Dr. Burns' Report one must not ignore the simple reasons why too much of confidence in the ordinary use of things like better seeds, manures, etc. will result in great disappointment. A large number of people have great faith in the possibility of using better seeds in the immediate present. It is felt that this should be the easiest possible thing to do. But even this so-called simple reform is not so simple as it appears. With the exception of wheat, the main food crops are grown for the most part even to-day with non-improved seed. The introduction of improved varieties require higher fertility of the soil and if we do nothing to improve fertility of the soil the use of such improved varieties may result in a lower yield

7 Dr. Burns: *Technological Possibilities of Agricultural Developments in India:* page 120.

8 On page 120 of his Report Dr. Burns refers to this clearly enough. He makes equally clear the distinction between the desirability of increasing the size of a productive unit as distinguished from a mere "aggregation of units."

than before. This is what several experiments have shown. It is necessary to note before it is too late that things like use of better manure, irrigation, or improved plants through selection and cross-breeding are not possible without a considerable change in the present technique of cultivation.

The question of more production cannot be divorced from that of cost and the question of cost in turn cannot be divorced from that of the general organisation that we want to set up. More production involves extensive State help and State control which cannot be objected to on grounds of democracy or liberty. According to the **Food Plan for India** about 4½ maunds of paddy per acre is the average increase in yield which we may expect from an improvement like the use of fertilisers. The use of improved seeds is expected to increase yield of paddy further by about 3 maunds per acre. The **Food Plan** tells us that if we take the **minimum** total increase in yield to be only 3 maunds of paddy per acre, then the calculations of cost of the normal cultivator to-day show that it would be necessary to subsidise production and distribution of fertilisers unless the price of paddy is not allowed to fall below a certain level (Rs. 2 per maund).

Problems of increase in productivity are much more complex than we imagine. We cannot consider simple things like better seed, irrigation, manures, etc. in isolation from each other. When we consider the inter-relation between all these and then consider the question of cost we realise the enormity of the problem. If we take the cost of irrigation to begin with here, how can we ignore the fact that we have very high irrigation costs and very low percentage return to Government in certain parts of the country, such as Bombay Province, C.P. and Berar, Hyderabad, the Central India States, etc.? It has been estimated that the annual capital cost per acre irrigated in Bombay Province to-day comes to Rs. 501 and Bombay must spend about Rs. 160 crores if we want irrigation facilities all over the Province. If we take India as a whole we will have to invest about Rs. 1,300 crores for bringing about 125 million acres under irrigation.[9] Even if we ignore the question of this cost, more irrigation means less fertility for the soil unless we have enough soil to keep fallow or enough manure to restore this fertility.

Just as we do not have enough soil to keep fallow we

9 These are estimates of Rao Bahadur N. S. Joshi, Vice-President of the Institute of Engineers, India, given in an excellent research paper of his entitled *"Food and Irrigation—Problems affecting India in General and Bombay in particular."*

do not also have enough manures to keep the soil highly productive. The most important manure is farmyard manure but its supply is limited.[10] It is extremely difficult to-day to increase farmyard manure without increasing the number of farm animals on land. To-day we need land for growing as much food for human beings as possible rather than for growing fodder. The methods of use and collection of farmyard manure are defective and these defects cannot be easily rectified. We cannot stop the present use of farmyard manure as fuel unless we have enough wood to use as fuel which is another impossibility as it requires the existence of at least 60 acres under fuel trees in each village or about 42 million acres all over India.[11] One of the main types of manure we can use in provinces like Bombay is ground-nut cake; but developments in ground-nut cultivation itself require irrigation apart from the fact that such development may lead to the use of ground-nut cake more as food than as manure to produce more food. Regarding other manures we do not have even 25 per cent. of the oil-cake we require whilst the chances of an extensive use of composts and chemical manures are equally limited.

Proper irrigation and introduction of improved strains in crops like sugarcane and cotton are not so advantageous as we suppose when the size of holdings is small and the chance to use manure is still smaller. So bad has been the effect of these on the fertility of the soil in the case of the small holdings in the United Provinces for example, that in many areas during the last few years the percentage of double-cropped to cultivated area has actually decreased. Larger holdings could at least be given some rest but the growing of sugarcane and cotton on the small holdings has robbed the soil of its fertility and decreased the total returns. The peasant has no other choice there except to decrease his double-cropped area "although this means a still lower standard of farming and living."[12]

There is a tendency to ignore the fact that when we plan for more productivity per acre what we want is a change in quality as well as quantity. It is comparatively easy to produce more of the inferior varieties of food than we do but what we really require is not exactly this. A reasonably careful calculation made shows us that if we take the food

10 According to the Imperial Agricultural Research Council we produce 160 million tons (of dry weight) of farmyard manure, 40 per cent. of which is used as fuel and another 20 per cent. lost in collection itself.

11 D. Ghosh: *Pressure of Population and Economic Efficiency in India:* page 79.

12 See, Dr. Radhakamal Mukerjee: *Food Planning for 400 Millions:* page 9.

shortage of Bombay Province to-day to be about 800,000 tons of food grain and pulses, it is possible to produce through the two methods of counter-bunding and better seeds alone this much extra quantity of Jowar and Bajree. But this can hardly be set off against the real needs of a shortage of 440,000 tons of rice and 240,000 tons of wheat.[13] An extra increase of these inferior cereals is meaningless if we accept the contention that even to-day about 400,000 tons of Bombay's cereals are so inferior that they are not fit to be included even in the present dietary of the people.

It is clear that if by more productivity per acre we mean better food production to satisfy the standards prescribed for minimum healthy nutrition, we will require extensive State irrigation, improvements in plant breeding, and a host of other changes which are impossible without improvements like better methods of cultivation, intensified manuring and farming, crop-planning based on scientific rotation and the like.

Low Productivity and Capitalization of Small Farms.

Those who expect that productivity per acre will increase under peasant proprietorship and small holdings should remember that small farms and increasing productivity do not go together. Careful studies of the productivity of small farms made by individual writers like Sir A. D. Hall and by other experts on behalf of the League of Nations like Mr. Wilbert E. Moore have shown that there are many disadvantages of small farming. **The fact that the small owner of land is not able to provide sufficient capital and attention to land so as to increase production is now recognised as a universal evil.**

There are people in India who still believe in and quote Arthur Young's dictum that the magic of property turns sand into gold. They do not know that this dictum has been proved to be false even in England itself. Though Sir A. D. Hall is inclined to believe that the small holders of land in some cases have shown greater progress than the big owners he tells us equally clearly that there is no more deceptive half-truth which has ever found acceptance than the above dictum of Sir Arthur Young. Inquiries made during 1914-1918 in England have proved that many of the worst cases of neglected farms were found to be in owner occupation.

The main factor which has made private ownership of land in England almost a national scandal is of course the

13 Rao Bahadur N. S. Joshi in his Paper referred to previously.

inability of the landowners to spare much capital for land improvements. The landlords of England, both small and big, have lost their old love of the land as agricultural enterprise has become a liability for them. There has been a tendency to sell away lands to their tenants but the tenants have not been so willing to acquire ownership as is imagined. Ownership is sometimes acquired to prevent the sale of the holdings to new landlords but the shrewd English tenants know that they have no financial means to undertake improvements and increased productivity. If even big and rich landlords as in England have not been able to provide capital for land improvement what hopes can we have of our poverty-stricken owners of dwarf farms to increase productivity through more capital investment?[14]

Evidence collected by the League of Nations shows that all over Eastern and Southern Europe where small farms have been encouraged low productivity of agriculture is one of the most serious of all results. This is due to many factors of which the most important is relatively low capitalization. The small farmer there, as in India, has not much liquid capital while the need for such capital is very great. The prevalence of high indebtedness relative to assets and income are sure signs of a very slow and very low self-capitalization in agriculture. In India far from accumulating capital our farmers have lived largely on their borrowings and rapidly depleting resources. European experience shows us that when due to capital depletion we have soil exhaustion, poor equipment, and increasing indebtedness, "the process may be a spiral escaped only by capital originating outside of agricultural organisation."[15]

Low capitalization can also be in the form of low fixed capital. In small holdings things like buildings, farm animals, ploughs, etc. are much below the quantity and quality required and so is also the expenditure on irrigation, drainage and other means for improving the soil. Where holdings are very small we may also have on the other hand overcapitalization in relation to the small area of the holding. The farmer may have a pair of bullocks and a plough which he may not be able to use fully. We find from research done by the Agricultural

14 It would be no argument to say that in this context the example of England is not relevant because English farming stands midway between a true peasant system and a true large-scale capitalist system. If anything the example of England is more relevant than it would otherwise be for it is idle to expect poor men to supply what even the rich cannot.

15 See, Wilbert E. Moore: *Economic Demography of Eastern and Southern Europe*: page 89-98,

Economics section of the Agricultural Department, Bombay, that even in prosperous tracts like "Charotar" (Kaira District, Bombay) the farmer is not able to use fully even one bullock and plough and that the bullock remains unemployed for 60 per cent. of its employable time. It is easy to see that when fixed costs are heavy in relation to the area cultivated they decrease profits and thus affect the accumulation of liquid capital. This is proved also from European experience which has taught us that on the whole the large farm is better than the very small one for the simple reason that on the former the cultivator can derive a higher unit yield from his livestock and equipment costs. On the whole, therefore, liquid capital accumulates more on the large than on the small agricultural holding.

High Capitalization and Accumulation of Farm Capital on Small Farms depends on Animal Husbandry and Abundance of Land.

One of the principal methods for rapid accumulation of farm capital on small holdings is the development of mixed farming with a definite emphasis on live-stock products rather than the cultivation of inferior cereals and pulses as is the case to-day. Where livestock farming is introduced the small farmer tends to put his savings into more livestock which is a real productive asset. On the other hand when we have only grain farming the peasant has either no savings at all or he invests his savings, if and when he has them, in more land which does not increase his productive assets but merely raises land prices.

It is generally presumed that peasant farming is more successful in Western Europe than in Eastern Europe. According to experts like Yates and Warriner what justifies this peasant farming there, is the much greater amount of capital per head in the form of more land and livestock than in Eastern Europe. This may even make peasant farming more justifiable than large-scale mechanised farming. But this is not possible everywhere for the chances of having animal husbandry depend on the amount of land available, apart from other facts. Where therefore conditions favourable to capital accumulation are not there one can hardly go on dreaming of great prosperity under peasant farming.

Absurdity of the Belief that Small Farming in India is Good for Intensive Production and Soil Fertility.

Those who advocate peasant proprietorship often do so on vague feelings that peasant farming is good because it carries "more cattle to the acre than the large farm, that is

to say, more capital," that "it promotes intensive production through investing in farm livestock," that "only the family farm can be relied upon to maintain soil fertility" and so on.[16] There is also a definite tendency to accept blindly the viewpoint of writers like Warriner that the total volume of savings in a peasant economy is greater than in a system of large estates. How fallacious most of these beliefs are will be easily realised from what we have noted above. The viewpoint that the peasant can accumulate more capital than is possible in a system of large operating units has been challenged effectively by writers like Wilbert Moore and Carl Brinkmann.[17]

The fallacy in the belief that family farms are a good means for maintaining soil fertility, will be noticed at once by any one who realizes that the small farmer of dwarf holdings is forced throughout the world to deplete his capital which not only prevents him from adding farmyard manures and other fertilizers to the soil but forces him to get the highest yield at the lowest cost irrespective of the harm done to the soil. Small farming both in Eastern Europe and in India involves shallow ploughing by primitive equipment, complete neglect of soil erosion, and the use of manure as fuel. Even where manure is not used as fuel its quantity is limited as usual due to the difficulty in developing livestock farming as we have seen.

We may note a few other disadvantages of small farms which have been pointed out by authoritative writers already mentioned before. Peasants on small farms are unable to weather short-term crisis. Similarly the position of the landless farm worker "is most acute not in those countries where the large estates occupy a large proportion of the agricultural land but in those countries where the family farm is the usual agricultural undertaking."[18] Due to low productivity and absence of diversification small farming has led to a low level of living and great poverty, diets are poor and lack protective foods and housing facilities are also very poor.

The Need for Understanding the Implications of the Opinion of Mr. B. Seebohm Rowntree and Professor Marshal.

Those who are too optimistic about improving the lot

16 See, Charan Singh: *Abolition of Zamindari:* page 138-139.

17 Carl Brinkmann holds that the farms of small size cannot be as good as large scale or collective farming which he regards as "a belated justification of some of the economic functions of landed estates." The agrarian reform in Eastern Europe he regards as something of slow and doubtful success. (*Encyclopaedia of Social Sciences,* Vol. IX, page 142-43.)

18 *Economic Demography of Eastern and Southern Europe:* page 88

of the peasant proprietor may do well to note the judgment of no less a person than Mr. B. Seebohm Rowntree, a world famous expert on Belgian agriculture. "Belgian experience has shown that it would be quite possible to have a country consisting almost entirely of peasant proprietors, obliged to work very unreasonably hard to maintain a comparatively low standard of comfort. We cannot then hope to materially improve the lot of the small agriculturist by the mere creation of a class of peasant proprietors."[19]

We are too often prone to associate prosperity with peasant proprietorship and we think that because this system satisfies the peasant's love for possessing land it must also make him happy. The reality may be that where we have both prosperity and peasant proprietorship the former may be largely the result of reasons other than ownership of land itself. Writers like Turnor have admitted that the causes of prosperity are many and it cannot be implied that "ownership itself is the only cause of such prosperity."[20] Similarly, if peasants are proud of their possession of land, as in France, this does not necessarily mean any real prosperity. It was reported some years ago that the French peasants subsisted on the worst possible diet and lived in their kitchen for economy. Many travellers in France, and other authorities have been of the view that the paid farm labourers of England earned better incomes and led happier lives than the proprietary peasants of France. The great economist Marshall himself believed that the French peasant proprietors were even poorer than the English tenant farmers.

Small Farming is the Enemy of our National Goal of More Production.

Our national goal in the immediate present according to the chosen leaders of the people like Pandit Jawaharlal Nehru and Sardar Vallabhbhai Patel is more production in every field of our economic life. If this is our goal we cannot afford to neglect the tragic lessons of the failure of peasant proprietorship in Eastern and Southern Europe. Practically throughout these regions, which resemble us in poverty and relative overpopulation, the solution of peasant proprietorship has ignored the importance of an overall increase in agricultural production. In fact an increase in production was not a primary goal of the institutional changes in agriculture introduced there. The purpose of the land reform in most of these countries was to distribute wealth rather than to

19 S. Seebohm Rowntree: *Land and Labour* (MacMillan and Co.) page 121.
20 Turnor: *Land and it's Problems:* page 31.

produce it. Those who doubt this may refer to important publications of the League of Nations, Geneva. This purpose of the land reform was probably a great mistake but whatever we may say about the wisdom or unwisdom of what has been done in Europe, **we cannot afford to make similar mistakes here.** If our ideal is more production how can we accept a solution which has failed to increase production? It is gratifying to see that many, if not all, of those who are really serious about increased production in India, admit that a system of small holdings will not be capable of producing the food which the country requires. Among these men we have many high officials of the Government of India.[21]

It is unfortunate but true that non-official opinion in India has not proved to be very realistic on this question of land tenure. Though this may be an exception to the general rule the official experts seem to show a greater sense of reality at least on this question. One may expect in a democracy men who are more rich than learned to beat the big drum of their own publicity but this becomes dangerous when the public are not fully conversant with the intricacies of a technical subject like this. There has been too much of a tendency among a few non-officials to rush in where even the real experts on world agriculture would fear to tread.

We have to note that even where there are more favourable circumstances than our own the great authorities on family farming are by no means unanimous or over-confident about its utility. It is true that some authorities, like Karl Brandt, are not enthusiastic about large-scale farming. Professor Brandt tells us: "We warn most solemnly against toying with the idea of destroying the existing rural structure of family farms."[22] There are others however who have warned us equally seriously about toying with the idea of family farming. Sir A. D. Hall tells us, "Men toy with the idea of a rural community that will be approximately self-contained, one that farms to feed the family rather than to earn money."[23] Besides not even men like Karl Brandt have been able to ignore the importance of economic progress which is the only realistic approach to the solution of the population problem in countries like ours. The books by Warriner and Karl Brandt are the bible of the blind supporter of the Indian

21 Attention is invited to the contributions in the Special Number of *Indian Farming* (November 1946) by such eminent men as Mr. D. R. Sethi, Mr. N. C. Mehta, I.C.S., and others.

22 *Reconstruction of World Agriculture:* page 263.

23 *Reconstruction and the Land:* page 155.

peasant proprietary system. But these two writers are by no means so over-enthusiastic as some of our Indian writers. It is certainly a mistake to think that Warriner regards peasant farming as the only solution to the farm problem even of Europe with a population problem less acute than of ours. She is inclined in fact to accept a redistribution of the farm population to regions outside Europe as the only solution if economic progress and political stability are to be attained.

Where Population Cannot be Reduced Production Must be Increased.

The question before us is very clear. Do we expect to have only a self-contained rural community of poverty-stricken peasants or do we also want to take advantage of science and of all other organisational large-scale improvements based on both mechanisation and industrialisation? Situated as we are we find in all countries there are really speaking only two real solutions. We have either to reduce population or increase production. We may of course have both these but where population cannot be reduced or stabilised production must be increased with all possible speed with the help of all that science can give us.

We have seen in the early part of this chapter that we cannot hope to see any substantial decrease in our birth-rate if we adhere to the plan of small-farming and all its implications in the orthodox sense of the term. It is true that Emigration is another powerful weapon for fighting the evil of relative or absolute overpopulation. It has been used extensively in Europe in several countries. It provided an effective escape in the past for rural populations of some of the overpopulated European regions. Previous to the first World War there was a transoceanic emigration from Poland to the United States, Canada and Argentina. There was emigration also from countries like Scotland, Ireland, Spain, Yugoslavia, etc.[24] The question of emigration has however become very complicated during the last few years and to-day it is fit only for academic discussion. After the first Great War overseas emigration fell off and restrictions were imposed everywhere in the countries which used to receive outsiders. Problems of assimilation of alien elements and cultures are great obstacles even for the European countries.

If the only other solution is more production our main task to-day is to increase the size of our cultivating units and to make labour more productive in relation to the land that

24 See, Document No. 1—*European Conference on Rural Life:* League of Nations, 1939, pages 29, 31-34 and 37.

is cultivated. If we want to increase production we cannot resist the use of scientific agriculture and industrialisation considered in relation to the cultivation of all our waste lands, the use of intensive and mixed farming and large-scale investment of capital in land improvements of all kinds. We must set aside all the academic talk of peasant proprietorship as a bulwark of liberty, democracy, and self-sufficiency if we want to preserve liberty and democracy. We require constructive positive planning by the State with the power to set aside ruthlessly all who come in the way of national prosperity by the meaningless talk of freedom and private initiative. We have had too much of freedom and initiative for the food hoarder, black marketeer and landlords who have used them freely to destroy all real freedom.

The Real Solution of Our Problem.

In the succeeding chapter we shall see how co-operative and collective cultivation will help us to solve the problem of our small uneconomic holdings. Before we go to that we may note here the absolute necessity of three things—positive constructive planning by the State, the introduction of scientific agriculture based on as much use of machinery as possible and, thirdly, the introduction of large-scale industrialisation. If the lessons of the world are to be of any use to us we should remember the warning given by the European Conference on Rural Life, 1939, regarding the problem of overpopulated rural regions. So far the methods of relief applied have been imperfect and the results of partial legislative reform have been inadequate. Nothing has so far been done to rescue the population from extreme poverty and chronic deterioration. The problem of rural reconstruction of over-populated regions is very complicated and no piecemeal treatment will succeed.

Both the abolition of Zamindari as well as the reconstruction of land tenure require the setting up of a strong executive authority with centralised powers of co-ordination and compulsion. The warning expressed before must be repeated. Our legislatures must not learn merely to talk before our executives learn to act. A strong executive and the setting up of Planning Boards, regional if necessary, is our first great need. The question of mechanisation is closely connected with strong State control and nationalisation and deserves a chapter by itself. We also require heavy investment of capital per acre and large-scale industrialisation.

The neglect of the need for more investment of capital per acre and of the question of industrialisation has been a

very serious cause of our inability to do anything really substantial. Since the amount of land in India is limited we must make up for this by considerable increase in the investment of capital per acre specially when we know how the low productivity of our agriculture is one of the direct results of the very low capitalisation under peasant farming.

The Question of Industrialisation.

