# THE LAND REVENUE REFORMS COMMITTEE MADRAS


## FIRST REPORT

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## THE LAND REVENUE REFORMS COMMITTEE, MADRAS

*Chairman.*

Sri M. V. Subramanian, I.C.S.

*Members.*

Sri B. Ramachandra Reddi.
Sri N. Ranga Reddi, M.L.C.
Sri Alluri Satyanarayana Raju, M.L.A.
Sri C. Subramaniam, M.P.
Sri K. Manathunainatha Desigar, M.L.C.
Sri V. I. Munishwami Pillai, M.L.A.
Sri G. Sankaran Nair.

*Secretary.*

Sri S. R. Kaiwar, I.C.S.

*Staff.*

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| Sri A. Bashyam Ayyangar | .. | Upper Division Clerk. |
| Sri K. S. Ramanathan | .. | Do. |
| Sri N. Ranganathan | .. | Do. |
| Sri M. N. Sundararajan | .. | Steno-typist. |
| Sri K. Vijayaraghavan | .. | Do. |
| Sri K. Marimuthu | .. | Do. |
| Sri C. V. Venkataramanan | .. | Typist. |
| Kumari K. Kousalya Bai | .. | Do. |

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# THE LAND REVENUE REFORMS COMMITTEE, MADRAS

## FIRST REPORT

### CHAPTER I—INTRODUCTORY.

The Committee was set up by the Government of Madras in G.O Ms. No. 1376 (Confidential), Revenue, dated the 9th May 1950. An extract from the Government Order showing the Terms of Reference, is given in Appendix I of this Report.

2. The questions raised in paragraph 3 of the Government Order, and a list of topics which the Committee proposed to examine with reference to item (*k*) of that paragraph, were given publicity through the Press, and the views of the public were invited on them; in particular, circular letters were sent from the office of the Committee and through the Collectors of districts, to individuals and associations who were known to be interested in these questions.

3. Two hundred and forty-eight (248) replies were received—192 from individuals and 56 from associations; (List attached—Appendix III).

4. We arranged to hear in person representatives of the associations which had sent replies to the Committee; 36 associations sent their representatives to meet the Committee. At the instance of the Central Land Mortgage Bank we met its representatives. And at our instance the Registrar of Co-operative Societies and the Joint Registrar of Co-operative Societies met us and explained the working of co-operative farming societies in the State. The Registrar of Co-operative Societies was also present when we met the representatives of the Central Land Mortgage Bank. Some of the members also paid visits to the Ex-Servicemen's Co-operative Land Colonization Societies at Meyyur-Gudapakkam in the Chingleput district, and Tirumangalakottai in the Tanjore district, and the Co-operative Land Colonization Society (Civilian) at Paruthikottai and a "Manaicut" in Tiruvalampoli village in the Tanjore district. Some of the members visited, too, the Field Labourers' Co-operative Societies at Alamuru, Jonnada and Moolasthanam in the East Godavari district: these societies are cultivating lanka lands taken on lease from the Government and they are financed by the Alamuru Co-operative Rural Bank, Limited. The visits were undertaken with a view to examine the actual working of co-operative farming societies.

5. In paragraph 7 of the Government Order by which the Committee was set up, the Government directed us to send an advance report first on the questions raised in item (*k*) of paragraph 3 of that Government Order. We are accordingly sending this as our first report, covering those questions, the other questions in the Terms of Reference will be covered in our second report.

6. In paragraph 5 of that Government Order the Government have asked us to take particularly into consideration the reports prepared by Sri N. Raghavendra Rao as Special Officer on Land Tenures and the report of the Congress Agrarian Reforms Committee.

7. We have duly considered, for the purpose of this report, Sri Raghavendra Rao's Report on Land Tenures in the ryotwari areas of the Madras Province. We may observe here that on many questions on which figures will be useful, there are not, as is well known to workers in the field, any reliable statistics available on many important points. We have no accurate and up-to-date figures, for example, on the following items :—

Area cultivated by pattadars themselves, area cultivated by persons who are both pattadars and tenants, area cultivated by persons who are only tenants, and, in each case, the percentage to the total occupied area ; area owned by non-cultivating pattadars and by non-resident pattadars, and in either case the percentage to the total occupied area ; area under waram tenancy, under fixed grain rent, and under cash rent, respectively, and percentage in each case to the total area; the number of persons related to the land under the respective heads of land-owners, tenants, and agricultural labourers, and the number of dependents on these classes; the number of non-cultivating owners and their dependents, the number of cultivating owners and their dependents, the number of cultivating and non-cultivating tenants and their dependents, and the number of agricultural labourers and their dependents.

We have had to proceed on these matters on general impressions and on the results—as far as they go—of the pilot enquiries made by Sri N. Raghavendra Rao, which along with other statistics generally available, have been embodied in his report referred to. We take this opportunity of suggesting that, if that report has not been released for general publication, it may be released when our report is released.

8. As to the report of the Congress Agrarian Reforms Committee, our report will show that almost throughout we have specifically examined the recommendations of that Committee and that our report, in fact, constitutes, *inter alia*, a review of the recommendations of the Congress Agrarian Reforms Committee, and of the corresponding portions of the minute of dissent to that report, on the various questions which we have discussed in our report. It has to be added, however, that this relates only

to the Chapters of the Congress Agrarian Reforms Committee's Report which come within our Terms of Reference. The Government have made it clear in that connexion that we are expected to deal only with Chapters I, II, III, IV and VI of that report and corresponding portions of the minute of dissent; the Government are arranging to have the questions raised in the other chapters of that report examined straightaway through the departments of Government concerned. Our examination and review of the recommendations of the Congress Agrarian Reforms Committee are therefore confined to Chapters I, II, III, IV and VI of that report.

9. We have fully utilized whatever material relevant to our discussions was available in the records of Government and of the Board of Revenue.

10. We have of course taken fully into consideration the views expressed by the individuals and associations who sent in written replies to us and the views expressed by the representatives of the associations in the hearings before the Committee.

11. After a preliminary meeting, our deliberations culminating in the report were spread over 31 (thirty-one) days in eight sessions. It is a matter of regret that Sri Alluri Satyanarayana Raju has not been able to attend any of the sittings or sign the report.

12. In formulating our recommendations we have aimed at the immediate rather than the ultimate, the practical rather than the ideal, the expedient rather than the doctrinaire; and it is inevitable in such a report that in many places an aspect of compromise should be more visible than inflexible logic.

13. We think it necessary to add that on many questions our decisions have been arrived at by a majority vote and the strength and composition of the majority have not always been the same.

14. We acknowledge with pleasure the very valuable help we have received from the Secretary to our Committee, Sri S. R. Kaiwar, whose work has been excellent in all respects. We wish to place on record our appreciation also of the work of the staff, who have discharged their duties very efficiently. We thank, too, the Reporters of the Madras Legislature who attended our sittings and prepared notes of the proceedings, and the Secretary to the Legislature for making their services available to us.

## CHAPTER II—SOME PATTERNS OF FARMING EXAMINED.

### 1. Capitalist Farming.

15. For the purpose of our discussion we take Capitalistic Farming to mean farming carried on by a Limited Company or a Corporation or by an individual on large blocks of land, farming

operations being carried on on a mechanised basis under the supervision of paid managerial staff and by labour engaged on a permanent or on a casual basis or both, obliterating all traces of tenancy and proprietorship and previous enjoyment and reducing everyone engaged in the operations to the status of a paid employee, same as in a business or an industrial concern whether operated by a joint stock company or an individual. We understand the term to include cases where an individual also or a group of individuals take to farming of the aforementioned type on their own holdings.