From the pure economic point of view it is impossible to conceive of any great development in our agriculture without a general economic and industrial development. Industrialisation is practically the first and the most important necessity in all overpopulated countries—and is regarded as such all over Europe wherever conditions are similar to our own. It will be noticed that even in the so-called "non-industrial" countries of Eastern and Southern Europe we have got a fair degree of industrialisation. We have been told that some of these countries were expanding their industrial production between 1919-1939 more rapidly than the older industrial countries of Western Europe. This applies also to the most backward of countries like Yugoslavia, Bulgaria and Poland. Copper and bauxite mines have been developed in Yugoslavia, and Poland has witnessed much development in her coal-mining and textile industries.

Industrialisation is not only necessary for armed defence but even more necessary for farming itself and for improving our agricultural technique and efficiency. Industrialisation will help to absorb our unemployed surplus farm labour whilst mixed farming and cultivation of **protective** foods and other like developments in farming require wide markets with high purchasing power which urbanisation will create.

Those who underestimate the importance of industrialisation in India forget that from the point of view of production, labour is more effective in industries as compared to agriculture. About 67.2 per cent. of our total working population is engaged in Agriculture but produces only a little more than half of the national dividend (53 per cent.) whereas 10.2 of the working population engaged in Industry and Mining produces 17 per cent. of the national wealth. It is also believed that there is a wide selection of industries in which our comparative disadvantage in production is less than in agriculture. An Indian cotton mill, or an iron factory, equipped with modern machinery and working under other advantages such as the procurement of raw materials at home, etc. is likely to suffer less by comparison with corresponding mills or factories in Europe than our badly

equipped average small cereal producing farm does by contrast with the farms of the New World or even of Western Europe.[25]

One of the most important of the economic effects of industrialisation is on the pressure of population on the soil. It reduces this pressure and helps to maintain a more balanced occupational distribution of population. We have before us the example of Japan with conditions similar to our own. The proportion of agricultural workers to the total there in 1872 was as high as 84.8 per cent. which through industrialisation was reduced to 71.8 per cent. in 1887, 61.5 per cent. in 1912, 53.5 per cent in 1920 and 50.3 per cent. in 1930.[26] Industrialisation may not help us to reduce our population pressure to these limits or even to the extent we desire. There are economists who feel that mechanisation and industrialisation will have to absorb 30 million workers in 10 years' time and they think this absorption is not possible. We have the example of Soviet Russia where in spite of her gigantic 5-Year Plans for industrialisation 66 per cent of her population is still rural.[27] However, it is very important to note that in spite of her rural character the growth of the population on the land has been arrested in Soviet Russia and the country has now reached a point at which the number of people engaged in agriculture is beginning to fall. So far as India is concerned much depends upon the amount of industrialisation that we have but even if industrialisation is not very rapid and it does not work wonders all at once it will at least make us less rural than we are.

Besides the economic advantages, industrialisation will have great and beneficial effects on our reproductive behaviour, a fact which should induce us to accept it even if it had no other result of any kind. We have already seen before something of the relationship between fertility rate and urbanisation. Whilst the great authorities on depopulation like Rivers, Raymond Pearl, Buxton, Roberts, Baker, etc. differ somewhat among themselves there is a general agreement on the point that environmental factors (like standard of living and education) are more important than genetic

25 D. Ghosh: *Pressure of Population and Economic Efficiency in India*· page 85.

26 Brij Narain: *Economic Structure of Free India:* page 29.

27 In 1913 over 80 per cent. of the Russian population was rural. Though her recent industrialisation has worked wonders it has not destroyed her rural character for nearly 66 per cent. of her population is still rural. See, P. N. Driver: *Co-operative Basis of Collectivisation in Russia:* Bombay Co-operative Quarterly, Vol. XXX, No. 4, April 1947.

factors.[28] The higher the degree of urbanisation and industrialisation that we have the lower will be the fertility and growth rate of our population. This is a world truth and India is but a part of this world.

Another most valuable effect of industrialisation in India will be that it will teach us to establish a more secular life than we have. Through a decided secularisation of our social structure it will divert our attention away from narrow communalistic and religious conflicts which are used to-day to hide the real evils of the land problem and the urgency of their abolition. In conclusion we can say that if in a country like ours, reduction of population or increased production are the only two possible solutions of overpopulation the development of industrialisation should be doubly welcomed because it helps to bring about both these desired objectives.

28 Raymond Pearl: *Natural History of Population:* page 24.

CHAPTER XIII.

CO-OPERATIVE FARMING AND ITS MEANING AND POSSIBILITIES.

Looked at from every point of view no truth is more clear in India than the simple fact that the hope of our agriculture lies in joint farming. There is absolutely no other effective solution and there are not many champions even of peasant proprietorship who would deny the truth of this. There are examples of villages in several parts of Europe where under conditions similar to our own the peasantry has spontaneously taken up large-scale farming of this type. This kind of development is not unknown in India. It is reported that there are several places in Bombay Province, for example, where joint-farming societies have sprung up without any official prompting and "purely out of the desire of the people to improve their economic condition by joint efforts."[1] It is interesting to note that in some countries even **voluntary collectivisation** as a part of party programmes has not been unknown.

We are not Sure of What Exactly We Want.

There has of course been no general realisation as yet in India of the failure as well as the inherent dangers of the system of private ownership of agricultural land but a large number of people have realised the importance and necessity of joint action in agriculture. The evils of small holdings are so serious that they have been widely felt among all and even those who support private property in land admit the need for collective use of land, collective irrigation, etc.[2] In this sense one can say that the first battle of rural reformers against poverty has already been won.

Unfortunately, the realisation of the need for communal or joint action in agricultural production does not mean that we are **all** clear about what kind of joint action is necessary. Phrases like group-farming or joint-farming are vague and may mean anything. Joint-farming, for example, can be either co-operative farming of an orthodox type or collective farming of a radical type as in Russia and some parts of Palestine. There is a general feeling among many that we should encourage co-operative farming but this phrase has

1 *Report on Co-operative Farming in Bombay Province:* page 27.

2 Those who admit this include even some of the opponents of Russian collective farming, such as Dr. Radhakamal Mukerjee for example.

been used with a great deal of latitude not to say ambiguity and has evoked mixed reactions of all kinds—the reactions depending upon the meaning and motives of the reformers themselves.

The Ideological Mutilation of Economic Concepts.

What is exactly co-operation and what is Co-operative Farming? To understand this is not so simple as it looks. It is a pity but it is nevertheless true that in practical life there is a clear tendency to ascribe meanings to economic concepts to suit national conditions and circumstances rather than to conform them strictly with any universal scientific connotation. In fact the evolution of any universally acceptable scientific connotation of terms like co-operation, socialism, etc. has become difficult if not impossible because of this tendency.

All the great economic concepts have been the victims of a great amount of ideological mutilation. The most autocratic of capitalists have posed as champions of democracy and liberty. Not very long ago Hitler could convince millions of men that he was a socialist. Likewise those who do not sympathise with the philosophy and ideals of the co-operative movement can easily pose as co-operators. There is great danger in all this, not only because there is scope for the enemy of co-operation to pose as its ally but, what is equally serious, there is also scope for anyone to attack any honest co-operator as an enemy of co-operation. No one will deny that words like competition, socialism, etc. have been mutilated largely because they are indefinite but such extremely indefinite words can cause a great deal of confusion in the minds of the masses who easily become the dupes of their leaders. Let us therefore be sure first of what is co-operative farming.

There is at present no universally acceptable definition of Co-operation and it is difficult to arrive at one unless we can all agree on a question like the relationship between Socialism and Co-operation. Those who are too optimistic in their search of universal definitions ought not to forget that apart from differences between co-operative writers of different nationalities not all writers on Co-operation even in one and the same country such as the United States are able to agree fully on the relationship between Socialism and Co-operation.

As things stand at present there are many people both here and abroad whose definition of Co-operation makes it

impossible for them to accept co-operative farming as something genuinely co-operative. They seem to feel that when co-operation extends to actual joint farming operations it ceases to be co-operative. One or two good Indian writers have actually quoted Dr. C. R. Fay himself as having stated that "Co-operation does not extend to the act of farming. Co-operative agriculture does not mean collective farming but independently operated farms linked together co-operatively for credit, for supply, for processing, sale of produce, etc."[3] It is possible to reply to such writers by showing that so far as Dr. C. R. Fay is concerned he has also mentioned in the latest edition of his book that in his opinion the collective farm in Russia is "an advanced form of co-operation."[4] However, the above view is strongly held by many writers particularly in the U.S.A. There is a clear tendency to over-emphasize the principle accepted many years ago by Dr. C. R. Fay at Cambridge that co-operation is concerned with free men in self-regulated action and that its true object is to assist the farmer as an **independent** productive agent and not supersede him.

Ambiguity About Co-operative Farming.

Like the description of Brahma in the Upanishads our writers have found it easier to say what co-operative farming is **not** rather than to assert clearly what it is or can be. Captain Mohite, an enthusiastic co-operator and author of the **Report on Co-operative Farming in Bombay**, tells us, "It would however be obviously wrong to call farming co-operative, if it is carried on independently by individual owners or tenants, who come together and organise not the whole or any part of the actual process of farming as a joint enterprise but only the supply of credit, agricultural or domestic requirements, the processing and marketing of produce."[5] This is rather disappointing as a positive constructive approach. Professor Ramakrishnan from Madras, who does not seem to have been referred to at all, has said the same thing in the same words. Similarly the American writer Mr. Benjamin Horace Hubbard has told us, "Ordinarily agricultural co-operation comprises rural credit co-operation, co-operative purchasing of farm equipment and supplies and co-operative processing and marketing of products."[7]

3 Quoted by K. C. Ramakrishnan: *Indian Co-operative Review:* April-June 1946, page 141.

4 Dr. C. R. Fay: *Co-operation at Home and Abroad:* Vol. II, page 525.

5 *Co-operative Farming in Bombay Province,* 1947, page 20.

6 K. C. Ramakrishnan: *Indian Co-operative Review:* April-June 1946, page 141.

7 See, *Encyclopaedia of Social Sciences,* Vol. I, page 521.

Even if we can see why and what ordinary forms of agricultural co-operation do not constitute co-operative farming it is not easy to see what really are the true forms and objectives of co-operative farming. There are writers like Mr. Charan Singh who honestly admit that to them the idea of co-operative farming "is not very clear." They take it, however, that co-operative farming necessarily involves a pooling of property and administrative centralisation and they arrive straight-away at the conclusion that co-operative farming is nothing short of collectivism which offers "a short, tempting cut to centralised control to a future Indian Stalin."

The Essence of Co-operative Farming.

The impression created in the minds of some that there is no ultimate difference between autocratic centralised collectivisation and co-operative farming is ofcourse a wrong one. The idea that co-operative farming **must** necessarily mean joint cultivation of land seems to have caused this impression. The idea of the physical pooling together of all the small plots of land as the very foundation of co-operative farming in India was first put forth by the Advisory Board of the Imperial Council of Agricultural Research in 1944 in its **Memorandum on the Development of Agriculture and Animal Husbandry in India**. The Memorandum explained its conception of co-operative farming by saying, "Here, each cultivator would retain his rights in his own land, but cultivation operations would be carried on jointly. 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."

The above conception seems to have influenced several writers and officers specially of the Central and Provincial Governments. The Report of the Indian Delegation on Co-operative Farming in Palestine makes it absolutely clear that the exact implications of the term co-operative farming can only be understood in terms of the conditions as they are in India. The Report further tells us clearly: "The essence of real co-operative farming, therefore, is the pooling of small and scattered individual holdings and cultivating the land so pooled as one unit by the owners of the holdings."

Acceptance in Theory and Rejection in Practice.

So far as theory is concerned it should be clear from the above that we have accepted that there can be no co-operative farming without joint farming or cultivation of different holdings as one holding. But a dreadful fly, or rather

several flies, have been allowed to fall into this ointment in actual practice. The pooling of small holdings and other economic resources is rarely admitted to be possible in the immediate future, and a so-called effective excuse which ignores the essential factor of co-operative farming mentioned above is given for any inactivity in practice by saying that this pooling of resources can be done "either completely or partially in respect of any one or more of the various lines of farming activity." This has taken the wind out of the sails of the co-operative plan for, in actual practice little has been definitely proposed to be done and the concrete achievements have been practically nil.

The 14th Conference of Registrars of Co-operative Societies, 1944, recommended that co-operative joint farming should be introduced "whenever circumstances are favourable," but the circumstances have rarely been regarded as favourable. The minimum programme of work proposed by the Registrars themselves showed this for it did not go beyond "at least one experiment in co-operative farming in each province and State." The Co-operative Planning Committee appointed by the Government of India came to the conclusion that the advantages of co-operation in farming have not been demonstrated in India and that this was an innovation which was disliked by the peasant. For this reason it recommended what came to only "experiments" in one or two villages. It added "We recognise that the organisation of Co-operative Joint Farming societies may not be feasible in all places in India," and therefore suggested for this essential form of co-operative farming a modest beginning by organizing two such societies only in each **suitable** district.

The acceptance of a principle in theory as something that is necessary and its rejection in practice as something that is not practicable is always a cause of great confusion and much of the confusion we see in India on the question of co-operative farming is due to this. The Co-operative Planning Committee as well as the Bombay Government's Report on Co-operative Farming tell us that a co-operative farming society may take one of the following four forms:—

(a) Co-operative Better farming society.

(b) Co-operative Joint farming society.

(c) Co-operative Tenant farming society.

(d) Co-operative Collective farming society.

Since, in actual practice, co-operative farming is accepted to mean pooling of economic resources either completely or

partially in any one or more of the various lines of farming activity this pooling is cut down to a minimum and the Co-operative Better Farming society is made to stand first in the list—as something that should be "more extensively organised." It is admitted of course that in such societies "the cultivation of land can be carried on by each member **separately** and that each member is really independent except for the specific purpose for which he joins the society." Everyone seems to be satisfied that there is no conflict here between the essence of co-operative farming, in the sense of joint cultivation of all holdings as one unit, and the actual proposal to have societies where each member can carry on cultivation separately and independently.

There is a genuine belief among many honest co-operators that our ultimate objective should be joint or collective cultivation. But there is such a terrific amount of fear about the peasants' opposition to this desirable change that they have not been able to suggest anything really effective, except of course the idea of slow changes "by easy stages" and of "experiments in co-operative farming." The practical programme suggested even by the enthusiasts of co-operation is in reality nothing more than ordinary agricultural co-operation **plus** a provision or two for some kind of joint action which may be no more than merely an **intention** incorporated in the constitution of a Better Farming Society to have, say, some kind of collective watching of crops or joint ploughing or harvesting.

We seem to have an amazing capacity for self-delusion when it comes to creating constructive programmes of development. It is believed by many that the ultimate goal of joint or collective cultivation will be reached automatically by easy stages if we begin to-day by organising a large number of Better Farming Societies and Multi-purpose societies. Everybody is sincere of course about having also a few "co-operative farming experiments," but the main stress seems to be on organising Better Farming and Multi-purpose Societies. The author of the Report on Co-operative Farming in Bombay admits that multi-purpose co-operative societies "cannot constitute co-operative farming" but in his practical programme he regards a province-wide drive to organise multi-purpose societies as something that "would provide a fertile ground in which the seed of co-operative farming would thrive." This is rather noteworthy for that which is not of the essence of co-operative farming is accepted as a fertile ground for the seed of co-operative farming to thrive in. In other words it even seems to be accepted by many that ordi-

nary agricultural co-operation will ultimately lead to co-operative farming.

The Fundamentals of a Clear Policy.

When we examine the practical programmes of co-operative developments as outlined by several Provincial Governments to-day we feel that these programmes are a mixture of an over-pessimistic fear of the peasants' conservatism on the one hand and an over-optimistic hope of developments in agricultural co-operation on the other hand. The programmes of development of Better Farming and other societies tend to ignore both the urgency of the problem as well as the causes of the failure of ordinary agricultural co-operation in the past. There are certain fundemental questions which seem to have been completely ignored—a mistake which will end in disaster and disappointment. The practical programmes of co-operative developments are being started with the same hopes with which we began our work in the field of co-operation more than 40 years ago, but hopes based merely on avoidance of inconvenient necessities can achieve nothing. We are intentionally or unintentionally avoiding a direct attack on the crisis facing us and we are likely to face even greater disappointment than we had in the past.

Those who are really serious about the importance and necessity of joint farming or co-operative farming in general must be very clear in their minds on several fundamental questions such as the following:—

(1) Can co-operation be compulsory and what should be the relationship between Co-operation and State-control or Co-operation and Socialism in general?

(2) What are the fundamental differences between the foundations of agricultural co-operation and co-operative farming and can we expect ordinary agricultural co-operation to lead us automatically by easy stages towards co-operative farming?

(3) To what extent does co-operation in general and co-operative farming in particular necessarily imply the support of private ownership of land?

(4) Which of the activities in farming must necessarily be joint activities in order to call farming co-operative?

(5) To what extent is the use of ordinary voluntary co-operative methods of development through Better Farming, etc., compatible with the urgency of the problem facing us? How long can we afford to wait for the peaceful evolution of co-operative farming?

Most of the above questions are closely interconnected with each other. In the ultimate analysis the solution of these questions depends upon our trust or mistrust in the State and on what attitude we take on the fundamental problem of the relationship between Co-operation and Socialism. Much also depends upon our attitude to the question of **compulsion** as a means to a good end and upon the other interconnected issue of the importance or unimportance of the continuance of private property in land.

The Problem of the Farmer's Independence.

The relationship between Socialism and Co-operation cannot be discussed as something that can be finally accepted by all as a universal truth. It is possible to take a purely theoretical attitude on the question which would end in our solution being impracticable and it is also possible to think too much of what is practicable and end in establishing the tyranny of a Fascist Government which would be worse than the evil we are trying to fight to-day. It is best to avoid both these extremes and try to arrive at a **safe** solution which would neither ignore the urgency of our problem nor the necessity of safeguarding the liberty of the individual.

We have seen in the early part of this chapter that co-operative farming is **not** agricultural co-operation. It is for us to consider carefully how far we can or should accept the view that farmers **must** retain their position as **independent** productive agents. In countries like the United States much of the support given to the co-operative movement has come from the specific belief that the true objective of the movement is to preserve and perfect rather than destroy or replace the existing economic order based on competition, private property, and individual freedom for producers of wealth. It is strongly maintained there that "the real mission of agricultural co-operation is not to bring about a fundamental reconstruction of the business regime but rather to save the farmer from the disabilities entailed by the small size of his business."

We in India have agreed that co-operative farming must ultimately mean joint farming but we are not all sure as to the implications of this. Some of us seem to accept the above American view which is more appropriate for conditions as they are in the United States than as they are in India. We are not clear in our objectives though we know that family farming has failed in many parts of this country. There are very big capitalists in the co-operative movement who pose as experts and we accept their feelings and recommendations.

We forget that they are trying to force on us ideas they have imbibed from American Universities. They constitute one extreme, just as the communists constitute the other, with this difference however that we rightly reject the communists but we wrongly accept the capitalists as our co-operative guides.

Those who accept joint farming or the necessity of the pooling of economic resources—specially in the sense of the pooling of different holdings for cultivation as one unit, must make up their minds as to the extent to which we should abolish small holdings and also the private ownership of agricultural land. This is a difficult question to decide. Even in Europe where the hope of agriculture is also supposed to lie in co-operative farming nobody is quite sure whether the title to land should be with the individual, the State or the co-operative society.

Why Co-operative Theory has to Move with the Times.

The conflict and uncertainty about co-operative farming and private ownership of land lies mainly in the hitherto unnoticed fact that co-operation is now entering fields of production which it had no occasion to enter in the past. In pure theory co-operation is essentially individualistic and recognises private ownership of property. Such ownership is looked upon as "an inherent quality" of the co-operative movement even by those who are genuine critics of capitalism and whose reputation and honesty as co-operators cannot be disputed.

We must realise before it is too late why this theory of "pure" co-operation is changing to-day and will have to change much more rapidly. The pure theory of co-operation was evolved in circumstances which forced the early co-operators to look at the economic problem mainly from the consumer view point. When production was thought of it was only from a sectional viewpoint—such as the desire merely to supply credit or other necessities considered in isolation. The main developments were in consumers' stores and these stores were accepted as institutions standing essentially for private ownership as against State ownership. There was no necessity for anybody to feel that there was anything wrong so long as business was carried on without the profit motive to serve the consumer.