16. Theoretically, from the point of view of efficiency alone, there is quite an arguable case for capitalist farming over the whole field of agricultural operations. That is particularly a case based largely on mechanisation. As far as areas under cultivation already are concerned, we consider this mainly an academic question in this State because very few cultivators would be willing to sell their lands voluntarily to make up the large estates required for working units under capitalist farming; and the scope for mechanisation, particularly in wet cultivation, is limited. If the question is posed, however, as one of active encouragement by Government, there is, besides the limited scope for mechanisation, the consideration that mechanisation, to the extent that it is possible, will displace existing agricultural workers and further depress their already low status. And when there are no alternative sources of employment for such displaced workers such a development is very much to be deprecated. We are in agreement with the Congress Agrarian Reforms Committee that ordinarily capitalist farming is not to be recommended as it would deprive agriculturists of their rights in land, turn them into mere wage-earners and subject society to capitalist control in a vital matter like food. We recommend therefore that capitalist farming is not to be encouraged as a matter of active State Policy in areas already under cultivation. We would however make an exception in respect of plantation products in plantation areas as they are raised under distinctive conditions. We consider also that capitalist farming in existing holdings need not ordinarily be interfered with; this means that in areas already under cultivation in a holding by other methods it should be open to a landlord or a tenant, as the case may be, to resort to capitalist farming if he so desires, up to the limit of personal cultivation allowed to him under the recommendations we are later on making; but if as a result of the reforms proposed this type of farming should be resorted to in an increasing measure, tending to serious displacement of agricultural workers with no alternative avenues of employment open to them, preventive steps on the part of the Government may be called for.

17. As far as companies and similar associations of the type mentioned in paragraph 15 are concerned, in consequence of the provisions which we are recommending later on, prohibiting alienation to persons other than cultivators in future, and in view of

the fact that such companies, etc., will not come under the definition of cultivator, they will not be able to extend their area of operations, nor can new companies or association come into the field, except in plantation areas. This, we consider, is as it should be, as far as areas under cultivation already by other methods are concerned.

18. A different set of considerations arises, however, in respect of lands in private holdings which have so far not been developed and brought into cultivation. In such cases there would be no question of displacement of the existing tenants or labourers; and on the other hand it is eminently desirable that such lands should be brought under cultivation as rapidly as possible. We consider therefore that capitalist farming of such lands, whether by individuals or companies, should be encouraged. For that purpose we propose that exemptions may be given in such cases from the restrictions which we are recommending later on relating to sales of land to non-cultivators, maximum limit on land purchases in future and maximum limits on personal cultivation. The power to grant these exemptions should be vested in the Land Tribunals which we are proposing and the exemptions are to be given expressly for the purpose of bringing lands under mechanised cultivation.

19. Then there is the question whether this type of farming, particularly when the question is one of efficiency, should not be tried on lands at the disposal of the Government reclaimed for purposes of cultivation. The Congress Agrarian Reforms Committee have suggested that State farming or collective farming should first be tried on such lands, and if they fail, capitalist farming may be allowed, at discretion, on the basis of limited lease, with suitable safeguards. We agree that capitalist farming may be so allowed if alternative methods of colonization fail, but those alternative methods to be first tried should, in our view, be on the basis of individual ownership, but at the same time with a distinct bias towards co-operative methods of cultivation; in particular we think it is a useful field for trying out co-operative joint farming. The alternative methods to be first tried, should therefore, according to us, be in order of preference—

(*a*) Co-operative Joint Farming,

(*b*) Co-operative Betterment Farming, and

(*c*) Individual settlement.

Investigation as to the feasibility of the first two methods should take as short a time as possible consistent with the circumstances of each case, so that the development of the area need not be unreasonably delayed.

It is implicit, too, in our view of the question, that such lands should be made ready for colonization, after reclamation, all at Government expense, before colonists are let in.

20. We take this occasion to recommend also that in lanka lands in the Godavari and Krishna deltas the system of lease by auction should be abandoned and the lankas leased out to co-operative joint farming or tenant farming societies on fair rentals. This would give additional opportunities for these types of farming societies to be tried, and would give an opportunity to a number of landless labourers to attach themselves to the land and improve their standard of living; and we do not consider that the loss of some revenue to the State, which will be incidental, should stand in the way.

### 2. State Farming.

21. As pointed out by the Congress Agrarian Reforms Committee, under this system the farm is managed by Government officials, and agriculturists become wage-earners, and the system is preceded by complete nationalization of lands. Our habits and traditions and the specific provision in that regard in the Constitution are against expropriation without compensation. Purchase of the land for the purpose of nationalization would involve a colossal cost; and it is hardly likely to be made good over the years by increased efficiency in production. We are lacking in trained men who can exercise the functions of organization and supervision. Apart from that, a State is ill-suited through its officials to secure the minuteness of care that has to be bestowed on individual areas in the different processes of cultivation. Our peasants will certainly not be enthusiastic over the prospect of everybody being reduced to the status of a wage-earner. State farming is usually associated with mechanization too, and the considerations relating to mechanization set out when discussing capitalist farming will apply here also. We are therefore in agreement with the Congress Agrarian Reforms Committee and do not recommend State farming as a matter of active State Policy, except for purposes of experiment, demonstration and research.

22. The Congress Agrarian Reforms Committee have recommended that in a limited degree State farming may be tried when waste lands are reclaimed and brought under cultivation so that the agricultural labourers who are to be settled on these lands can have proper direction and supervision provided by the State with a view later on to turning the arrangements over to collective farming. Our idea however, is, as indicated in paragraph 19, that in such areas co-operative joint farming and co-operative better farming should be tried out first, and, failing these, individual cultivation should be allowed. There is no need, in our view, for resort to State farming or collective farming in these cases. Any guidance or supervision that is needed can be provided by the State attaching appropriate officers of various departments to the colonies and the formation of co-operative societies can be encouraged, even if, in the first instance, only individual settlement is found feasible.

### 3. Collective Farming.

23. Under collective farming, as pointed out by the Congress Agrarian Reforms Committee, the ownership of all lands, stock and capital vests in the community as a whole. This type of farming differs very little in principle from State farming. Here too, as there is no question of revolutionary methods, individual ownership will have to be terminated by payment of compensation which would mean a colossal cost. There would necessarily be a high degree of regimentation and discipline imposed on the members of the collective. With the drive that such compulsory regimentation would imply, on the one hand, and on the other, the fact that management will be left to individuals associated with the various units, some of the objections associated with State farming may be overcome and more efficient production than under individual or State farming can probably be ensured. But the fundamental objection will remain that the agricultural classes will become merely wage-earners and lack the urge that goes with individual ownership and enterprise. The considerations relating to mechanization mentioned under capitalist farming and State farming in paragraphs 16 and 21 above would apply here also. We therefore agree with the Congress Agrarian Reforms Committee that Collective Farming as a matter of deliberate State Policy should generally be ruled out.

24. That Committee have mentioned the desirability of some experiment in collective farming on reclaimed waste lands, but as indicated in paragraph 19 above we are not in favour of collective farming being imposed in such cases.

25. Since, however, the idea of collective farming contains possibilities of introducing mechanized activities without entailing serious displacement of agricultural labour, we desire that experiments which will encourage the idea, without, at the same time, involving compulsory expropriation and compensation, should be encouraged. There may be here and there cases when people in a particular area or village may desire to try the experiment of collective farming in that manner under actual field conditions. The State should endeavour to encourage it, by doing propaganda and providing whatever help is necessary, in the same measure as for co-operative farming societies. What we envisage is that a collective organization would be set up and this organization will take over all the lands in a particular area or village on lease and work the lands on collective principles. Besides the advantage already indicated this would also give an active share and interest to agricultural labourers in the final net produce instead of their being just wage-earners without any further interest in the land or its produce. We are aware that this is not collective farming in the strict sense of the term since the land is taken on lease and rent is paid to the owners, who will have the landlord's right without any of the landlord's functions. We are aware also that in case of mechanization less hands will be required and that, if all the existing hands are kept on, it really means less than full work

for them all. Nevertheless, we recommend that where the community of a village comes forward to organize collective farming by taking the land on lease and cultivating the land and sharing the produce according to collective principles, the State should endeavour to encourage such collectives. We would add that as a working principle where 85 per cent of the adult population covering also 85 per cent of the land under holdings have agreed, the entire village community should be taken as having agreed.