We thus see that the practical results achieved by co-operation in the past were more in the field of consumers'

8 Charan Singh: *Abolition of Zamindari*: page 246.

organisations or in the attempt to help the **individual** produce through the various forms of agricultural co-operation rather than in the field of agricultural **production** organised on a large scale on joint or co-operative basis. The question of co-operative farming as a method of organising agricultural **production** was never a prominent question in the past. As questions of actual production of wealth, particularly of agricultural wealth, receive more and more importance, it will come to be realised that the support of private ownership of land stands on a different footing from that of private property in general and co-operators will have to admit that maximum agricultural production on co-operative lines and the best use of land are objectives which are not consistent with the private ownership of land at all times and in all countries.

Co-operatives for collective farming have been developing in recent years in several countries of Europe, notably in Bulgaria, Palestine and Italy but it will be noticed that the question of private ownership has not yet been settled on a uniform basis. In Bulgaria the lands which are collectively cultivated and managed are allowed to be owned by their members, but this is not the general principle or rule everywhere. The most advanced and logical forms of co-operative farming are to be found in Palestine and here the land is nationally owned both in the case of the smallholders' co-operative settlements (MOSHAV OVDIM) as well as in the case of the collective or communal settlements (KIBUTZ or KVUTZA).

We have already examined some of the dangers of the continuance of private ownership of land so far as agricultural production in India is concerned. There is no co-operative reason whatsoever why the complete pooling of land should not be regarded as the natural development of the co-operative principle of the pooling of labour and produce. The desire to **own** land will always be there but it is not always a thing to be supported. No co-operator can support private property in land when it is clear that it is being used for speculation, for exploitation, for creating wrong ideas of parasitic possession. Where private property in land acts as a curse instead of a blessing and where it prevents neighbours from co-operating effectively, as it will always do in India, it ceases to be of any use either for society or for the real co-operator. The question of the desirability of State ownership will be discussed later but it may be noted here that co-operation does not teach that co-operators should oppose State ownership of land simply because they know

that theoretically there is a better method but a method which cannot be put into operation.

Our inability to arrive at any conclusion regarding the abolition of private ownership of small farms is very largely the cause also of our indecision regarding the question as to which of the activities in farming must necessarily be joint activities in order to call farming co-operative. Our present desire to whittle down our conception of co-operative farming to what is really ordinary agricultural co-operation, is not only not proper but it ignores the fundamental differences between the two. It is true that many people look upon the Palestine small holders' co-operative settlements as examples of co-operative farming and that even there we have a great deal of difference regarding the number and nature of joint operations. In some settlements no operation is done jointly whilst in others only some are done jointly and in still others all operations are done jointly. In India, however, we have agreed that joint farming operations are of the very essence of co-operative farming and there is no reason why in actual practice we should talk of co-operative farming even where there is nothing co-operative about the farming. To-day we are tempted to look upon a Better Farming Society as a Co-operative Farming Society even when there is nothing of the essence of true co-operative farming, when the only thing done jointly is supposed to be joint harvesting or joint watching. One is inclined to ask in despair how this can by any stretch of imagination, be looked upon as co-operative farming? After all even to-day many operations such as harvesting are being done jointly. We might as well call our present farming co-operative farming and be quite satisfied.

Co-operators who accept too much of the present individualistic and competitive bases of society as something that is natural will find that they are in fact sabotaging co-operation rather than helping or developing it as they should. A powerfully developed co-operative movement will always be a bulwark of the masses against any attempt to destroy liberty or democratic management of life and its necessities. But it is impossible to attain this development and strength so long as we do not try to understand the new needs and conditions of agricultural production in a big agricutural country like India and so long as we continue to support on utterly wrong premises our present individualistic and competitive structure of society.

We have to consider what is best for India. Some of the principles discussed below are of universal significance but

there are prominent exceptions to this rule. We may therefore concede the point that what is true of India may not be true of all countries just to-day. For example, it may be quite in the fitness of things if, under the influence of conditions as they are in the U.S.A. to-day, an American liberal comes to the conclusion that the "rugged individualism" of competitive American society is something valuable enough to be protected. In India, however, we are facing a situation where conditions are different and where any attempt to force conclusions based on the American faith in "rugged individualism" would be very harmful. It is true that, likewise, any attempt to force conclusions based on Soviet conditions would be equally harmful. We have to learn from both the American liberal as well as the Soviet administrator and adopt what we think is best for us. Those who try to speak against competition and individualism are generally accused of being pro-Soviet. Such accusations are absurd and ridiculous for they imply that any love of joint action (as against individualism) is love of Russia and any opposition to private property is hatred towards the U.S.A. Anyone who wants to understand the Indian situation must go ahead with the confidence that the situation as it is here will itself prove the absurdity of wrong accusations of the above type.

Why Private Property and Competition Prevent the Progress of Co-operation in India.

In the next chapter we shall be discussing the relation between human liberty and private property based on a competitive structure of society. There is a firm conviction among some conservative writers abroad that competition is the best method of co-ordinating individual efforts. Professor F. A. Hayek tells us, "Any attempt to control prices or quantities of particular commodities deprives competition of its power of bringing about an effective co-ordination of individual efforts."[9] Writers like Professor Hayek are definitely against displacing competition. They are convinced that just as private capitalism has evolved and produced its free market, this free market must continue if democratic freedom is to continue. Competition is regarded as the best method also for increasing production. Indian co-operators will at once be able to realise that several of these conclusions are not true when applied to India and that a blind acceptance of them will destroy all chances of further co-operative progress in India.

One of the most important of the factors which limit the

9 *The Road to Serfdom*, page 27.

success of co-operation is the existence of our competitive circles of exchange. Even the most moderate of co-operators have realised to-day the dangers of our highly competitive rural markets. The activities of the farmer to-day are cut up partly into co-operative and largely into competitive action. This is a serious impediment to co-operative activity and has been a prominent cause of the failure of even ordinary agricultural co-operation. The sentiment which favours competition and the retention of "private business" is not bad in itself but it is certainly bad for the Indian co-operator to forget that this sentiment is a serious obstacle to the progress of co-operation. This sentiment is the real reason why the co-operative system has seldom been carried out in its entirety. Prof. Alfred Marshall, the doyen of British economists at one time, himself admitted the truth of this—at least when applied to certain developments.

Whether we like it or not almost the first change we want is to drop competition from all fields of rural economy. We want an all-round attack against the competitive circles of exchange. This necessitates great care and is not without its dangers. But it is better to face these dangers than attempt as we did in the past to drop competition only from isolated sections of our economy—like credit or marketing, etc. We have not noticed so far that there are also certain structural defects in co-operation which have been the primary causes of the slow progress made, particularly in the field of production. These structural defects were noticed long ago by another moderate economist, Professor Taussig.

The Importance of State-Help Rather than Individual Self-Interest in Co-operative Production.

The last mentioned point can be sufficiently criticised on the ground that the failure of industrial co-operative production shows the need for more individual self-interest rather than for its abolition. Since production can be both agricultural and industrial it is also possible to say that agricultural production, specially in a country of small farms, is on a different footing altogether and that in such a case there is no essential structural difficulty of the above sort. Arguments like these, if used, will tend to mislead us. It is true that some writers have tried to show the failures of industrial co-operative production just in order to prove the superiority of self-interest in industrial organisation. But these writers (like Professor Taussig) have admitted that several substitutes for the driving force of self-interest can be found in any organisation of society which is intended to be entirely different

from the present individualistic capitalist society.

If it is misleading to talk of the importance of self-interest in industrial production it is even more misleading to talk of **retaining** the small independent farmer in any scheme of joint agricultural production. The task of organising agricultural production on a co-operative basis is more difficult to achieve than any other task co-operation was called upon to solve in the past. We cannot afford to be muddle-headed here. **The various phases of agricultural co-operation were designed to help the independent farmer. Our task in organising large-scale joint farming is to supersede the independent farmer.** We have to revolutionise agricultural production as a whole and we must pay serious attention to the structural difficulties of production organised through **pure** co-operation. **Co-operation cannot achieve much in the field of production absolutely unaided and in its pure forms.** A considerable amount of State-help will have to be sought and given both to help co-operation itself and to abolish competition and private property in land.

We thus see that though it is simple enough for people to imagine that we can easily combine the economics of large-scale production with many of the joys and social gains of small properties, the scope for achieving this technically through **pure** co-operation alone is extremely limited. This is is not a rash conclusion. It is a conclusion which is almost similar to the one reached by the great economist Alfred Marshall himself. Marshall believed that co-operation "scarcely touches work in the field itself." It may be that the work of co-operation "in the field" has advanced since Marshall's time—yet Marshall's conclusion is substantially true even to-day as a warning. It can even be said that not all writers after Marshall have had reason to be more optimistic than the earlier ones. In fact if we are to believe Prof. Taussing (and this is mentioned here only as a warning against over-optimism), "co-operation is not likely to revolutionize the social order .... the hopes entertained a generation ago by many economists, that it was only in the first stage of a far-reaching development, are now cherished by few."

"Pure" Co-operation Follows not Precedes State-Help.

Just as we cannot ignore the importance of State-help in the field of production without risking failure we cannot also ignore the essential causes of the failure of co-operation in **other** fields. There are many lions in our path and unless we remove all the causes of the failure of Co-operation in

other fields which have been operating during the last 40 years, it would be rash to predict success for co-operative farming without any kind of organised State aid.

In the first place we require drastic action to lay the foundations of strong social homogeneity on which alone can our glorious edifice of co-operation be built. Rural co-operation can easily fail, and in fact it has failed in several countries, due to differences of social standing of the farmers and their individualistic leanings. Wherever we have the desire in a farmer to work on his own and be independent we cannot also have the desire to co-operate with neighbours. To encourage the desires and independence of this type and simultaneously talk of the need for joint farming is not likely to carry us far on the road to planned or organised large-scale agriculture.

Agriculturists are a very suspicious race and to develop habits of mutual trust and confidence is not easy. This is a universal truth but it is of special significance for India where there is no social homogeneity due to various special causes —party politics, caste prejudice, religious antogonism, etc. There are serious impediments which necessitate a strong State rather than the absence of it. Unaided and pure co-operation requires for success a certain stage of development in education, social homogeneity, and politics. A sense of freedom and national independence, and an advancement beyond religious and caste prejudice are absolutely essential. The so-called democratic freedom of to-day and distrust of the centralized State are not helpful developments which we want.

Extreme Poverty Requires State-help more than Co-operation.

It is a mistake to think that as we become poorer and poorer we shall automatically learn to act more and more co-operatively. The success of co-operation requires a minimum amount of economic development or prosperity which cannot be furnished by co-operation itself to make further co-operation successful. Governmental help can be cut down to a **minimum** only where co-operatives are organised extensively. But co-operatives cannot be organised extensively in all cases where the minimum economic basis required is absent. A thorough inquiry by the League of Nations has shown that co-operative organisations have been most extensively organised only in those areas that have been most advanced in productive techniques and per capita value of produce. It is best to remember the truth that the causal relationship between co-operative organisations and peasant prosperity is not

undirectional. It is largely reciprocal. The power of a co-operative to increase the economic prosperity of its individual member is necessarily limited by the initial prosperity or poverty of the member.

We have been ignoring several truths that we should have faced because our experience is limited to the work of isolated agricultural co-operatives for credit, or sale, etc. But even here we must carefully consider the fact that such co-operatives cannot by themselves create huge markets or help members in the accumulation of capital where the members are too poor to make even their agriculture profitable or to have any surplus of any kind. The very foundation of all success for any kind of co-operation is after all the size of the average holding. This sets a limit on all progress—including simple advantages like improvement in yield, pooling of capital resources, increasing value of the product, etc. Where there is no capital accumulation or where this accumulation is very slow it is rash to expect any great improvement in per capita agricultural production through unaided co-operation.

The Conflict about Voluntary and Compulsory Co-operation.

What has been stated above does not imply that co-operation cannot continue to be the hope of rural India. What is necessary to remember is that a mere hope will serve only as a dope unless we give up the expectation of great improvements through ordinary unaided co-operation. We must take more active steps than those we have already taken. Co-operation will have immense scope for development where we prepare the ground for it and this preparation implies the rejection of a blind reliance on voluntary co-operation and the adoption of measures like State-help and collectivisation of farming.

The questions of the use of compulsion, State-help, and collectivisation require very careful consideration. Words such as "collectivisation" or "compulsion" or "socialism" are enough in some cases to serve as a red rag to a bull. They excite suspicion and fear and repel or attract human beings much more than their real meaning. Even when people agree as to the essential truth behind the meaning of a word the word or phrase itself is enough to create misunderstanding. Collectivisation is always taken to imply compulsion though in actual fact it can be both voluntary and co-operative. Similarly co-operation is often taken to include compulsion though in pure theory it can only be voluntary. Changes in meanings to suit economic circumstances cannot be completely avoided in actual practice but this should not

justify any kind of misrepresentation—either intentional or through ignorance.

According to the orthodox theory true economic co-operation is voluntary. It has nothing to do with Government, or with compulsion which many regard as of the very essence of Government. In this co-operative theory there is a definite way of managing the economic matters of mankind —a way which is sharply distinguished from and is supposed to be completely independent of any kind of political action or government. The search of the orthodox co-operator is essentially the search of a method or way of organising a non-political and non-compulsory society by which individuals can save themselves from centralized control or power. The co-operative method is intended to free the individual as much from the clutches of the compulsory political state as from those of the profit-maker in industry. Co-operation is supposed to be deliberate, constant and evolutionary—because it is voluntary.

There is undoubtedly much sympathy among co-operators for the **voluntary** principle. There is an influential group of Indian co-operators which stands for complete de-officialisation and looks upon compulsory co-operation as something utterly un-co-operative. This attitude is quite logical but extremely unpractical when we have to face the problem of the necessity for joint farming. The logic of this attitude supports in reality the ultimate claim of every producer to be independent of any control. It ultimately implies a rejection of co-operative farming itself as something essentially un-co-operative.

Many co-operators who believe in co-operative farming are not able to decide definitely what to do in the matter. They are torn by the conflict between the practical necessity of using compulsion and the theoretical principle, which they accept, of voluntary co-operation. This indecision and conflict are obviously not helpful to progress in co-operative farming. In Bombay Province, for example, the need for organising joint farms has been accepted in theory but the practical difficulty of not being able to do much on the voluntary principle seems to be almost insurmountable. In the face of the peasant's attachment to land not much has been suggested except the proposal to organise a co-operative farming society in each district to serve as a demonstration centre. But even this step, however inadequate it may be, is not likely to be taken immediately. It is noteworthy that even Bombay's most conservative English paper, **The Sunday News**

of India has been constrained to say that it appears that nothing more is likely to be done in the present except the offer of "technical and, in certain cases, financial help to joint farming societies which it is left to the people to form.[10]

Revolutionary Means for Evolutionary Ends.

Many co-operators in India have the hard task of either accepting great orthodox philosophic truths and doing nothing or of going ahead with practical plans of more agricultural production even if these plans involve the sacrifice of certain of these orthodox theoretical principles. It is necessary of course to remember that the orthodox principles are by themselves quite attractive. Dr. James Peter Warbasse tells us, for example, that co-operative democracy can be attained if by peaceful methods we put this democracy into operation first on a small scale and then in an ever increasing and expanding measure.

We are told that "in the evolution of agriculture the voluntary principle must be preserved .... There must be no confiscation, no coercion." Dr. Warbasse, who is one of the best representatives of the school of true democratic co-operation, is convinced that permanent results come only by evolution, that co-operation is evolutionary and that it is evolutionary because it is voluntary. With all these principles there also goes the assertion believed by many that great social changes that are permanent are those brought about by means which are similar in character to the end sought.

All these are great philosophic principles but it is difficult to accept them as sound economics for a country facing famine. If-co-operation is evolutionary (when interpreted as voluntary) one may well ask what time limit can be fixed for such evolution? We have had 40 years of failures based on evolutionary hopes. Can we think of slow evolutionary means as a practical method for problems and epochs which are necessarily revolutionary? Do present times allow us to think in terms of slow evolutionary changes?

Revolutionary or compulsory means are not accepted by many co-operators as "desirable means" and we are told that only desirable means can enable us to reach desirable ends like a democratic co-operative society. We are also told that for an evolutionary end like co-operation a revolutionary means like State compulsion is not proper at all. The question of ends and means which of them are good or bad cannot be entered into in full details here. Supposing we take for

10 *Sunday News of India:* 22nd February 1948.

a moment that the use of compulsion is a bad means. This ought not to mean that we cannot attain a good end. Compulsory co-operation, under circumstances such as those which we find in India, is very much like compulsion against drinking liquor or compulsion to make the people educate themselves. So long as the means themselves are not ends in disguise a good end may make the means of less significance than they would ordinarily have. The American co-operator of to-day had no objection to the use of force to attain a good end like the destruction of Fascism. Can it not be said that this bad method of force really became good when the good end was attained? Is it really impossible to accept the proposition that the only way to judge whether methods are good or bad is to ask whether they attain good ends?

Apart from the above, which is not put here as an unquestionable moral truth, we have to ask the question whether our end as co-operators is revolutionary or evolutionary. It has been hinted at above that our problems and epochs are really revolutionary. This cannot be doubted for our practical task as co-operators involves fighting vested interests, depriving millions of their private usurpation of property, introducing radical changes in outlook on property and on incentives to produce wealth, etc. If our co-operative ends to-day are revolutionary, then we need not bother about having evolutionary means only (in the sense of **voluntary** co-operation) for such revolutionary ends.

We are likely to misunderstand this talk of revolutionary and evolutionary means, and there is no reason why co-operation and co-operative democracy cannot be the result of revolutionary means. After all ordinary democracy as we know it in several countries has been the result of revolutionary means. American democracy is regarded as permanent though it is by no means evolutionary. If ordinary democracy itself has not been evolutionary or peaceful how can we say co-operative democracy must necessarily be evolutionary and cannot be revolutionary and that if it is revolutonary it cannot be evolved at all?

Those who are serious about joint farming cannot escape the fact that philosophic truths cannot help us to do anything in the immediate present. We must either sacrifice joint farming or we must definitely take to State-help and compulsion on a large scale. We are facing famine and we have to work out a scheme that will enable us to produce more in the immediate present. It must be repeated that it is extremely unpractical and dangerous to expect miracles from

voluntary co-operative effort. The urgency of the problem does not permit us the luxury of philosophic discussions. We are told that compulsion or the abolition of small farms will involve destruction of liberty or democracy. The love of liberty and democracy is praiseworthy. But we know that we do not allow this love to prevent us from facing the practical problem of internal disorders. We do not hesitate to pass drastic legislation in order to curtail all the age-old theoretical liberties of an individual. Likewise we cannot allow the love of liberty to prevent us from facing the practical problem of more production. When the choice before us is either the philosophic good or more food our answer is clear. Philosophy is certainly good but more food is better and in any case famines do not wait for philosophers to arrive at universal truths.

CHAPTER XIV.

SOME PHILOSOPHIC AND PRACTICAL ASPECTS OF COLLECTIVISATION.

Most people who talk of land tenure reconstruction look upon collectivisation and co-operative farming as if they can or should be regarded as fundamentally opposed to each other. It is true that some among us talk of **co-operative collective farming** and such farming has been recommended by even some of the most highly placed officials of the I.C.S. The general tendency however is to avoid any reference to the need for collectivisation and to identify it closely with political **communism**. Some, even among those who should know better, have come to the conclusion that there can be nothing co-operative in collectivisation and nothing of a collective spirit in co-operation. This unusual fallacy is similar to the view held by certain writers that there is nothing socialistic in co-operation and nothing co-operative in socialism. We thus face a ridiculous situation where people talk as if that which is **joint** is not **collective** and that which is collective cannot be joint but only communistic.

It should be absolutely clear to those who have followed the arguments of this book that if we are to give up peasant proprietorship and talk of co-operative farming (**not** agricultural co-operation) we must necessarily accept the principle of joint farming. If we accept joint farming as the essence of co-operative farming we must, if we are to make any progress at all, accept the necessity of land nationalisation and State direction, control, and help of all kinds. Co-operation alone will not bring about the social and economic transformation we want. **Voluntary co-operative farming on the principles of a continuance of private ownership of land is an utter impossibility.** Even if it were to be considered as possible it would be so slow a process that it would serve no real purpose whatsoever.

It is extremely dangerous to do nothing beyond what has been proposed officially to be done to-day. The situation in rural areas is deteriorating so fast that we cannot afford to wait very long for any possible imaginary development of **voluntary** co-operative farming. This fact needs a hundred repetitions for we have not realised fully the importance of it. The rural landless masses can always be very incendiary material and the existence of the communist portion of China

to-day ought to be a warning to us that any delay in vital rural reconstruction is likely either to split this country or to make it just the material required for ruthless communist propaganda. This is a development which must be avoided at all costs. We do not want either a Fascist or a ruthless Communist State. The best and wisest solution for all co-operators is to take the help of the present **democratic** State and organise as fast as possible a co-operative structure of society. We should welcome the use of **force** by the Democratic State **now** in order to avoid the ruthless force of any possible organised autocracy later. If we organise a strong co-operative structure now in this way we may be able to resist the State in the long run and avoid exactly the evils which we fear to-day.

The Unpractical Bias Against Collectivisation.

The main argument as given above will become more clear and all its implications will be understood more when we proceed to answer the arguments brought forward by those who are opposed to economic collectivisation and State help. The economic situation in India is such that State help to co-operative farming will have to take the form of compulsory organisation of "Co-operative collective" and "Joint farming" societies. There is however a great deal of opposition to collectivisation due to different reasons. There are people who are very frightened at the word itself and imagine anyone who talks of it to be a red-hot radical. There are others who intentionally look at the question through their own coloured political spectacles whilst there are some who are either too biassed in favour of private property as an institution or who are opposed to collectivisation because they imagine it to be a ruthless weapon of violence.

In a sense the word **collectivisation** is not a happy one. It is very misleading due to the fact that the system of farming in Soviet Russia is also known as collectivisation and there is a wrong impression that collectivisation could have been possible only in Soviet Russia. People who look at the question with a political bias add to the confusion. These men are so biassed that they attack Soviet Russia for the force used by her in bringing about collectivisation and yet they do not hesitate to recommend the use of force for their pet schemes like consolidation of holdings, etc.

It is best to avoid all political bias in dealing with collectivisation. Mixing it up with our bias against Soviet Russia is mischievous for when this is done we can see nothing which is either voluntary or co-operative in collectivisation. In actual

reality there is much that is co-operative in collectivisation, and collectivisation can even be voluntary though of course this cannot be so in India. Those who want to solve India's triple tragedies of (a) poverty, (b) population pressure on land and (c) low agricultural productivity, must not allow themselves to be frightened by words like collectivisation but must courageously come forward to understand why these problems cannot be solved without co-operative collective farming. It is of course not very easy for most of us to overcome our prejudice in favour of private property in land. But it should not be very difficult for us to realise that the arguments put forth against collectivisation are not so convincing as the man in the street may be led to believe.

The Main Arguments Against Collectivisation.

The following are some of the important arguments usually used against both joint farming and collectivisation by the supporters of peasant proprietorship:—

(1) "We have not enough land to make collectivisation possible. Russia had half our population and double the amount of cultivable land compared to us."

(2) Our social differences, economic inequalities, and party factions, make collective action in farming an impossibility.

(3) Our administrative machinery is intended only for law and order and is not suited to socialisation of the essential services.

(4) In India joint cultivation has not developed, even agricultural co-operation has not succeeded, hence to try to jump at collectivisation would be "too big a stride."

(5) If collectivisation has succeeded in Russia it need not succeed here also for it requires a social outlook on the part of the people which we have not got here. This outlook is the result of a combination of the various social elements which make a particular society.

(6) What India needs is a social order based on non-violence which would be free from exploitation and which would function peacefully and democratically. This we cannot have if we decide to accept collectivisation.

(7) Collectivisation and State control imply centralisation of production which is dangerous to liberty and democracy. We should prefer decentralised production with plenty of scope for individualisation, competition and private property which are the safeguards of liberty.

(8) Collectivisation is neither possible nor desirable because of the Indian peasant's love of his land which is a strong and desirable bond tying him to the means of production.

Not all the above arguments are equally important but it is necessary to take up all of them as they have been used by some of our leading "experts" in the Press and on the Radio. If we begin with the first argument we find that it betrays some ignorance about the land position and the possibilities under collectivisation. The paucity of land is one of the principal reasons for our rejection of peasant proprietorship and the acceptance of joint effort and collectivisation. Resources have to be economised when they are limited rather than when they are not. There may not be enough land for ideal schemes of collectivisation but we accept collectivisation because we have much less land than is required for the other alternative of expecting prosperity through peasant proprietorship.

Those who accept collectivisation are convinced that it will help us to bring much more land under cultivation than is possible under peasant proprietorship. As we have noted before there are millions of acres of land which will never be brought under cultivation unless we evolve the technique which is the basis of scientific mechanized agriculture under collectivisation. Further if we adopt scientific mechanised collectivisation we can increase our productivity and grow the same amount of food as to-day in much less area than we use to-day. If rice production can be increased four times and wheat production about three times we can grow in 33 million acres all the rice and wheat for which we required more than 119 million acres of land in 1943-44. According to some authorities we can by scientific schemes of economic land conservation release **out of our existing land resources alone**, as many as 120 to 130 million acres of land all over undivided India.

Comparisons with the size and population of Russia imply that we are going to have exactly the same system as in Rusia —which is not quite proper to presume. Besides, we may note that collectivisation was not undertaken in Russia simply because there was enough land or a limited population in relation to land. It was largely the result of the reactionary and unproductive land system. The greater population of India and the more limited quantity of land lead to similar evils here. Surely private cultivation of land has much less chance

of success here than it had in Russia with only half the population and double the land compared to ours.

Regarding the second objection to collectivisation, our social differences, caste prejudice, and economic inequalities are serious impediments but their existence goes to show the necessity rather than the impossibility of having collectivisation. These are evils which make voluntary co-operation an impossibility, but these evils have to be fought to the bitter end and they **can** be fought by other means implied in **compulsory** collectivisation. We have to abolish these evils as early as possible and the best way to do so is to strike at their economic source. Social differences and economic inequalities in rural areas are the results more of private property in land than anything else and they cannot be removed more quickly than by well-organised schemes of socialisation.

The question of our administrative machinery not being intended for socialisation of the essential services and therefore not being suited for collectivisation appears to be a strange question to raise. Surely an administrative machinery can change with changing circumstances—it is not something as fixed as the idea of the necessity of private property in the minds of some people. All genuine schemes of socialisation require the conscious setting up of an adequate administrative machinery if we do not already possess one. It is admitted by the critic that our administrative machinery is meant for law and order but surely it was not always there and it had to be set up for the purpose of organising law and order. If we want a new economic order we have to **create** the administrative machinery for it.

The argument that as joint cultivation or even agricultural co-operation have not developed it would be "too big a stride" to have collectivisation, is based on the supposition that all economic changes are necessarily evolutionary. It is really on a par with the argument Marx used that socialism can come only in a country of advanced capitalism. Marx proved to be a good economist but a poor prophet, whilst our critics who use this argument do not appear to be either. It is true that we have not succeeded much in voluntary joint cultivation or joint action but we cannot necessarily say that what we have not succeeded in doing voluntarily we cannot succeed in doing **compulsorily**.. We have taken "big strides" in politics and we will have to take big strides in economics whether we like it or not. The question of agricultural reconstruction is very much like that of our sociological problems like caste and untouchability. We simply cannot afford to believe that problems like these can be

solved automatically by slow evolutionary changes. Either we destroy the evils facing us by resolute courageous reforms or these evils will destroy us. We are by no means in an age of slow evolution and we have to take risks and act quickly now.

The fifth argument against collectivisation is very popular with many people both here and outside India. It helps us to make out a case against collectivisation even when we can no longer dispute or deny its success in Soviet Russia at least. Sir A. D. Hall, for example, was very appreciative of Soviet rural reconstruction and was very sympathetic towards the idea of Russian collectivisation. None the less he escaped the necessity of recommending it or anything comparable to it, in England by saying that it required an outlook which was alien to the English people's outlook. This question of the outlook of a people is however as disputable as any other question examined above.

It does not appear very scientific to accept the outlook of a people as the **cause** of a thing when it can very well be the result of it. It is as reasonable if not more reasonable to assume that the social outlook of a people is the **result** of a new economic environment than it is to assume that it is the cause of it. One wonders whether the outlook on life of the Russian peasant before collectivisation was very much different from the outlook of **our** peasants to-day. The similarities were considerably more than the differences. Besides, whilst we have no right to judge Sir A. D. Hall's opinion about his own countrymen we cannot blindly accept his argument and use it in India as if it was our own. Our social elements have less resemblance to English social elements than to the Russian. We have no advanced capitalism, our middle class is not very powerful, and our **proletariat** is as poor and even more numerous than in Russia.

The sixth argument against collectivisation is an argument of peace which has rightly a universal appeal. Gandhiji's message of non-violence shook the world though the world has not been able to accept it in practical politics. No one would recommend collectivisation or compulsion of any kind if our society was really based on non-violence and peace. As we have already noted Gandhiji's doctrine is a logical whole. Hundreds of people who to-day advocate pure economic remedies for economic evils would flock to the standard of Gandhism if it could be accepted **as a whole** by any group of his followers. India perhaps needs a courageous

leader who would take up Gandhiji's original programme of 1921 and organise a political party solely and wholly on a new radical basis of the type Gandhiji gave in his early days. But this is only a dream so far as the actual position in India is concerned to-day. In actual reality the talk of peace is only academic and philosophic. Neither the Central Government nor any Provincial Government has accepted non-violence as a workable principle either for the day to day administration or for the purpose of national defence. It is difficult for anyone who is serious about rural reconstruction to accept the doctrine of voluntary effort and peace and non-violence when the doctrine is used only for criticising collectivisation or Soviet Russia, and when even those who criticise the use of force for collectivisation do not hesitate to recommend it for their own pet schemes.

The last two arguments against collectivisation are the most important of all and practically the whole of the remaining book is an examination of these arguments. Nothing in the whole field of discussion of collectivisation is so important and, at the same time, so full of confusion, half-truths, and fallacies than the great problem of human liberty and democracy considered in the context of centralisation and State-power. A proper study of this question is important not only for our immediate task in hand but also for understanding the tragic quarrels among the nations of to-day. We can arrive at wrong conclusions only at our peril for a wrong attitude—specially among people who count both in economics and politics—may endanger the interests of all humanity and thwart the progress of all mankind to-day.

We are told that collectivisation destroys private property and that this is dangerous for private property is the most important guarantee of freedom, not only for those who own property, but also for those who do not. It is feared that if the State owns all property in the means of production it will have complete power over all. It is only when property or means of production is divided among many people acting competitively and independently that no one individual or group has complete power over all. Several co-operators are convinced that the people can control only that which they own and that if the State controls property it will soon begin to control the people themselves. Co-operators like Benson Landis and James Warbasse have no doubt about this whatsoever, though ofcourse they are supporters of voluntary co-operative ownership and not of competitive individualism like Prof. Hayek.

Encyclicals of a Pope may be expected to differ violently from the writings of a former communist and yet such is the power of the above view point that support in favour of it has come from both. We find Pope Leo XIII telling us that "Every man has by nature the right to possess property," and we also find an old communist like Max Eastman changing his views enough to tell us "the institution of private property is one of the main things that have given man that limited amount of freedom and equalness that Marx hoped to render infinite by abolishing this institution."[1]

Connected closely with the idea of private property as a safeguard of liberty is the other conception of the dangers of centralisation as compared to the absolute necessity of decentralisation. We have referred once to the philosophy of decentralisation of Shri Kripalaniji. He and other great Congress leaders have strongly supported decentralisation, as against centralised collectivism, on the following grounds:—

(a) it is better for organisation and for creating maximum political consciousness at minimum cost.

(b) It prevents State oppression, "for a State can always put down by its governmental and military machine any effort at combined direct action by labour.[2]

(c) It prevents class war.

(d) It prevents political and spiritual slavery by guaranteeing a certain amount of free activity in every sphere in life.

(e) It makes for variety of occupations and, instead of making labourers "mere cogs in the productive machine," it gives them opportunities to develop initiative and inventive and artistic capacities.

(f) It prevents Imperialism, War and Dictatorship. The peasant proprietor is less likely to fall prey to a dictatorship than the collectivised cultivator who has no individuality of his own. The cultivator under socialised agriculture who has no individuality of his own surrenders readily, what he never possessed, to a party or an individual. Even when he creates a revolution he can think only in terms of communism and not of democracy.[3]

Most of the above arguments in favour of private property, decentralisation, competition, etc. appear very plausi-

1 See, *The Reader's Digest*, July 1941, page 39.
2 J. B. Kripalani: *Politics of Charkha:* page 30.
3 *Politics of Charkha:* page 60.

ble. One is inclined to be carried away by the arguments in sheer enthusiasm for no one really wants any kind of despotic oppression. It is necessary however to consider whether all these arguments are really relevant and applicable to what we want in the form of co-operative collectivised farming and, secondly, whether they are really as sound as they appear.

In the case of property, it is best to realise from the outset that we are interested not in the entire question of private property but only in private property in land. Besides our problem is not to abolish private property in land at all times and in all countries but only when circumstances develop as they have done to-day in India, when one can earn more by letting the land on hire than by cultivating it himself, when one can earn less by the sweat of one's own brow than by exploiting others and depriving them of the product of the sweat of their brow. The question of productivity of land should also not be mixed up with that of any possible fall in production in industries due to nationalisation or other factors. One may accept the possibilities of decreased production in large-scale industries when they are nationalised without the workers having much enthusiasm for the State. There can however be little doubt about the **increase** in agricultural productivity if we accept joint farming and mechanisation, for such productivity can hardly go below the limits we have reached to-day.

Even as a general philosophic truth it is very difficult for us to accept the popular belief that private property can guarantee liberty. If many great thinkers and writers have accepted this supposition, an equal number of equally great thinkers and writers have vehemently rejected it. As against the supporters of the above supposition we have already referred to we can quote men like Sir William Beveridge, John Stuart Mill, Prof. Herman Finer, John Hobson, H. N. Brailsford, Prof. Tawney, Sidney and Beatrice Webb and a host of other great thinkers who have never accepted this plausible plea.

We in India have never been taught to love property in the same sense as in the West. Our great saints like Ramkrishna Paramahamsa have always regarded property as an evil which **divides** man from man. How can property safeguard liberty when it tends to concentrate in the hands of a few men only who, by virtue of their wealth, come sooner or later to control the State? Sir William Beveridge has rightly rejected the idea of private ownership of means of production as a fundamental right of man. It is a great mistake to talk

of the rights of property and forget its wrongs for "property" goes with "improperty" as John Hobson has taught us. If property gives freedom property also endangers it as Prof. Finer believes.

Property was linked with life and liberty by John Locke but not all philosophers have continued to link it with liberty since that time. Thomas Jefferson seems to have looked upon it as much less important than the pursuit of happiness and he wrote only of "life, liberty and the pursuit of happiness. If there has been an attempt recently among co-operators to go back to Locke's dictum, property is interpreted by many of them more in the sense of "co-operative ownership" rather than private ownership. The co-operator's ideal is and should be "socially responsible form of group property ownership." This must not be confused with private property. Small production is supposed to safeguard democracy but in reality it can engender capitalism and a reactionary middle class, as we have seen in dealing with the Nazi motives in supporting peasant proprietorship.

There is a great danger in our forgetting the fact that if private property specially in land is to be regarded as a safeguard of liberty, we are likely to give liberty to individuals and destroy that of society as a whole. The cause of democracy and freedom has suffered in the past from the **over-assertion** of individual liberty. We cannot forget the tasks which face us and which require the stressing of community interests. Writers like John Hobson have told us again and again that the work of economic planning cannot proceed upon old notions of individual liberty as the right of any strong man to seize a portion of the earth and use it as private property. No economist can defend landed property when the proprietor ceases to be its improver. When landed property does not fulfil the conditions which justify it economically it ceases to be defensible. Landed property is actually less sacred than other property and its appropriation is wholly a question of expediency. When we talk of freedom let us remember that the State has the freedom and liberty to deal with landed property as the interest of **all** require and dictate. Most of the truths mentioned above are principles as they were taught by John Stuart Mill himself.[4]

Liberty is the fruit not of property so much as of democracy and the spirit of a people. The spirit of independence of the people is more important than all the property in a

4 John Stuart Mill: *Principles of Political Economy*: Book II, Chapter II, Section 6.

country and this spirit is not dependent on ownership of landed property. The great landowners of Poland, Hungary, and other European countries were the first to betray their national independence as we have seen in an earlier chapter whilst it was left to the landless masses of Russia to show the determined spirit of freedom which could not tolerate the loss of their liberty, a spirit which made them render a very great service to world democracy by breaking the backbone of the Nazi Army. The President of the Co-operative League of the U.S.A. tells us that the Russian masses have opposed "policies inimical to democracy," whilst the other democratic countries like his own are keeping alive conditions which are breeding the next war. He courageously adds: "The danger resides in the after-war Depression which is destined to visit the United States. War again, as always, will be used as a screen to hide the collapse of the prevalent economy. In the meantime, the Russian System of centralised authority may be succeeded by a Russian democracy."[5]

The above truth is very important for those who always see in a State controlled economy great loss of liberty, democracy, etc. To this truth expounded by a great co-operator we may add the principle enunciated by Prof. Herman Finer: "Men have no freedom worth-mentioning when they have no possibility of exercising their faculties and energy as they feel they must. Freedom in this dynamic sense cannot come to men, in all the abundance potential in our time, unless they collectively manage a large proportion of the social resources and economic equipment. The present economic waste by mismanagement is enormous, it is nothing but lost or unexploited strength; it constitutes a loss of freedom to many."[6]

A co-operator who genuinely loves liberty should concentrate on fighting for democracy and on studying what preserves democracy and what destroys it. Instead of blindly accepting private property as the basis of liberty and centralisation as its enemy he should study why and how private property does not always prevent centralisation or safeguard liberty whilst centralisation need not always destroy liberty.

We should study the facts not merely the forms. Everyone is proud of America's championship of individualist liberty, and yet a recent American writer has shown to us that we have there a collectivist society in fact though not in form: "Our methods of production are essentially collective, but

5 *The Co-operative Way—a method of World Reconstruction:* page 72.
6 Herman Finer: *Road to Reaction:* page 128.

the control is individualistic. Thousands of persons have learned to work together but they work under the orders of a few individuals. These individuals are not responsible to the persons who work for them; they are not responsible to the consumers of their goods; they are responsible only to themselves."[7] The Indian co-operator is shocked to learn that control of industry there is concentrated in the hands of a few rich people—about sixty families or so, and that however much the owners of capital may talk of the need for individualism they all act together and prefer **among themselves** collective decisions to any attempt on the part of any one of them in any organised industry to arrive at an independent individualist agreement with anybody—such as with a trade-union for example.

Before blindly opposing any talk of collectivisation the the co-operator must study the structure of modern society, its basic needs, etc. He must also know that no nation or man can be completely free and that whilst there are some freedoms which should never be surrendered to the State—such as freedom to know or freedom of the press—there are other freedoms which can safely be surrendered.[8] The liberty of industrialised capitalist democracies is highly illogical. The very nature of machine production implies considerable loss of freedom to the worker. Likewise the private owners of factories and farms in these countries want Government to let them alone when it is a question of wages, or hours of work, but they insist on Government regulation of tariffs, subsidies, and "fair price" laws. It has also been proved that in some of the great capitalist countries the great individualist Corporations have worked in such a way as to make the individualist system anti-social in its effects. The theoretical benefits of competition have not been fulfilled; real competition has been prevented by the individualist producers themselves; and the failure of the free competitive system has actually endangered democracy.[9]

It is easier for anyone to see how democracy is endangered in a free competitive society than it is to realise how democracy or liberty can exist at all when we have collectivisation. One of the strongest and commonest of beliefs is

7 Granville Hicks: *I Like America:* page 133.

8 Milton has told us of "the liberty to know, to utter, and to argue freely, according to conscience, which is above all liberties."

9 Professor Herman Finer tells us of individualist producers and firms who have bribed foreign politicians to take loans for useless work, or who have even employed a lobbyist to do his best to frustrate international naval limitation at Geneva in 1930 for the sake of additional orders. See, *Road to Reaction:* pages 11, 12, and 14-16.

that a collectivist society can exist only under an absolute State or a dictatorship, in other words that there can be no democracy where there is collectivism. Likewise there is the other fallacy, happily less common but not less dangerous, that competitive society and a planned society are two alternative principles between which there can be no compromise.