26. Legislation would be required for compelling the dissenting minority. Thereafter, if the collective operates as a co-operative collective farming society, the provisions of the Co-operative Societies Act may be adequate. If they operate outside the scope of this Act, suitable provisions to regulate their working will have to be made by appropriate legislation.

### 4. Peasant Proprietorship.

27. We consider that peasant proprietorship is the pattern best suited to the genius and traditions of our people. As it stands now, however, it is gravely handicapped because of the existence of small and scattered holdings and the likelihood of these multiplying. Further subdivision of holdings will have to be checked and existing holdings consolidated; we are dealing with these problems later. The small holdings that will still remain will have to be brought into some form of co-operative organization if the agrarian economy is to function more efficiently; we are dealing with this question also later on. Meanwhile the most desirable and practicable condition at present being peasant proprietorship the aim should be to make cultivation and ownership increasingly coincide; but at the same time in order to avoid too sudden and drastic an unsettlement of economic and social conditions, as a measure of expediency the existence of tenancy—which implies a divorce between ownership and cultivation to the extent that tenancy is in operation—will have to be tolerated, too. The system of tenancy itself will require regulation: we are dealing with that later on.

## CHAPTER III—SIZE OF HOLDINGS

### 1. Maximum Holdings

28. The Congress Agrarian Reforms Committee have recommended that there should be a maximum size for individual holdings and have suggested that this should be three times the size of the "economic holding". The "economic holding" is to be determined, according to them, after an elaborate enquiry. Their general scheme is that the owner should cultivate all his lands and there should be no leasing out of lands in future. The reasons that have been advanced by the Congress Agrarian Reforms Committee in support of their proposal to limit the size of a holding are briefly stated below:—

(1) Very large holdings could be properly worked, managed and supervised by the owner himself only when they are mechanized and there are social evils in mechanized farming.

(2) As in other sectors of national economy, namely, commerce and industry, so in agriculture, an individual can have a high level of income only through exploitation.

(3) The optimum size of the farm is related to the technique used and effort should be to find gainful employment for as many as possible on land till industries develop to absorb the surplus population.

(4) It is difficult to say with certainty if mechanised large-scale farming is more efficient from the point of view of productivity, than peasant farming in economic holdings assisted by co-operative better farming societies.

(5) The personnel with proper vision and capacity for leadership may not be plentiful for the most efficient utilisation of big holdings. In other countries too, similar difficulties have been felt.

(6) The amount of capital necessary for the proper development of big holdings may not be forthcoming from the owners of such holdings

29. In the minute of dissent to the Congress Agrarian Reforms Committee's report, Sri O. P. Ramaswami Reddiar and Sri N. G. Ranga have expressed their views as follows :—

" What multiple of economic holding the maximum holding should be, will have to be decided in the light of the findings of the committees to be constituted to fix the income ceilings in the other sectors of economic life, as economic and social justice demands a parity between various incomes. . . . But in view of the special disability of agriculture in that the total extent of cultivable land is limited in any period of time, while the demand for more land is ever so insistent, we are prepared to suggest that the maximum in this regard may be fixed at not more than ten and not less than five times the economic holding, without anyway minimising the justness and force of our demand for parity treatment to be meted out by society and State between agriculture and other avocations of life. In other words, ultimately the fixation of maximum ranges in agriculture will largely depend on, and will have to follow the fixation of maximum in other sectors of economic life. "

30. The central idea behind the proposal is social justice. It is certainly a point of primary importance whether this idea of social justice should be enforced in the agricultural sector in advance of its enforcement in other sectors. It may be however contended that if the general principle is accepted, a beginning must be made somewhere and that a beginning will be nowhere more appropriate than in agriculture, since that is the widest sector in this country, and any steep differences would be visible and would be felt over a more extensive field there. The economic and social powers which high incomes confer would also be more than proportionately overbearing in view of the comparatively lower sense of realisation

of civil rights in the country-side. We would nevertheless emphasise that what is proposed to be done here should have some reference to what is proposed to be done in other sectors.