It must be admitted that uncontrolled centralisation of State power has been one of the factors hostile to liberty in world politics for it has led to the growth of the power of the bureaucracy. Whenever effective power is concentrated in a few hands we have the foundations of dictatorship rather than democracy. Liberty on the other hand appears to be inalienably connected with democracy. All this should not however be taken to imply what writers like Professor Hayek have tried to convince us of, namely, that no planning can be democratic. Likewise it cannot be assumed that we must always oppose planning on grounds of **laissez-faire**. No one to-day can look upon the survival of the fittest as a moral justification for any ruthless elimination of the unfit. Those who oppose planning on grounds of laissez-faire are in fact accepting a distorted version of Darwinism. Writers like Mr. Herbert Read have done well to warn the European world of the fact that the only logical opposition to planning is predatory and anti-social egotism and that the unacknowledged acceptance of the doctrine of the survival of the fittest in its laissez-faire form is one of the real causes of the instability of democracy to-day.[10]

The truth must not be overlooked that real democracy and liberty require a considerable amount of State interference and planning. The State must provide services for the less fortunate and must plan. What looks like restrictions of individual freedom of action can alone create "the liberty to live" for the masses of mankind. True liberty today for the masses is impossible without legal interference with the free action of all classes. Planning of economic life is a part of our attempt to increase the liberty of the average citizen. In the world in which we are now living the individual is at the mercy of all kinds of great forces and it is not possible to preserve liberty of the individual without State interference and planning . There can be little doubt that sometimes even the most learned men talk nonsense and those who tell us that planning is "a sign of a blunted moral sense" seem to qualify for the first prize for talking learned nonsense.

10 Herbert Read in Foreword to E. A. Gutkind's *Creative Demobilisation* Vol. I, page XIV.

Luckily, we in India have not allowed our prejudice to conquer common-sense and we have rightly questioned the dogmatism of those who look upon State-help and planning as "a sign of a blunted moral sense." Here is for example what the learned President of the Indian Economic Conference, Principal D. G. Karve, has had to say: "In spite of biassed criticisms, collectivism is on the march .... It would be as true to say to-day that collectivism is necessarily undemocratic as it would have been to say, on the occasion of the French Revolution, that democracy would necessarily be republican and atheistic."[11] This was not said with reference to co-operative farming or agriculture in particular but here was a voice of reason which recognised that irresistible economic and technological forces are taking the world towards the collectivist direction and that this need not necessarily entail loss of democratic freedom. Once we drop our old orthodox ideas of both co-operation as well as socialism the way before us will appear very clear. It is proposed to examine this in the next chapter which should be regarded more as a continuation of this chapter than as a completely independent one.

11 Presidential Address: *Twenty-eighth Annual Session of the Indian Economic Association*, 1945-46.

CHAPTER XV.

THE SOCIO-COOPERATIVE STATE.

Though fallacies like those of Professor Hayek have been criticised in the highest economic circles in India and the possibilities of democratic planning are fully accepted there is no general realisation of the exact co-relation necessary between Socialism and Co-operation. There is no realisation of what role the State must play in co-operative farming and there is no firm conviction anywhere that collectivisation and State help are not and cannot be antagonistic to the development of co-operation. There is also no knowledge as to how and why there is tremendous scope for the simultaneous development of both the socialistic as well as the co-operative principle. It is not realised that it will be fatal for the development of liberty and democracy if socialism and co-operation are regarded as two contradictory systems which can exist only in water-right compartments of their own. As we shall see below there can be no liberty where socialists do not learn the true lessons of co-operation and there can be no co-operation worth having where co-operators do not seek the help of the democratic state.

One of the greatest impediments to the understanding of the role which the State must play in the development of co-operative farming is the difference in the **outlook** of the orthodox co-operator and the outlook of the socialist. The difference in the outlook cannot be underestimated and is mainly centred round four things—the fear or love of the State, the necessity or the redundance of the State, the acceptance or rejection of the use of violence and force as means to an end, and the importance or unimportance attached to a good **society** as compared to good **individuals**.

The Orthodox Co-operative Outlook and its Anti-Socialist Basis.

The co-operative outlook does not accept the necessity of the State on the ground that men are inherently good and when all men get a sufficient quantity of the necessities of life they remain peaceful, orderly, and kind without any "law and order." If men are not peaceful to-day it is because the resources of nature are not equitably distributed and the State exists in actual reality to protect this state of inequity. A social system which makes for equity must be

established by ignoring the State which protects inequities. There are co-operators who also believe that all forms of government rest on violence and are therefore harmful and unnecessary. If government does not exist there will be no violence because there will be no inequity in the distribution of the economic resources which will be organised co-operatively.

The co-operative outlook stresses the necessity of having good **individuals** rather than a good **society** as our starting point. On the other hand Stateism wants individuals to sacrifice themselves for the State and it seeks the perfection of the State not of the individual. Co-operation believes that the State or society mean nothing compared to the individual. The individual originates everything. The individual hesitates to commit crimes against decency which society or the state commits every day. Socialism wants a good society but a good society is not possible till we concentrate on the building up of good individuals. The socialist may say that a good society makes good individuals but the co-operator is convinced that we cannot have a good society first unless we have good individuals. Bad individuals cannot set up a good society to make men good.[1]

The orthodox co-operator believes that though co-operation is social it is not socialism. Its methods and attitude to the State are fundamentally different. Co-operation grows within the frame work of capitalist society whilst socialism seeks to **overthrow** the existing economic organisation and to seize it and change its ownership. Thus economic co-operation is constructive and voluntary, socialism is destructive and violent.

The above differences between the outlook of the co-operator and that of the socialist are in the ultimate analysis due to the co-operator's **fear** of the State. The orthodox co-operator has no faith in the agency of the State for the achievement of anything great. It is believed that socialism leads to the evil of a bureaucracy dominating and regulating the lives of the people and that this soon becomes a permanent institution. It is said that socialists look respectable and mild only in a capitalist society and that once such a society is crushed they become tyrants and seek to destroy all co-operatives and co-operators. Co-operators quote Spinoza who said, "Each thing, in so far as it can, endeavours to preserve itself", and the conclusion is soon drawn that once a group of officials come in power they will never be

1 James Peter Warbasse: *Problems of Co-operation:* page 85.

able to give up the power. "The state has never successfully been used to destroy the state." The socialist state is ultimately supposed to end in communism which is defined as "socialism in working clothes." It is feared that the ultimate results of such a development are the establishment of one big monopoly (in the form of the State itself), the restoration of the profit motive (in the sense of producing things at one price and selling them at another), and the creation of a privileged class of State officials to boss over all.

The Shortcomings of the Orthodox Co-operator's Outlook.

The anti-socialist basis of the orthodox co-operative outlook has been given at some length, not because it shows us the ultimate truth and nothing but the truth, but because a clear and dispassionate study of it will enable any honest co-operator to realise the shortcomings of the outlook and to see how very unsatisfactory would be this world if all that is taken for granted by the orthodox co-operator about the State were really true.

The orthodox co-operator's suspicion about the State varies somewhat with the needs of different countries. The American co-operators seem to exhibit this suspicion in the largest measure. Several of them like Professor Clyde Filley, Mr. Benson Landis or Dr. Warbasse are opposed to any liberal interpretation of this intricate question. Professor Filley even goes to the uncharitable length of asserting that "the extent to which the average socialist would destroy private ownership of property depends to a very considerable extent upon his material prosperity."[2] Most of those who oppose any kind of co-operation with the State are, however, those who either over-estimate the importance of philosophic truths, or concentrate mainly on the political meaning of the word **socialism**. The indefinite meaning of the word **socialism** is also an important cause of the wide differences of opinion which we witness.

The **orthodox** co-operative outlook on the State is much more unpractical and has much more in common with both anarchist philosophy and communism than is ordinarily imagined. The orthodox co-operator in spite of all his peaceful intentions and differences in methods, reminds us of the fact that the ultimate aim of communism also is the destruction of the State itself. Lenin always believed that the use of force in the early days of the proletarian dictatorship would finally end in a society where "there will vanish all need for force for the subjection of one man to another."

2 *Co-operation in Agriculture:* page 6.

Of course the orthodox co-operator would like a peaceful development of co-operation as the best method for destroying the State whilst communist technique is entirely different, but the important thing to note is that both the view points regarding the so-called redundance and dangers of the state are wrong. The co-operator is wrong in thinking that even a democratic State is not necessary for strengthening co-operation whereas the communist is wrong in thinking that force can destroy all force and that force can make people accustomed to live without force. One may well ask, if men are naturally good as the anarchist believes and the State exists only to protect inequities why and how did the State originate and why do we not find today any group of men living in perfect natural good humour without any State? Even if we take for granted that some States protect inequities in the distribution of wealth is it not true that it is through the State alone that we can destroy these iniquities?

The orthodox co-operator believes that there is great danger to co-operation in being made love to by the socialists because the State is **bound** to destroy the freedom of men to have self regulated action. The main task of the co-operator is taken by some to be the preservation of freedom of the individual and it is held on purely dogmatic theoretical lines that if there are weak men in society it is the concern of the weak men to improve themselves rather than permit the State to do it. It is all very well to say that it is the concern of the weak to help themselves but in most unorganised and economically weak countries the weak simply cannot help themselves. We cannot assume that weak men can either remain free or become strong and free by their own efforts. Is it not true that men become weak, whether in economics or in politics, through exploitation by others? And is it not true that to prevent or remedy this we need State help everywhere?

Most of us reject Anarchism as a political doctrine and one of the principal reasons for this rejection is that if there is no State to prevent exploitation of the weak by the strong, the strong will permanently exploit the weak.[3] If this is true of politics how can we say it is not true in the economic field? The faith in the ability of the weak to become strong is a mistake specially when co-operators themselves admit that co-operation represents the weaker members of society who have to compete with stronger and more experienced elements and

3 Bertrand Russel: *Roads to Freedom:* page 298.

that this is a source of weakness of the movement[4] Everywhere the weak have to compete against the strong and, when it is admitted that the conditions of the competition are controlled largely by the strong, what chance will the weak ever have, specially in the field of production, to compete successfully with the strong? The co-operators may neglect the State but those who are economically strong may use it to fight the co-operators.

The Unhistorical Nonsense of Orthodoxy.

It is a very common fallacy to look upon all States which try to plan or control economic life as being essentially anti-democratic and also to presume that all the anti-democratic forces of to-day are due to socialism. It is the thesis of Professor Hayek that the socialists were the cause of Nazism and Fascism. Even an impartial leader like Acharya Kripalaniji has fallen into the same error for he has accepted Fascism and Nazism as the antithesis of communism.[5] We have in the writings of Prof. Finer, **(Road to Reaction**, pages 56-70), Dr. H. E. Fried (**Guilt of the German Army**), Professor Konrad Heiden **(Den Fiehrer)**, R. Palme Dutt **(Fascism and Social Revolution)**, and Herr Thyssen **(I paid Hitler)** a full exposure of the real truth which disproves the above attitude of writers like Hayek and shows how, in the words of Finer, this attitude is "the most unhistorical nonsense imaginable."

Any co-operator who is tempted to question the power of a State has at least the duty to try to understand what are the **purposes** of the men behind the State. As purposes differ the State must also differ in its essential nature even though its **form** may be the same. The Fascist and Nazi States did not differ in form from the Soviet State and yet the failure to distinguish between the two "almost cost the democratic world its liberty.[6] The fear of the co-operator about the State being unable to divest itself of its own power ignores the factor of the nature of a government, its purposes, the character of the men behind it, and the source of the authority of the men making or composing the government.

It would be the greatest tragedy if co-operators fell in the trap of thinking like Hayek and others that there are only two extremes, complete decentralisation of free competition and private property, and complete centralisation of the State. Is there really no middle path at all? Let the

4 James Peter Warbasse: *Co-operative Democracy:* page 203.
5 *Politics of Charkha:* page 45.
6 *Road to Reaction:* page 66.

honest co-operator who is not interested in political propaganda answer this question. The fact is there is always a middle path, provided the people are really democratic at heart. Those who love democracy have already found out the middle path, and it is for us here to decide what to do. Writers like Hayek tell us that political power is neither limited in scope, restricted in authority, responsible in operation nor even co-operative in execution. Let us first remember, in the words of Professor Finer, that "this assumption is stupid."[7]

The co-operator may be inclined to accept the idea of economic individualism aided by **voluntary** co-operation as a middle path between the two above extremes. But in as much as voluntary co-operation presupposes full freedom to own property or to do whatever one likes it closely resembles economic individualism. The co-operator's real middle path lies in having confidence first in the State as a means for development of co-operation and then in co-operation as a means of decentralising the powers of such a State. We can decentralise the powers of a State and make it useful without danger. We can have a strong State, strong enough to push through measures of economic reform which otherwise would be impossible, and at the same time we can keep alive the love of liberty by our co-operative associations, a free press, and a responsible executive. If we want democracy and liberty the **form** of the State is less important than the true political consciousness of the average citizen. Where the citizen is conscious of his rights democracy can never disappear.

Distrust of the State will Lead to Economic Collapse and Dictatorship.

Let us for heaven's sake be less doctrinaire and more practical in gauging the dangers facing us. Our chief enemy is not State compulsion but the individualistic basis of our anarchic economy which co-operation is not strong enough to face and fight unaided. It must be repeated that the individualistic system of agriculture based on private property in agricultural land and a competitive exchange economy is suicidal to millions of cultivator-owners who have neither the resources nor the knowledge to face competitive world prices based on the scientific agriculture of other countries. We are caught in vicious circles and we shall have to face economic collapse if we allow the present system to continue. Our main enemies of course are the pressure of

7 *Road to Reaction:* page 45.

population on land and our low agricultural productivity. Our agriculture cannot thrive till we relieve this pressure of population by the development of industry and other measures. But industry cannot develop so long as bulk of the people remain poor and keep down the size of the market through low purchasing power. We thus see that it is no exaggeration to say that agriculture and industry instead of being complementary and mutually helpful are repressed by the situation which includes and transcends them both.[8]

The co-operator in India who refuses to take the help of the State is likely to do nothing and thereby pave the way for a growing anarchy which ultimately may burst out and end either in a dictatorship of the right or of the left. If he is serious about liberty and democracy he should set about organising a strong democratic State **now** and take all its help to organise a net work of co-operative societies as quickly as possible. He must seek his fulfilment through the State for it is in our own democratic government that we can develop the collective strength that is necessary to give us individual liberty and economic prosperity. We have rightly been warned that the freedom of our time cannot possibly be an entire freedom from government. The masses must have **security** and **active political consciousness.** These two alone can guarantee real liberty and democracy.

Co-operation and Socialism are Allies not Enemies of Each Other.

India needs what may be called a Socio-Cooperative State organised on the lines hinted at above. The necessity of a union of co-operation with socialism must not be looked upon as a fantastic idea which is rejected by co-operators throughout the world. Our study of the differences between the outlook of the orthodox co-operator and the socialist does not bring out the real similarities in the **economic aims** of both co-operation and socialism. Those who distrust the State concentrate largely on the **political** meaning of socialism. This is a cause of confusion for it hides from us the simple fact that the **economic** meaning of Socialism and Co-operation is more or less the same. The economic systems at which both are aiming at are not different. Like Socialism, co-operation also aims at the substitution of the present competitive and capitalist system by an organisation where the means of production will be collectively owned. All co-operators are not socialists nor all socialists co-operators but their aims are so common that they cannot be regarded

8 Gyan Chand: *Problem of Population:* page 20.

as enemies of each other.

The similarity of aims harmonizes the socialist movement with co-operation and has brought the two very near each other in several countries. The distrust of socialism shown by orthodox American writers like Professor Filley is not shared by co-operators in all countries. The National Federation of Consumers' Co-operative Societies in France has enunciated the aims of co-operation much more liberally and perhaps much more completely than what the orthodox American writers are capable of accepting. "Co-operation aims at the substitution of the present competitive and capitalist system by a system under which production shall be organised for the benefit of the whole body of consumers and not for profit, and the gradual attainment of collective ownership of the means of production and exchange." This is by no means a purely French interpretation for it is accepted by liberal minded co-operators throughout the world — including liberal American co-operators also. Dr. Andrew J. Kress of the Georgetown University, U. S. A., feels that co-operative organisation and socialisation are two allied if not synonymous terms and that co-operation has no need to call itself socialistic in order to be so.

The Problem of Harmonizing the Methods.

The setting up of a Socio-Cooperative State requires a harmonizing of the **methods** of both socialism and co-operation which is not very easy but which also is not impossible. The co-operative method of elimination of the present system by the competition of co-operatives is radically different from the socialist method of force and social legislation. The co-operative method is assuredly voluntary and stands for gradual transformation as against the socialist method which is revolutionary and violent. We have already discussed the impracticability of pure voluntary co-operation and we have rejected it.

Theoretically speaking the co-operative method is supposed to first eliminate the retail trade, then the wholesale trade and then proceed to abolition of industrial capitalism to be followed by the abolition of financial capitalism. The abolition of agricultural capitalism comes last. For us in India this is extremely theoretical. It is evident that **compulsion** cannot be ruled out altogether but we can and should do our best to harmonize the two methods by accepting the co-operative principle of the "gradual attainment of collective ownership." We cannot complacently allow things to drift as the believers in voluntary co-operation would like

us to do. We have to act with great resoluteness and strength in the present but this need not involve any unnecessary harshness and rashness. We shall discuss some aspects of this problem in the next chapter.

Need for a Change in the Outlook.

The harmonizing of methods and objectives of co-operation and socialism requires a real change in the outlook both of the Co-operators as well as the Socialists. It is hoped that neither the co-operator nor the doctrinaire socialist will continue to look down upon each other as they have done in the past in many countries. The "pure" co-operators have in other countries looked upon co-operation only as a means of establishing harmony in society by regulating prices or reducing cost of living. They have shown more antagonism towards socialism with which they are economically allied than towards capitalism which is their real enemy. They have allowed themselves to become tools in the hands of conservative vested interests by permitting these interests to use co-operatives either for conservative propaganda and publicity or as a bulwark against desirable radical trends.

The socialists too have made similar mistakes in their attitude towards co-operation and have tried to misunderstand co-operation as much as possible. They have often used co-operation simply as a tool for a socialist transformation and have failed to recognise its great character and potentialities for the preservation of individual freedom and initiative. They have looked upon co-operation as worthless in itself. They have even made in the remote past the Himalayan blunder of saying that the success of co-operation would mean success for capitalism for if co-operation succeeded in lowering the cost of living of the workers the capitalist would succeed in lowering wages and earning more profits rather than less profits.

Co-operative Freedom is the Ultimate End of Socialism.

The harmonizing of the socialist and co-operative outlook requires an answer to the question whether co-operation is the ultimate end of socialism? Is co-operation to be the means to the setting up of a Socialist State or is the State to be the means towards the end of setting up a co-operative commonwealth? We have tried to answer this by accepting the State as only a **means** for the development of co-operation. It is ridiculous to say, as some will do immediately they read this, that the State will make it **impossible** to allow the co-operatives to come into their own. A truly democratic people will never allow this to happen. Even in Soviet

Russia today there is a definite trend towards more and more emphasis on co-operation rather than the other way about as we shall see in the next chapter.

In the ultimate analysis there is very little difference between socialism and a highly developed co-operative movement. As the initiative will lie with the State it is upto the socialists to understand what attitude to take towards co-operation and to realise that the ultimate goal of complete freedom and liberty is also the goal of the most advanced communist thinkers. The State is necessary even for freedom itself as we have seen but as our objective is a co-operative world it is for us to see whether the power of the State should increase or be gradually decreased. Naturally there can be no question of **increasing** the power of the State at the cost of co-operation. No socialist who is a real democrat will support the goal of an all-powerful State as the goal of our life.

State Help is Absolutely Indispensable.

It is difficult to say how long the Socio-Cooperative State will continue. It may have to continue for a much greater length of time than we imagine. This will depend on the political consciousness, the love of liberty, and the ability to manage the co-operatives which the masses show. But this is certain that it is impossible to develop all these qualities and to organise the masses in the co-operatives without the help of the State. The State is necessary to prepare the ground for co-operation. **The rise of Stateism is indispensable for development of co-operation and co operators must accept this as the inevitable logic of our economic circumstances.** It is believed that some countries can reach co-operative democracy without the growth of a powerful Stateism or Socialism. If the Americans are sure of this development they are welcome to cling to this hope. They will have our blessings to help them. But for ourselves and for most of the poor agricultural countries like us this is an impossibility as we have seen.

Those who believe that a harmonizing of the outlook, results, and objectives of both socialism and co-operation is not possible should study the recent trends both in the socialist as well as the co-operative movements in several countries like Sweden, Denmark, Great Britain, Holland, etc. The socialists have come to accept co-operation for its organisational, democratic and political value. They have seen that it is indispensable even in an extremely collectivised society like that of Soviet Russia. The socialists have been

promoters of co-operation in many European countries to-day. Several European Socialist organisations to-day have actively demanded that Socialism shall unite with co-operation with a proper demarcation of functions and control as between the State and co-operatives.

The tendency of the socialists towards the acceptance of the importance of co-operation is balanced by the tendency of co-operators also to change their attitude towards the State. It is true that it is more difficult for the co-operator to change his views on the State than for the socialist to change his views on co-operation. But in as much as many socialists have themselves become the active promoters of co-operation this may be taken as proof of two things — that socialists are giving up their glorification of the State and that at the same time they are not so suspicious about the State as the orthodox co-operators were and are inclined to be. The attitude of the co-operator towards fundamental problems like the nationalisation of land will be analysed at length in the next chapter.

CHAPTER XVI.

NATIONALISATION OF LAND.

The acceptance of the principle of collective or joint ownership of the means of production as something **common** to both socialism and co-operation is very important, for it helps us to view State-ownership of land and other public utilities with less horror and more wisdom and common sense than before. There was a time when the importance of State-ownership was not recognised, when a great co-operator like George W. Russel could say, "When a man becomes imbecile his friends place him in an asylum. When people grow decadent and imbecile they place themselves in the hands of the State."[1] Mr. Russel believed in 1912 that farmers would pour down boiling lead on anyone who tried to nationalise the land. To-day things have changed and State-ownership of public utilities is a settled fact in most countries, even in capitalist countries like the U.S.A.

Co-operators Accept Nationalisation To-day.

It is true that even to-day many co-operators are opposed to Government control and ownership of **all** or **most** property in a country. Such control of all **things** is supposed ultimately to lead to control of the **people** themselves. But at the same time co-operators have realised to-day that some kind of State-ownership is inevitable and that the principle behind it is not to be viewed as something fundamentally opposed to the interests of co-operation in all cases and countries. Many even of the orthodox co-operators, who feel that the co-operative method is **entirely** different from that of State-ownership, admit that co-operators have no right to oppose State-ownership when they know that they cannot take up all that the State does.

In every country now many things are managed under public ownership and co-operators have had to admit that such ownership is often to be desired and is often a great success. Far from talking about pouring boiling lead on anyone who desires to nationalise the land co-operators in some countries have actively supported the immediate nationalisation of land. In 1946 the Congress of the British Co-operative Union recommended public ownership of basic industries and the Scotch as well as the English Co-operative Wholesales have favoured State-ownership of the lands, mines, banking, etc.

1 George W. Russel: *Co-operation and Nationality*: page 20.

American co-operators are inclined to wonder at the above attitude of the British and criticise it by saying that since the British co-operators have shown great abilities in managing large-scale industries it is difficult to understand why they should trust State officials to manage all these better than themselves specially when a Tory anti-socialist victory may lead to trouble. For us in India however this has a lesson, for where co-operators who can manage things themselves are prepared to trust the State those who cannot feel confident about this management without some State help should seek this State help and trust the State much more. As Warriner and Yates tell us: "peasant prosperity cannot be attained without a large measure of governmental intervention . . . it unquestionably lies within the power of the modern State to rapidly improve the prosperity of the agricultural population."[2]

From the circumstances in which we are placed it appears that it is very necessary to immediately accept State ownership of land and State control of at least three things—irrigation, land reclamation, and mechanisation. The abolition of peasant proprietorship necessitates some form of land nationalisation to begin with. This is not so desperate a remedy as it appears in Indian conservative eyes. It is based on a historical sequence of events and several Indian agricultural economists have accepted it as "the goal towards which all roads seem to point."[3] This is no new doctrine and it has been advocated by conservatives and communists alike in different countries of the world. Those who are shocked by the advocacy of land nationalisation should please remember that the State acquisition of Zamindari estates was recommended as far back as 1830—by a Select Committee of the House of Commons.

Nationalisation is Not Communism.

There is a tendency to call any reformer a communist if he advocates any kind of State-help or land nationalisation. This is fallacious and intellectually very stupid. It is the result of ignorance. It ignores two important facts. The monopoly of private property in land is not essential for capitalist organisation of agriculture. We can have capitalist agriculture without private ownership—say on State or communal lands. Secondly, many of those who demand nationalisation of land are **not** socialists or communists. Many non-communist writers, "bourgeois economists" as Lenin called

2 *Food and Farming in Post-War Europe:* page 46.

3 See, Professor J. Gulen: *Indian Journal of Economics,* Vol. XXVII, April 1947, page 514.

them have demanded nationalisation of land. It is worth-remembering that as many conservatives and non-communists have advocated land nationalisation as radicals whilst communists have advocated peasant proprietorship. In fact the slogan, "Land for the Masses" has been used in the advocacy of peasant proprietorship and as a tub-thumping appeal which has a greater attraction for the radical than for a normal moderate land nationaliser like Sir A. D. Hall.

The Dangers to be Avoided in Nationalisation.

There are two things which should be remembered carefully in dealing with State ownership or land nationalisation. First, state ownership has its disadvantages and must not be accepted without adequate checks. Secondly, there is a lot of confusion and vagueness about land nationalisation which is dangerous.

Not all talk of nationalisation is to be accepted as some thing good. If Hitler could talk of socialism any capitalist also can talk of nationalisation. Nationalisation can be used quite dangerously by "Big Business" either to support itself or to fool the masses. A blind faith in State-ownership is very dangerous. It is necessary to remember that nationalisation is necessary for creating a new socialist society but in itself it is **not** a sufficient guarantee for the creation of such a society. Nationalisation can lead us to Socialism but it can also lead us to its direct opposite—Fascism, if we have no adequate democratic check. The anti-Soviet writer Arthur Koestler has rendered a great service to the cause of democratic freedom in showing that even a communist like Engels did not look upon nationalisation in itself as a guarantee of freedom. This can be seen from Engel's remark that if this were so, the first socialist institution must have been the regimental tailor.

Unfortunately it has to be admitted that we in India have not always talked of nationalisation with the care that is required. One wonders whether even all the socialists themselves in this country are agreed on what kind of nationalisation is essential. We have seen that in the U.P., some very influential leaders have expressed themselves in favour of nationalisation but what they want is just ordinary State ownership of land which is expected to be farmed out to tenants paying an annual rental. This is not a desirable ideal. State ownership with nothing beyond the ideal of conversion of all the cultivators of to-day into tenants of the State is not all that we want.

Our needs in India require a system of nationalisation

of land which will both guide as well as be guided by co-operative influences and which will be neither ordinary State landlordism of a loose type nor even State farming of a closely centralised type. We want neither State-farming of the type prevalent on the very few State-farms in Russia nor the loose type of nationalisation recommended by Sir A. D. Hall in England.

Sir A. D. Hall's scheme will not allow land to go beyond the initiative and energy of individuals though he would not object to the State both owning the land as well as determining the broad lines of policy. Sir A. D. Hall may have been right about his own country if he felt that tenancy of the type he suggested would serve Britain well. In India however a tenancy based on **unaided initiative** and **individual cultivation** of land would serve no purpose.

State Farming vs. Collective Farming.

There is a very serious confusion in the minds of many on the question of the difference between land nationalisation of the type we want and State farming of the type we have known. This confusion has coloured the attitude of even some of our politicians and law-makers. It is not unusual to find people who eagerly point to some particular badly managed government farms or lands as proof of the fact that no co-operative or collective farming will or can ever be better than Zamindari farming.[4] The ignorance of politicians who behave like laymen in this matter is dangerous. Those who oppose collective forms of farming should at least know that State farming is not the same as collective farming and that even in Soviet Russia State farms are unpopular and have declined both in size and number. On the other hand the unpopularity of State-farms in Russia has not only not affected the popularity of collective farms but has actually led to considerable development in collective farming with the result that 99 per cent of the cultivated area in that country is to-day under collective farming.

The inability to understand the nature of State-ownership of land in a co-operative environment of the type we want has led to several objections against "land nationalisation." It is said that land nationalisation means management by the State of the biggest and most difficult of all industries to manage. This management, it is feared, would be very costly and may lead to decreased yields. It is further feared that Government management is corrupt and inefficient and the

4 This was actually done by a very prominent ex-Minister of a Provincial Government in a Conference at the end of 1946 in which the author had to point out the mistake rather openly.

State will not be able to tax its tenants sufficiently if the tenant vote controls the political party in power.

It will be seen that these popular objections are based on a misunderstanding and involve a thorough mixing up of what is relevant with that which is mostly irrelevant to the scheme we intend to have. Speaking of the general principles involved we can say that in places like Bengal political and administrative State rejuvenation may be difficult but we cannot help hoping that things will improve. In any case political corruption and administrative weakness do not change our economic conditions for the better and they cannot be allowed to colour too much the prescription of economic remedies for economic diseases.

The Advantages of Government Ownership Controlled by Co-operative Influence.

A right understanding of the future relationship between State ownership of land on the one hand and co-operative management of agricultural production under State help on the other will dispel many of the doubts we have to-day about the necessity of State help. Beginning with land nationalisation we can with proper care end in having a society where land will ultimately become the property of the co-operatives. To neglect the progressive development of co-operative influence and think only of State tyranny is a mistake. When Government ownership is surrounded by co-operative influence, such ownership neither destroys democracy nor co-operation itself.

Just as land nationalisation or State ownership can work well if it is influenced by co-operation, so co-operation can progress in India only if the State actively interests itself in solving several problems, of which irrigation, land reclamation and mechanisation deserve special mention.

The Problem of Irrigation.

The question of State irrigation is as important as that of State development of existing as well as new land. It is best to recollect a great truth expressed by Sir Charles Trevelyan and quoted by Romesh Chandra Dutt many years ago. "Irrigation is everything in India, water is more valuable than land because when water is supplied to land it increases its productivity at least sixfold and it renders great extent of land productive which otherwise would produce nothing or next to nothing."[5] Questions of land tenure are involved in matters

5 Quoted by Romesh C. Dutt: *India in the Victorian Age:* page 361.

of irrigation and individual owners of land have proved to be great obstacles rather than a help in this matter. Attempts made in provinces like Madras to codify the rules regarding irrigation proved futile some years ago because Government was not able to see eye to eye with landowners in the matter. Constant disputes between Government and Zamindars on the question of their respective rights in water resources are well-known in Zamindari tracts.

It is no exaggeration at all to say that whilst the poor cultivators are indeed too poor to help themselves the rentiers and capitalists are rich enough to be able to exploit all possibilities of huge irrigation projects for their own selfish purposes. The actual cultivator is incapable of digging a well for himself as can be seen from the inability of the individual tillers of the soil to dig many wells during the last 200 years. On the other hand whenever we have any huge irrigation project it tends to become the hunting ground of individual rentiers and capitalists—a fact due to which responsible public men like Mr. K. G. Sivaswamy of the Servants of India Society, Madras, have been constrained to tell us that "if Government are really interested in food production they can introduce State farms in such areas."[6]

The centralising power of Government is indispensable for the maintenance of huge irrigation works. In fact it was this need for artificial irrigation and the impossibility of managing it except through some kind of communal organisation such as the Commune, the Provinces or the Central Government that must have really forced on us in India communal farming in the past and more or less the same need is felt by us to-day. There are writers who have shown to us that in almost all countries of Asia the need for State control for this purpose was felt in the past. Karl Marx and Engels even went to the length of thinking that this actually saved the whole of the East, including India, from switching on to private property and feudalism unlike the Western world.

The question of irrigation is connected with that of the control of rivers, drainage, and erosion of river banks. The latter has been one of the major causes of food scarcity in some areas. If we take Bengal for example we find that at one time it was a land of plenty. Stewart in his **History of Bengal** about 1813 wrote that "the crops of one year are sufficient for the consumption of its inhabitants for two." It was supposed to feed other parts of India and to be "the granary of the East as Egypt formerly was of the West." The position

6 The area referred to is the Tungabadra Project area.

has changed considerably since then because due to the continual erosion of banks in the active rivers a large part of the fertile land is being destroyed every year. Many rivers have silted up and there are hundreds of swamps and remains of the deep bends of these rivers, known as **baors**, where the level of water is lower than that of the silted up land making their drainage impossible. The result is widespread prevalence of malaria.

The damage caused by erosion of the banks of the rivers is not a peculiarity only of Bengal. It is reported that in Bihar for example an area of 2,700 square miles has been destroyed in this way resulting in a loss of 1,750,000 tons of crop production every year.[7] So far the State has neglected this important work of erosion of river banks and the deterioration of the river systems. It should however be clear that only extensive State help can enable us to face the evil and to adopt remedies like the construction of pairs of guide banks. This will help us to reclaim millions of acres of land which are not available for cultivation to-day. The question of bringing into cultivation our culturable waste and fallow land has already been referred to in previous chapters and as we have seen it requires a capital expenditure of crores of rupees.

Rural Mechanisation and Unemployment.

The question of rural mechanisation is another important factor and is connected with almost all aspects of rural reconstruction such as large-scale farming, increased production, and State help and control on a centralised basis. There is however no question which has been debated at greater length and has led to greater controversy than this. One of the most vital of all questions in this controversy is that of the possibilities of unemployment resulting from mechanisation. This has been debated in almost every country in the world even though the conditions of labour supply and production have differed considerably from country to country. Whilst some writers regard the fear of unemployment as a century old fallacy others have been more nervous about this than almost anything else.

When we look at this question one-sidedly we cannot help feeling that the large farm operated by machinery will create a huge surplus of labour. It is reported that an acre of rice land requires 93 days' labour in China whilst it requires only 3 days' labour in the U.S.A. In U.S.A. itself the hours necessary for growing and harvesting an acre of

7 These are the estimates of Mr. K. B. Ray.

wheat land have decreased from 55.7 hours in 1830 to 3,3 only in 1930. The use of the tractor drawn drill and harvester combine has thus resulted in the saving of 52.4 hours' work per acre.[8] From this and other similar evidence it is usually concluded that no attainable rate of industrialisation will liquidate our surplus unemployment and therefore "mechanisation seems hardly possible in our country."

It is true that the low cost of labour and the existence of large masses of rural proletariat are not conducive to the use of much machinery in any over-populated country. But this should point to the need for more careful State planning in the use of machinery rather than a complete rejection of the possibilities and necessities of mechanisation. Where mechanisation is the result of a State Plan the results are better. The fact is we cannot reject mechanisation unless of course we prefer poverty and starvation as something better than the fear of unemployment. The creation of a surplus amount of labour is less serious than the other danger facing us.

One has to face the necessities of the situation and just as a nation cannot close down all hospitals and health centres on the ground that they create a surplus population we cannot also avoid mechanisation even when we know that it may create a certain amount of unemployment. We do not shirk the question of having organised large-scale industries even though we know that it injures our cottage workers. We require them for several reasons. Similarly we simply cannot afford to-day to set aside all possibilities of mechanisation in agriculture.

We all know that more than 60 per cent of our people are poorly fed and are victims of malnutrition. We are living practically on cereals and pulses—the cause of malnutrition being the shortage of milk, vegetables, and fruit..[9] It is not possible to produce rations of a well-balanced diet without both larger acreages and increased productivity and we cannot increase productivity without scientific agriculture and communal rural operations of diverse kinds.[10] Dr. Burns who has shown us the way to increased production has not ruled out mechanisation. He considers it useful and economical and he does

8 Referred to by Prof. D. Ghosh: *Pressure of Population and Economic Efficiency in India:* page 88.

9 Sir John Megaw: *Mysore Economic Journal:* Vol. XXV, page 188.

10 It should be noticed that operations like contour bunding, collection of grain, and even a thing like economical use and collection of cow-dung, are supposed to require joint operations on a communal basis by the authors of *A Food Plan for India.*

not believe that it **must** result in unemployment. Our chief enemy is not machinery but poverty. Whilst machinery gives us increased facilities of producing more wealth, it is poverty which prevents more production. To think that machinery creates poverty is as ridiculous as thinking that the more wealth we have the poorer we become.

The use of machinery is regarded as desirable even by the advocates of peasant farming like Karl Brandt whilst its use in India is absolutely essential for more production. We cannot afford to exaggerate the fear of unemployment and neglect the production of more wealth through machinery which is the only solution of poverty. Mechanisation here is indispensable for several purposes. We have to eradicate the evils of deep-rooted weeds, we require construction of new roads and adequate and extensive irrigation and land drainage schemes, we have to fight soil erosion and last but not least we have to produce more and at a lower cost than before.

It is easy enough to see why we require mechanisation for purposes like bringing more waste land under cultivation, and for things like contour ridging, construction of small and big embankments for preventing erosion and conserving soil mixture, etc. It has not, however, been equally easy to easy why we require mechanisation for producing more and at a lower cost than before. The country is not yet fully aware of the very terrible danger of famines facing us and of the supreme need for producing more and still more on the same quantity of land. One hopes and prays that it will not be necessary for us to have a series of famines and food shortages before we learn simple truths like this. Dr. Brailsford has calculated that the time required to cultivate an acre under wheat in some villages in Agra came to 40 days' of one man's work as compared to 42 man-hours on an English farm. It is not proper to forget that the wheat raised by 40 days' labour has to compete with and sell at the same price more or less as the wheat raised by 40 or less hours of one man's labour. It is not possible for all men in India to continue to live in the dreams of the past, specially when we have evidence that even in countries of moderate mechanisation and scientific progress like England the average wheat yield to-day can be as high as 35 bushels compared to the 8 bushels of the medieval period based on medieval technique. The pressure of the population on the soil with its attendant evil of starvation has one great result—it tends to make us more and more realistic and scientific than what we are inclined to be. It is necessary to remember that mechanisation stands to-day on the same footing as science. Those who reject mechanisation may as well reject science itself.

CHAPTER XVII.

SOME ORGANISATIONAL PROBLEMS AND HOPES — CONSIDERED IN RELATION TO THE LESSONS OF RUSSIAN COLLECTIVISATION

It would be a great mistake if a programme of land tenure reconstruction like the one envisaged in this book is mixed up with the uncertainties of political possibilities. A reconstruction of the countryside as proposed here requires great political strength but a book that aims only at helping in this planning and thinking cannot also be expected to discuss politics and introduce prejudice in the prescription of economic remedies for economic evils just for the sake of the uncertain political future of this country. It follows therefore that those who talk of programmes like those of collective co-operative farming have to take for granted that we shall have a State that is confident about its abilities to undertake the heavy responsibilities involved.

It must not be presumed that because we take for granted the possibilities of establishing a strong democratic State we are not conscious of the difficulties facing us. The task before us is one of tremendous difficulties and we may have to face great delays and disappointments in setting up the requisite administrative machinery required for rural reconstruction. The State may have to run through great dangers in the use of compulsion and will have to be guided by leaders of great sagacity and ability.

These difficulties and dangers should not however be allowed to make us inactive and pessimistic. It is very common to hear that no such thing as collective farming is possible because either we shall find it impossible to overcome the peasants' love of the land or any scheme of compulsory collectivisation that we establish by force will destroy all our hopes about co-operation and its survival. Those who are appalled at the magnitude of the task should please remember that there is perhaps more danger in inactivity than there is in immature haste in dealing with the rural problem, whilst there is no ground whatsoever for pessimism about the likely destruction of co-operation even if collectivisation reaches a higher degree of centralisation than we hope or imagine. In this chapter we shall examine first, the question of the peasant's love of his land, and then study the Russian system—which is the most centralised of systems to-day—to find out the reasons

for sustaining our hopes about the ultimate triumph of co-operation.

The Peasant's Love of His Land.

There is perhaps no question about which there can be greater misunderstanding as well as dangers than that of the peasant's love of his land. The illiterate peasant's love of property in land is a strong factor. The peasant who for years tries to save money to buy a plot of land usually prefers to suffer untold hardships and even to sink into barbarism rather than give up his poverty. The importance of this has even been recognised by the most extremist of believers in collectivisation and under normal circumstances, where for example there is enough land to divide among the peasants, not even communist Governments have tried to interfere. It is interesting to note that Stalin himself anticipated the success of collectivisation in Russia on the presumption that there was no private ownership of land there as it is in the West. In his words, "precisely because there is no private ownership of land in our country, our peasants do not display that slavish attachment to the land which is observed among the peasants in the West."[1]

It must be admitted that considerable tact and caution will be necessary in handling this delicate problem. But whilst everybody recognises the need for circumspection here, very few realise that too much of this circumspection would be equally bad. The land situation is not static and if caution is necessary in uprooting landlordism we have to be cautious about this caution itself for a policy of complete inactivity would be as dangerous as that of tactless haste. We do not realise that people want food more than land and that we are prone to exaggerate the peasant's attachment to land.

Every Indian A Capitalist?

There is no limit at present to this exaggeration. For example, some technical experts take for granted that "the Indian, big or small, is at heart a capitalist." The proof of this is sought in the fact that "investment on land has always been considered the safest form of investment of capital."[2] Even economists of great eminence have not realised why it is obviously wrong to say that we cannot introduce any kind of collective farming simply because the sense of private

1 "Problems of Agrarian Policy in the U.S.S.R."—Speech by Stalin on 27th December 1929.

2 See, *Mysore Agricultural Journal*: Vol. XXVI, No. 1, page 7.

property inherent in the peasant is very strong.[3] It is also by no means uncommon to come across the view that it is not proper to abolish private property in land if we leave it intact in other means of production.[4]

It is not very easy of course to see why exaggerations of the above type are dangerous. We do not realise how precarious is our present stability and how it is being endangered by the very idea we cling to as the best safeguard of peace. Exaggerations about the so-called peasant's love of his land are actually strengthening landlordism as an institution and are holding back our chances of material prosperity. This may not be obvious but will become so to those who are not the victims of illusions against which we have been warned by several writers like Sidney and Beatrice Webb. "It is one of the illusions of each generation that the social institutions in which it lives are, in some peculiar sense, 'natural,' unchangeable and permanent." Ideas such as those of the writer in the Mysore Agricultural Journal referred to above are obviously fallacious although they may perhaps serve as a consolation to some to note that in the poorest country in the world everyone is at heart a capitalist.

The best solution of the difficulty about the peasant's love of the land is to realise that what we need is a psychological change which will convince both our tenants as well as the proprietors of to-day that it is not economical to keep on clinging to their ancestral holdings. This is indeed difficult but is not impossible. The peasant's love of the land is not so uncontrolled or uncontrollable as we imagine. The history of other countries clearly shows that when farmers are given a sense of security and fair treatment based on guarantee against unjust taxes or evictions they do not hesitate to give up their lands. Apart from all this it is worth-remembering that much of the peasant's love of his land is ultimately due to the insecurity of capitalist or feudal conditions. When employment is not guaranteed it is but natural for a peasant to stick to his small plot of land which gives him a feeling, false though it may be, of independence. It is quite reasonable to assume that under truly socialist conditions where the right to work can be guaranteed the peasant gets a better sense of security and this tends in the long run to reconcile him to the loss of his property.

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3 "The sense of private property inherent in the peasant proprietor and the tenant cannot favour the introduction of collective farms."—Dr. Radhakamal Mukherjee: *Land Problems of India:* page 86.

4 See, Mr. K. K. Sharma's paper, read at the All-India Commerce Conference, 1947, and published in *India's Leading Commercial Problems* (East End Publishers, Allahabad); page 12-13.

There is no such thing as the desire of a farmer to own lands under **all** conditions. A Departmental Committee of the Agricultural Ministry in England, which considered the question of small holdings just after the first World War, came to the conclusion that most of the small holders did not want to buy their lands at all. They considered fixity of rents and security of tenure as more important than ownership.[5] Mr. Orwin himself tells us that the English small holders were not only not keen about purchasing their holdings but their desires were entirely in the opposite direction. According to Dr. Spiegel, "many tenants were unwilling to acquire ownership and did so only in order to prevent the sale of the holding to a new landlord .... English tenants, in general, have no desire to become owners, nor do they have the financial means to undertake those improvements which the landlords used to make."[6]

What is true of England can also be true of other countries. Mr. S. Vere Pearson tells us that in Denmark itself the majority of **land owners** are opposed to private property in land. The peasants are not so blind to their own interests as is normally assumed and it is by no means impossible to make them see how private property in land is not always the best safeguard of their interests. Dr. Karpinski points out that at the very height of the peasant revolt in Russia the peasants demanded abolition of the right of private property in land. "The peasants realised that if the land of big landed proprietors was confiscated but the right to private ownership of land retained, that is, if land could be freely sold or leased, then the richer people would gradually buy up big parcels of land and a large section of the peasantry would again be deprived of land, which would to all intents and purposes be a return to the old situation."[7]

Whatever be the position of the Indian peasant and his love of the land to-day, the increasing tragedy of our economic situation will ultimately lead to the recognition of the need for a radical change. We have examined the economic disasters of ordinary peasant proprietorship. We may also note that nearly 70 per cent of the cultivated area in India as a whole is tilled by men who do not own it. The very small peasant and the millions of landless labourers have practically nothing to gain by the present system and nothing to lose if it is completely changed. The vast masses of

5 See, (1) *Report of the Agricultural Policy Sub-Committee* (1920), page 63; (2) Dr. P. J. Thomas, *Indian Journal of Economics*, Vol. X, Part 2, page 247.

6 Henry W. Spiegel: *Land Tenure Policies:* page 98.

7 Dr. V. A. Karpinski: *What are Collective Farms:* page 9.

aboriginals and serfs attached to the land will regard any change as almost God-sent. All these tendencies will be further helped by the **traditions** of communal ownership of land. The **tradition** of common possession of land is an undoubted fact of our past history and remnants of it can be seen even to-day in many parts of India. A careful study of the **communidades** of Goa, their origin, history, and the possibilities of reviving them would yield astonishingly fruitful results.

Those who exaggerate the Indian peasant's love of the land also exaggerate the conservative tendencies of our traditions. It is assumed that there was or is no such thing as communal possession of land and even the Joint Family has been described as "communistic in practice" but "extremely capitalistic" in its essential nature. All this is extremely misleading. For centuries together we have had our village system where land was **not** private property in the modern sense and was owned communally. Engels noticed this as a peculiarity of the entire East when in 1853 he wrote, "The key to the whole East is the absence of private property in land."

It is possible of course for anyone anywhere to take a narrow view of private property considered as a national tradition. There are people who are only too anxious to show that the principle of private holdings was recognised in India even in the **Rigveda**.[8] Such interpretations ignore the several stages of our history. They can neither be popular or scientific and they do not explain the secret of the remnants of the common ownership of land as we see it in several places in India. As we have seen in Chapter I the proof of the existence of common ownership has been established as much by the conservative law-maker Maine as by the revolutionary law-breaker Marx. It is difficult to grasp the full significance of the absence of private ownership of land unless we notice carefully the actual practice of agriculture in the past, the necessity of communal forms of irrigation, the corporate life of the village, and other factors. After all several supporters of the school of thought to which writers like MacDonnel and Keith belong themselves admit, or are forced to admit, that family cultivation was the rule and not individual cultivation, that the village itself was an aggregate of families, the King was the owner of all the lands, and so on.

Importance of a Careful Study of Collectivisation in Russia.

Just as there is a tendency to exaggerate the difficulties

8 The English writers MacDonnel and Keith have stated that we had separate holdings even in Vedic times. See, *Vedic India*, Vol. I, page 211.

about the peasant's love of his land there is also a very common tendency to associate any and every talk of collectivisation with political communism. This kind of misunderstanding is sometimes encouraged rather intentionally but most often it is the result of the fact that Communist Russia is practically the only country which has adopted collectivisation on a **national** scale. Those who speak of Soviet Russia tend to exaggerate either its virtues or its vices. It has been very difficult for people to separate the politics of Russia from its economic reconstruction. This has resulted in the introduction of more heat than light when what we want in our discussion is more light than heat. For all these reasons a careful study of rural collectivisation in Russia is indispensable. Such a study alone can help us to avoid both the exaggerations of the communists as well as the pessimistic fears of the co-operator.

The difference Between the Socio-Cooperative State and Soviet Russia.

In the first place we may note that there is really nothing in common between the Socio-Cooperative State and Soviet Russia as a political unit. In fact anyone who has read Lenin carefully will definitely come to the conclusion that Lenin himself would have ridiculed our idea. He was absolutely against anything in the Owenite tradition and also against any talk of a transformation of society by any means other than class-war. Lenin never believed that there would be any such thing as the establishment of democracy or socialism without a class struggle for power.

The Socio-Cooperative State involves a rejection of the idea of any ruthless dictatorship. Our task is to work for a society that can strike a balance, and find the common points between a truly democratic socialism and a real co-operative democracy. We have to be co-operators and democrats first and socialists only after that. We do not want to talk of equality and end in inequality or to talk of democracy and socialism and end in dictatorship either of the left or of the right. Likewise we do not want to achieve collectivisation in every thing. We are interested here only in collective co-operation as a solution of the rural problem and not in collectivisation of all property or of enterprise.

The Differences in the Needs of Russia and India and the Shortcomings of Russian Rural Collectivisation.

We have to accept co-operative collective farming not because it is Russian but because it is the only solution of our rural difficulties. As we shall see below there is much in Russian collectivism which is truly co-operative and from

which we can borrow. But it has also many shortcomings and we may do well to note this first. Our needs are not exactly the same as those of Russia and our land situation and population growth are also very different. Whilst the difference in the land situation makes the need for collective farming here much greater than in Russia it makes the need for checking our population growth also all the more than there. To underestimate the danger of our over-population as some communist writers like R. Palme Dutt are doing is indeed very wrong.

The Failure of Livestock Production.

Starting with severe handicaps enforced by the wrong belief in ruthless violence, the Russian system of rural collectivisation has shown many shortcomings. This system has not produced good results in livestock production nor has it developed a system of remuneration that can encourage personal effort and initiative up to the pitch required. We should avoid at all costs the tragedy that led to high losses in livestock in the first years of Russian collectivisation. We will have to work out a scheme where, if possible, livestock continues to remain in individual ownership. The ownership of land and livestock are not on the same footing though it may appear to some that if land is collectivised we cannot continue private ownership of livestock. This question will be an important one if we try to develop animal husbandry as a speciality. As we cannot rule out this possibility we may do well to connect collectivisation with the importance of individual attention in this branch of farming.

The Question of Incentives and Income Differentiation.

The question of remuneration of members of collective co-operative farms also requires special attention. We should avoid the payment of remuneration at long periods since this makes the work on a collective farm **unnecessarily** "depersonalized." We should also evolve proper methods for rewarding superior skill and special efficiency. We should not aim at idealistic equality which does not work and which only ends in greater inequality than before. No one has a right to exaggerate the supposed success of Russia in abolishing income differentiation. Perhaps she has suffered her greatest failure precisely here for one is shocked to learn that in the Russian Army, for example, the ratio of a private's to a subaltern's pay can be 1:100 when it is only 1:4 in the British Army.[9]

9 See, Arthur Koestler: *The Yogi and the Commissar:* page 165. This is one of the most remarkable of books we have had *against* Communism just as the Dean of Canterbury's *Socialist Sixth of the World* is one of the most remarkable of books in favour of Soviet Russia.

If we avoid unpractical idealism we are likely to attain greater equality than what the Russians have done. So far as the Kolkhozes are concerned the Russians have been forced to give **bonuses** and other supplementary compensation in kind over and above the remuneration based on the depersonalized "work days" but even this has not solved the question of incentives quite fully. The relative share of remuneration of the administrative personnel of a collective farm as compared to that of the ordinary member is very important. It has been admitted that the administrative and service personnel have been treated with special favour. The Chairman of a Kolkhoz is supposed to get about 2 1/3 to 3 times more than the average Kolkhoz member. Perhaps this is some compensation for the heavy penalties facing him if he fails in his duties. Anyway this question of incentives is an important question and we will have to consider it very carefully.

It is worth remembering that collectivisation in Russia was supposed to be based on several new incentives such as (a) consciousness of responsibility towards the community in place of individual competition, (b) dignity of labour in place of dignity of birth or position, (c) class-solidarity in place of chauvinism, (d) persuasion in place of legal compulsion, etc. It is generally held that there has been a complete break-down of socialist incentives and yet the critics who hold this view tell us that this break-down is due to materialism and insincerity and **not** due to there being anything wrong with the new incentives themselves. Though the new incentives are regarded as "precarious" it is generally admitted that they may grow and become stable under a warm fraternal human climate nourished by proper understanding of the true spiritual foundations of human life.

The Unsolved Problem of Utilisation of Surplus Savings.

There are several other problems in the Russian **Kolkhoz** which remain unsolved and which should not be allowed to arise at all in our co-operative collective farms. The Russian Kolkhozes have proved very profitable and productive but this advantage itself has given birth to the unsolved question of how to utilise the savings of the members. Even after the members spend on themselves — on buying motor cars, planting of gardens and enlarging and improving their homes there remains a surplus which cannot be legally invested in the Kolkhoz itself in the form of shares, etc. It was hoped in the early days that the desire for private accumulation will disappear but collectivisation has increased productivity and also this accumulation. The Russian writers Messrs. Bienstock, Schwarz and Yugow believe that either the Govern-

ment will have to permit investment of savings in Kolkhozes by members' purchase of supplementary dividend-paying shares or it must gradually convert **Kolkhozes** into State farms and the cultivators into workers on a wage system.

It is very pleasant for us in India to face problems like these for when we have no surplus or savings of any kind we would welcome the prospect of any difficulty that may arise from **a surplus** in agriculture. However we will have to consider this difficulty carefully and prevent it by having an organisational form that will retain the principles of peasant co-operatives much more strongly than is done by the Russian Kolkhoz. Russia faces, through the very success of her collectivisation, the necessity of converting her collective farms into State farms. This will not be a change for the better and we may do well to remember this when we evolve the detailed plans of organisation.

Among the other problems of the Russian Kolkhoz which we should note carefully are, (a) the actual advantages of collectivisation from the view point of production, (b) the degree of governmental control over the managerial personnel, (c) the amount of self-government permitted and (d) the co-operative basis of collectivisation. These are discussed below in the remaining part of this chapter.

The Main Advantages of the Kolkhoz.

If the Russian collective farm has many shortcomings it has also great advantages to its credit which we should not overlook just because of political prejudice. Collectivisation has put an end to continuous sub-division of land wherever it has been tried as a part solution of this difficulty. It has also made labour more productive and happier than before. It has destroyed the apathy and indifference of the cultivator. The greatest achievements of collectivisation lie however in the field of production. It has increased the volume as well as the quality of agricultural produce.

The ordinary peasant does not have of course the same economic independence in a collective farm as he has on his own. But as against this the collective farm has given him much more security than he ever had. It is said that in pre-Soviet Russia only 3 years in every 10 were good harvest years. To-day under collectivisation there has not been a single disastrous crop failure. This has helped all the peasants who in spite of their grievances have learnt to appreciate this good side of the new reforms. The average annual grain crops have risen from 67 million tons in 1910 to 119 million tons in 1940.

It is of course difficult to say whether the cultivators have finally learnt to love the collective farm but it appears that this is so. Here is what a recent study of the Institute of World Affairs has to tell us about this:

> "In addition to the fairly convincing evidence of objective conditions — the growing productivity of Kolkhozes — there are strong indirect proofs. In the first years of collectivisation, peasants were driven into Kolkhozes forcibly. Today individual peasants strive to be admitted, while Kolkhoz members evince growing reluctance to admit those who want to come in 'when everything has been prepared.' The government is obliged to decree the admission of new members. On the other hand, fewer members volunteer now to do city work. The Government must pass laws obligating Kolkhozes to send workers to city factories.[10] Formerly, the mass migration of village youth to the cities caused special government measures, to keep them in the Kolkhozes. This migration has decreased. In 1940, the government was driven to issue a decree ordering the compulsory mobilization of young Kolkhoz members for training in skilled trades."[11]

The Illusion About the Death of Freedom and Democracy.

Some of the fallacies very widely propagated about collectivisation in Russia are that it is completely undemocratic, it deprives the cultivator of all his rights to cultivation of the land, and it destroys all individual initiative. These fallacies are also largely the fruit of political prejudice which comes in the way of real economic reconstruction. It is very difficult for anyone to accept the truth that we can have local democracy and freedom in spite of socialisation and State control when we are told that in the only country in the world where collectivisation has been tried extensively there is no freedom or democracy. It is necessary therefore to see what is the position in Russia even when we do not want any imitation of Russia.

It is best not to forget that **all** the real powers of supervision and control do not come from above even in Soviet Russia, where, as Sidney and Beatrice Webb have shown, the village Soviet is a powerful organisation which can control and supervise collective farms. The village "Selosoviet" is a council of delegates chosen by the cultivators

10 B. Babanin, "On the Balance Sheet of Labour in the Kolkhozes," in *Planned Economy* (1938), No. 12: See also Chapter III (b).

11 Bienstock, Schwarz and Yugow: *Management in Russian Industry and Agriculture*. page 176.

of a village. This is a "Sovereign" body within the village in the sense that "nothing which it does requires the sanction of any higher authority before it is put into operation."[12] As the Webbs have pointed out, "this does not look as if the Soviet Government was afraid of the peasant or distrustful of popular democracy."

There is considerable centralisation of power in the Soviet State but to interpret this as a conclusive evidence of the complete absence of democratic self-government is not correct. It is obviously unjust to talk only of the "controls" of Sovietisation and forget the large scale on which decisions are allowed to be decentralised. Whatever propagandists may say the collective farms are not mere agencies of the State. Many important matters such as deductions from funds, or compensation for work are decided by the Central government and it may be difficult to challenge government decisions. There may also have been very serious conflicts between the government and the Kolkhozes. But with increasing stability and economic strength of the Kolkhozes there has also come an increasing amount of democratic self-government.

The Statute of 1935 recognises openly the principle of Kolkhoz self-government and this principle has never been completely disregarded. To-day most of the collective farms are run as local bodies with directly elected management boards. It is admitted by almost all writers that in view of the co-operative basis of the collective farm there could be no dispute in principle regarding the position of the general membership meeting. Stalin himself has spoken of "leaving all decisions to the Kolkhozes themselves," and of his desire "not to substitute administrative bullying and bossing for guidance."

It should not be difficult for us to accept the testimony of an anti-communist like Mr. L. E. Hubbard or of a co-operator of world fame like Dr. Barou. Mr. Hubbard admits that the administration of a collective farm is in the hands of an elected President and Committee. The Presidents "are genuine members and old residents of the village" and not nominated communists.[13] Dr. Barou believes that collective farming not only presents a new dynamic type of co-operative organisation but it also "provides an example of that progressive form of co-operative self-government under which leaders are thrown up from the ranks."[14] How can this be

12 Sidney Webb: *Soviet Communism:* Vol. I, page 30.
13 L. E. Hubbard: *Soviet Trade and Distribution:* page 367.
14 Dr. Barou: *Co-operation in the Soviet Union:* page 33.

possible unless it be true that to-day there is considerable scope for individual initiative, freedom, and training in self-government ? The work done by the Soviet citizen in opposing the German army could not have been done by men and women who had not appreciated the new forms of freedom they have gained.

It is of course true that the Russian collective farms are by no means voluntary associations of free peasant farmers. Writers like L. E. Hubbard have rightly challenged the supposition that they are voluntary associations. The task of organising these farms required considerable use of ruthless coercion. Whilst in 1929 only 3.9 p.c. of the peasant farms were collectivised, nearly 97% of all such farms, covering 99.9% of all cultivated land, were so collectived by 1940. This could not have been achieved by persuasion. The use of coercion cannot however shock us for it cannot be ruled out even in India as we have seen. We shall not only avoid but even oppose class-war at all costs but we cannot avoid coercion in any scheme of rural reconstruction.

The coercive origin of collective farms must not be allowed to prejudice the whole issue. To-day compulsory collectivisation has become less important than before and there is now a period of evolution and consolidation. It is significant that even the German Army of occupation could not liquidate the Kolkhozes in spite of Hitler's promise to do this. The Model Statute of 1935 has defined a collective farm as an independent **voluntary** association and this perhaps may show that it was both intended and hoped that it would become voluntary. It is also quite interesting to note that members of a collective farm have at least the theoretical right to leave the farm, if not also to join it. If this theoretical right is useless we may note the other fact, not commonly known, that no member of a collective farm can be expelled from a farm without a majority vote.

It is easy enough to imagine that there is no security of occupation of land but this imagination should be moderated by the fact that the **Kolkhozy** have the right to occupy their farms in perpetuity. The International Labour Office has admitted the existence of this right. Another valuable principle there, which may be also merely on paper, but which can be developed on a genuine basis in our Socio-Co-operative State here, is that when a member wants to withdraw from a farm he may not be given back his own land but he has the right to receive land in another place and his individual contribution has to be returned to him in cash.

The Co-operative Basis of Russian Collectivisation.

Those who are inclined to see in Russian collectivisation nothing but a huge engine of oppression are also inclined to deny its co-operative basis. This is a mistake and it is very serious because it is very common. It would be best at the very outset to realise that co-operation under a purely communist regime as in Russia has a few **functional** differences which differentiate it from what it is in ordinary liberal capitalist countries. It does not, for example, aim at the accumulation of savings of the small man to enable him to fight capitalist production for there is no capitalist production in Russia. It does not also stand out as a bulwark of the small producers or consumer against capitalist monopoly.

It is also true that in the **initial** stages of the development of the collectivist economy in Russia, the co-operators and the co-operatives were regarded as hostile elements and were deprived of much of their power and freedom. This attitude of the communists towards the co-operatives was however not due to any hatred towards the real objectives of co-operation. It was the result of a conflict between two organisational principles, the principle of having different societies for different classes of men (such as the bourgeoisie and the working classes) and the other principle enunciated by Lenin of having only **one** society in a given locality where all the classes would be united together under the leadership of the proletariat. Some members of the co-operatives were unable to agree with the ideology of the revolution and were described as "bourgeoisie specialists, whiteguards and counter-revolutionaries." Their open hostility was regarded as dangerous. Lenin said, "these co-operatives which existed in capitalist society, are thoroughly imbued with the spirit of bourgeois society and are headed by Mensheviks and Socialist Revolutionaries, by bourgeois experts. We have not yet been able to bring them under our influence and here our task remains unaccomplished."[15]

The Difference in the Nazi and Communist Attitude to Co-operation.

What is most significant for our purpose here is to note that this initial hostility between the co-operator and the communist did not last long. The reason was obvious. The overwhelming majority of co-operators and the communists found that they had much in common. Both had a common enemy to face and both had a common objective—help to the masses. This should remind us of a very common mis-

15 See, *Report Delivered at the Eight Congress of the Russian Communist Party, March 19, 1919.*

take of ours. We forget to differentiate between the objectives of the typical Nazi and the typical Communist and consequently we fail to realise the difference in the approach of the two towards the co-operative movement. Whilst the aim of the communist leaders has been to help the masses organised in co-operatives against the private trader, the aim of the German Nazi leaders was to help the private trader against the co-operatives. The Nazis always tried to win over the small trader and practically liquidated the co-operative shops by the end of 1943. There is so much ignorance on the general problem involved here that it will not be out of place to consider the attitude of Lenin himself towards co-operation.

Lenin On Co-operation.

It is a great tribute to the spirit of co-operation that Lenin himself regarded it as something vitally important for the "self-activity of the masses." He strongly urged its use and emphasised its importance to his less reasonable communist colleagues. There were, as he said, quite a few differences and disputes within the Bolshevik Party over the question of Co-operation and the members of the Party had been "toiling and moiling" over the question since April 1918. But he himself had no doubt as to the importance of co-operation and he always stood for the preservation and development at all costs of the rural co-operatives. Even in the most dangerous period of counter-revolution, when all forms of co-operation were temporarily ordered to be merged together, Lenin stood forth for the preservation of the "auto nomous sections of workers' co-operatives."

It was impossible for Lenin to have any fear of opposition between co-operation and collectivist economy for he knew, what most people cannot grasp, that the Socialist State could arise only as a network of producers' and consumers' communes. He felt that a co-operative policy alone could facilitate the development of small economy and permit its transition to large-scale production on the basis of voluntary amalgamation. The aim of Lenin and his collaborators was to help the masses against the private trader, and in this the co-operatives alone could help.

Lenin could realise very early that once the State owns the means of production the only task that really remains is to organise the population in co-operative societies. This was almost his definition of true Socialism: "When the population is organised in co-operative societies to the utmost, Socialism .....automatically achieves its aim." Lenin proclaimed that the co-operator should not expect to fight capitalism without the means of production going in the hands of the

proletariat, but once this is done no socialist society could afford to ignore co-operation and no socialism was possible without it.

The Vitality and Strength of Russian Co-operation.

Let us now see the co-operative basis of the Russian system as it is to-day. With leaders like Lenin holding views such as those examined above, it did not take the communists very long to restore the co-operative movement on its proper foundations. The co-operatives were helped in every way. They were given political power and privileges, granted State loans etc. In course of time they were accepted as organisations with a membership which was to be **voluntary** and not compulsory.

Dr. Barou tells us that to-day "the Soviet co-operative movement, fostered by the State, has become the largest and most powerful in the world."[16] In 1940 there were no less than 291,400 societies with a membership of 77,765,000. Even if we omit all the 234,000 collective farms with their 40,000,000 members we have no less than 28,400 Rural Consumers' Societies and 20,000 Handicraft Co-operatives with a total membership of 37,765,000 people.

Russian Co-operation Satisfies International Tests.

The co-operator in India is likely to feel that compulsion must be the very essence of co-operation in a country like Russia. In actual reality membership is voluntary in most branches of co-operation in Russia. Most of the co-operatives are truly Co-operative and they satisfy the International tests decided upon by the International Co-operative Alliance in Paris in 1937. According to the Alliance there are four basic tests of the observance of co-operative principles in any country:—

(1) Open membership.

(2) Democratic control: one man, one vote.

(3) Distribution of surplus to the members in proportion to their transactions.

(4) Limited interest on capital.

The British Co-operative Delegation that visited Russia in 1944 found that these principles were all in operation in Soviet Co-operation. The Delegation was convinced that membership was open to all and was voluntary. Regarding democratic control they found that it was "certainly in operation not only in the local co-operative society but right

16 Dr. Barou: *World Co-operation.*

throughout the whole of the organisation from the district societies, the regional unions, to Centrosoyus—the members controlling the organisation through their general meeting, in which a secret ballot exists for the election of members of the board, and in which all the representatives have one vote only."[17] Dividend on purchases was also provided for in the rules of the consumers' societies. Similarly it was found that it was not the practice in the U.S.S.R. for co-operative societies to pay interest on capital. Lastly, there was no ban on or bar to religious worship and the people were free to attend their church. Cash trading was also invariably the practice.

The Russian Rural Consumers' Movement.

Soviet co-operation assumes three forms, the Rural Consumers' Movement, the Rural Handicraft Co-operatives, and the Collective Farms themselves. The distribution of goods and their proper marketing was one of the most difficult of the problems that the communists were called upon to solve. This was largely because the private trader was one of the main elements in the bourgeois opposition. It is significant to note that the natural enemy of the small consumer was also the enemy of communism. These factors made the consumers' co-operatives an element of vital importance and utility.

It is true that Soviet policy towards the consumers' co-operatives has changed more than once. Thus in the early days before 1921, the support given by co-operators to the enemy in the civil war in the Ukraine and other places led to the abolition of much that was co-operative in co-operation and the consumers' societies were nationalised. But by a decree of 7th April 1921 the co-operatives were restored to co-operation. Membership was made voluntary, administration was left in the hands of management committees elected by the members and grants of money were given by Government for a few months to set the co-operatives on their feet.[18] The subsequent development was so useful that by 1930 not only was the function of distribution left largely in the hands of the co-operatives but even the State trusts had to consult the co-operative movement before they undertook production. The right to hold property and the right to undertake production were also granted to the consumers' co-operatives.

The year 1935 marked an important change which has aroused some controversy. In this year the work of distribution of goods in the towns was transferred to State-owned institutions and the urban consumers' societies were practi-

17 See, *Report of the British Co-operative Delegation to the U.S.S.R.*: page 26.
18 L. E. Hubbard: *Soviet Trade and Distribution*: page 16.

cally abolished. But on the other hand the rural consumers' movement was left untouched and was allowed to become so powerful that to-day the rural societies are now almost wholly responsible for the work of distributing consumers' goods and of marketing farm produce. Dr. Barou believes that the Soviet administrator has lavished care in developing rural consumers' cooperation because the increased productivity of the countryside has brought prosperity to the peasant and the rise in the peasants' demand for consumers' goods requires development of co-operation.[19] This world renowned co-operator also holds the view that in recent years there has been a marked tenancy towards decentralisation and regionalisation in Soviet Russia and Soviet administrators are keen on reviving local initiative and responsibility..

If figures mean anything we ought not to forget that the Russian rural consumers' movement is to-day one of the most powerful in the world. In 1940 the total membership of these co-operatives was about 36.4 millions. There were no less than 28,400 rural primary societies organised into 3,300 district unions. We may for a moment consider the magnitude of the proportions involved when we remember that there were in all 28,900 consumers' societies in Russia compared with the 1,920 societies in pre-war Britain. Among the activities of the rural consumers' societies we have co-operative processing and preservation of food, co-operative bakeries, rural restaurants, etc. It is important to note that the consumers' co-operatives accounted for 74% of all purchases of agricultural commodities in the country. Though on the whole the State trading system holds a dominant place with a retail turnover that came to 97,700 million roubles in 1938, the co-operative societies had a retail turnover in the same year of 36,000 million roubles by consumer societies and of 3,800 million roubles by producer and other co-operatives.[20]

Rural Handicraft Co-operatives.

A very important form of co-operation in Russia is the handicraft co-operative. We have got there in the rural areas a great many handicraft industries and the majority of the artisans, who are also peasants, are organised in handicraft co-operatives. Lenin was a genius and he knew that co-operation was required for developing the small industries as a measure of help to the peasant. In 1940 there were 20,000 handicraft co-operatives with a membership of 1,765,000. These handicrafts are not a form of "compulsory" co-operation, for, they are voluntary societies run by their members

19 See, Dr. N. Barou, *World Co-operation—1844-1944*, page 30

20 Dr. N. Barou: *Co-operation in the Soviet Union*· page 5.

for their own advantage through the help of managerial bodies elected by the members. The surplus income can be disposed of as the members like and all kinds of household articles and even consumers' services are produced by these co-operatives. According to the International Labour Office, "In the U.S.S.R. almost all the handicraft and small scale industries, especially those which use local raw materials, are organised into workers' productive co-operatives. The principal branches of production include the leather and textile industry, the hosiery and ready-made clothing trades, toy-making, and embroidery."[21]

Collective Farms as Co-operatives.

There is no doubt as to the fact that everything in the Russian collective farm is not co-operative but it would be a serious blunder to believe that there is nothing co-operative at all about this organisation. Most of the world's leading co-operators look at the Russian collective farm as a co-operative unit. Among these co-operators we have also several "pure" or orthodox co-operators. Prof. C. R. Fay, for example, does not hesitate to describe the collective farm as an advanced form of co-operation.[22] Even those who look upon the collective farms as only a nominally co-operative enterprise admit that "nevertheless the collective farm as a producing and consuming corporation must be included among co-operative organisations as distinct from State enterprises."[23] Dr. Barou tells us that "members of collective farms make up the largest group of Soviet co-operators. The majority of them are also members, not only of the agricultural productive co-operatives but also of rural consumers' societies."[24] The International Labour Office has admitted that the Russian collective farms which cultivated 99% of the total acreage under crops in 1937 have many features in common with co-operative group farms.[25]

Co-operative Property Rights.

The first thing to note carefully is that much of the property belonging to collective farms is co-operative property as distinguished from State property. In fact the Soviet Union is the only State in the world where the co-operative

21 Dr. N. Barou: *Co-operation in the Soviet Union*· page 33.

22 We have noted this before. See, *Co-operation at Home and Abroad:* Vol. II, page 525.

23 L. E. Hubbard: *Soviet Trade and Distribution,* page 99.

24 Dr. N. Barou: *Co-operation in the Soviet Union,* page 18.

25 See, pages 59 and 74, *Co-operative Organisation and Post-War Relief,* International Labour Office, 1944.

movement is recognised as the alternative to State organisation in regard to public property. It is not commonly known in India that property in the U.S.S.R. is of two kinds, (a) State property — which is the possession of the whole people and (b) co-operative and collective farm property — which is the possession not of the whole people but of the separate co-operative associations and collective farms.

Co-operative Property and Private Rights.

It is true that land comes under State property in Russia but the sharing of the State rights in public property by the co-operative movement takes away from socialisation much of its sting. According to Mikhail Lipetsker, author of "Property Rights of Soviet Citizens," no government body or official may interfere in the use or disposal of the property of collective farms or co-operative bodies, or give orders as to what they should produce or not produce, apart from the assignments laid down in the national-economic plan. When land is occupied by collective farms it is secured to them for free use in perpetuity according to article 8 of the Constitution.[26] Collectivisation has not abolished all private property. Soviet citizens are allowed full property rights regarding their personal belongings. They can own, buy, sell, donate, lend, borrow and inherit from friends and their relatives every kind of personal property. There is no limit to rights of inheritance of personal property though death duties have to be paid at the rate of 10 per cent on all properties exceeding 10,000 roubles. Apart from all these general rights pertaining to personal property a member of a collective farm can also own a small plot of land varying in size from 0.6 acres to 2.5 acres. He can also own cows, sheep, goats, pigs, mules, a horse or a mare etc. The total amount of land and stock owned in this way is considerable.

State Control of Co-operation.

An autocratic state like Nazi Germany can destroy co-operation and we must always be very alert about this danger. It is not however proper to mix up Nazism with democratic Socialism or even with communism as we have seen above. In this connection it is also important to note that compulsory co-operation must not be confused with State control of co-operation.

There is no doubt that co-operation in Russia is under State control. This does not however mean control over all operations. The British Cooperative Delegation went into this question carefully as they had the same fears as some of

26 V. A. Karpinski, *What are Collective Farms*, page 24.

our co-operators have here. The Delegation found that "State control existed only in regard to questions such as hours of opening, sanitary conditions, prices, and weights of goods. As far as general operations were concerned, co-operative societies were free to control their own destinies."[27] People think that government hostility to co-operation can exist only in Russia where we have a strong State. It is forgotten that such hostility is natural, and perhaps more so, in ordinary democratic countries where capitalist business interests have influence with government. In fact it is the influence of business interests over Government that has placed Governmental restrictions on co-operation in most countries.[28] There is at least no real danger of such business interests preventing the progress of co-operation in Soviet Russia and perhaps it is because of this that the co-operative movement has not only been fostered by the State but has become the largest and most powerful in the world.

The co-operative movement in Russia has raised such high hopes that it can be looked upon practically as a partner of government. At least this is beyond doubt that at one stage even the powerful State trusts were found consulting the co-operative movement before undertaking production nor were the co-operatives prevented from undertaking production themselves whenever this was possible. Here is what Mr. Andrew J. Kress a leading American co-operator who is not favourable towards Soviet Russia, has to say about the Russian consumer societies before 1935. "Regardless to sect or party some seventy-three million Russians once were practising economic democracy . . . . . in the movement, all peoples of Russia stood equal regardless of sect or class or races or party. In the co-operatives alone could it be claimed that a non-communist has the same status, privileges and duties as a communist, and enjoys equal liberty to speak, to work and to vote. . . . If co-operatives were subject to the coercions of the superior force of the Government. . . . their subjection was not greater than in any other country, and by way of recompense they enjoyed a certain privilege and dignity for which only the Scandinavian countries provide parallels."[29]

There are of course doubting Thomases who have doubts of their own regarding the possibilities of the future development of co-operation in a collectivist economy like Russia's. Among such doubters we have Mr. Andrew J. Kress himself

27 Page 13, Official *Report of the British Delegation to U.S.S.R.*

28 See, James Peter Warbasse: *Problems of Co-operation*, page 199.

29 Andrew J. Kress: *Introduction to the Co-operative Movement:* (Harper and Brothers) page 44.

who has been quoted above and who seems to have been disillusioned by the events in Russia since 1935 when nearly 37,000 urban consumer societies were liquidated. He appears to hold the view that co-operatives would be tolerated only so long as there was a shortage of consumer's goods. **This view however is totally misleading.** The opinions of men who have visited Russia, of the members of the British Co-operative Delegation, and of other experts like Dr. Barou go to show that we can well afford to be optimistic not only about development of co-operation in the rural areas but also in the cities and towns of Russia.

Dr. Barou is convinced that Soviet co-operatives have advanced far on the road indicated by Lenin and he believes that the solution of the problem of urban distribution lies not in State trade-union activities but in the re-establishment of a vigorous urban co-operative movement.[30] He anticipated a few years ago the possibility of a return to the co-operative form of organisation in the towns.[31] The recent Decree of the Soviet Council of Ministers, dated November 9, 1946, aims at the extension of co-operative trade in towns and villages and on raising the production by co-operative enterprises of food and goods in general demand.

Rapid economic progress in Russia requires not only more production but more developed trade between town and country and between all the different regions. Increasing production has led to an increasing demand for development of co-operative trade — particularly for work such as collection of products and their sale to the people. At the present moment there are the co-operatives, the State trading system, and the free market which has developed during the war period of shortage. The free market has led to high prices and difficulties in obtaining supplies. Instead of stamping out the free market by methods of blood and iron, it is the object of the Soviet State to encourage co-operative distribution of goods which alone can create a true socialist outlook.

There are at present surplus products with the collective farms and individual peasants which are bought and sold on the free market. The consumers' co-operatives have not been buying these to sell in the towns. Likewise the Industrial co-operatives have not been able to use the consumers' co-operatives extensively enough for selling their goods. The development of trade between town and country has suffered a great deal. All this is now sought to be remedied by a development of co-operative distribution and production — the co-opera-

30 *Co-operation in Soviet Union:* page 105.
31 *World Co-operation—1844-1944:* page 31.

tive collection of agricultural goods in the villages for sale in the towns, the development of productive undertakings for processing of agricultural products and manufactures of clothes, shoes, etc. by the consumers' co-operatives. Those who understand the value of co-operation in a country of such terrific mass activity as Soviet Russia will not easily become a prey to pessimism about its future. It is inconceivable that Soviet Russia could have progressed from step to step, from hunger to prosperity, from abuse to admiration, without the help of the co-operative movement or can do so in the future.

Our Hopes about the Dawn—A Conclusion

We have discussed the co-operative aspects of collectivisation at some length because it is necessary for everybody to realise once and for all time that collectivisation in Russia is based on large-scale farming on co-operative lines. It would be a serious mistake to forget that collectivisation of agriculture was for Russia no more and no less than a development of the former co-operative basis of her life. It was in many ways the development of co-operative credit and trade into co-operative production.

It is surely not necessary to be a materialist or a communist in order to understand the simple truth that the lessons of Soviet Russia in the field of collectivisation and her material achievements are almost miraculous and are of real and permanent importance to the world and specially so to all those countries in Asia and Europe which are today what Russia was before 1917. Russia was in 1917 very much like the India of to-day. There was great sub-division of land; the cultivated land per head in several parts of the country (like northern Ukraine) was not more than 1.5 acres; agricultural productivity in many spheres, as can be seen from her average wheat yield, was about the same as ours to-day; and her farming technique was as primitive as ours, with the wooden plough still in use and with sowing, harvesting and threshing being done very largely by hand. Within practically 20 years only all this was changed completely with the help of modern science, and **she has shown a record of material progress which has probably never been equalled in any other country at any period of its history.** This is the opinion of all seekers after truth like the Webbs and Professor Maurice Dobb of the University of Cambridge.[32]

The material progress of Russia will influence the whole world in the future just as surely as the spiritual truths of

32 Sidney and Beatrice Webb: *Truth About Soviet Russia:* page 37.
Maurice Dobb: *Soviet Economic Development Since 1917: page 1.*

India did in the past. It is impossible to overlook the gigantic fact that this country of the Soviets, which was not able to produce even her own scythes and had to import them from Austria, produces to-day more agricultural machinery than any other country in the world. The Chelayabinsk factory alone could produce about 1940 more than double the total tractor production of Italy. The Molotov Auto-plant in Gorky produced some time ago, and possibly does so also to-day, more motor-trucks than the combined auto-plants of England. It is supposed to be the largest in the world. We in India are proud of our production of one or two locomotives a year but "one thousand and eighty locomotives left the Voroshilovgrod factory a year."[33] The least mechanised country has become one of the foremost among the mechanised and industrialised countries of the world.

We in Asia, and others elsewhere, have to realise if we have not done so already, that the introduction of a socialist economy in regions which were among the most backward of all regions is a miracle of achievement based on science and mechanisation. This achievement proves that socialism is not impossible anywhere when we learn to make a proper use of science. Only short-sighted people will talk of the conflict between Religion and Science. There is no such conflict between Religion and Science. Religion without Science has meant only great poverty and suffering for the toiling millions. We stand facing the Dawn — of the day when Religion will be wedded to Science. We shall not miss that wedding.

33 Dean of Canterbury: *Socialist Sixth of the World*: Page 213.