31. There is no definite indication as to what is proposed to be done generally for all sectors but it is difficult to see that anything more drastic will be done in the immediate future than what is indicated in the report of the Economic Programme Committee of the Congress, which has been referred to in the minute of dissent to the Congress Agrarian Reforms Committee's report. There, mention has been made of a monthly income of Rs. 4,000 (rupees four thousand) or Rs. 48,000 (rupees forty-eight thousand) per annum as the maximum. If we put the income from land as eight times the assessment on an average, this would mean that no holding paying an assessment of less than Rs. 6,000 (rupees six thousand) should be interfered with under this principle. We have no figures about such holdings, but it is not likely that they will be more than a mere handful. And it should not be ignored that the abolition of the zamindaris in this State has already eliminated the most prominent type of big landholders.

32. In the minute of dissent to the Congress Agrarian Reforms Committee's report it has been argued that the maximum income for all sectors should be fixed at Rs. 2,000 (rupees two thousand) per mensem—which would work out to the limit of a holding paying an assessment of Rs. 3,000 (rupees three thousand). Even if this be done, the numbers to be dealt with will not be large. We have no separate figures for holdings paying Rs. 3,000 (rupees three thousand) and over; but the number of holdings paying over Rs. 1,000 (rupees one thousand) is itself only 1,888 with an extent of 588,400 acres (five lakhs eighty-eight thousand four hundred acres), giving an average of 310 acres (three hundred and ten acres). These figures do not indicate any great scope or justification for wielding the expropriatory axe.

33. The Congress Agrarian Reforms Committee have left the economic holding itself to be determined after an enquiry. It is difficult to say what the multiple of three adopted by them for arriving at the maximum holding will lead to. The multiple itself is obviously too low. If the economic holding should be on an average round about five acres of wet or ten acres of dry (the limit of holding which according to the Darkast rules of this State distinguishes a landless person from the rest) this would roughly mean, for the maximum holding of three times that size, an assessment of Rs. 100 (rupees one hundred), a very low figure indeed. If the excess in holdings paying more than his assessment is sliced out we would be getting about 25½ lakhs of acres (2,550,000 acres) in the process. And this 25½ lakhs of acres is not likely to result in more than three lakhs (300,000) of economic holdings of the size referred to above.

34. If the upper of the two limits suggested in the minute of dissent be taken, and the multiple of 10 (ten) be applied to a unit

as taken above for an economic holding, and it is equated roughly with an assessment of Rs. 250 (rupees two hundred and fifty), the extent sliced out will be 12½ lakhs of acres (1,250,000 acres) which would go to constitute (150,000) 1½ lakhs of economic holdings of that size.

35. If we adopt a higher unit for an economic holding, say, 10 (ten) acres wet or 20 (twenty) acres of dry which, as suggested by Sri S. Y. Krishnaswami in his Monograph on Rural Problems, would cover a standard of comfort higher than now, the Congress Agrarian Reforms Committee's multiple would get us to the assessment level of Rs. 250 (rupees two hundred and fifty) (as the nearest available in the table of figures which we have) and the slicing out of larger holdings would give 12½ lakhs of acres (1,250,000 acres) and help to constitute 75,000 (seventy-five thousand) economic holdings of that size. If the upper limit of the standard suggested in the minute of dissent is taken we would get to the level of Rs. 500 (rupees five hundred) assessment and for parcelling out we would get about 7½ lakhs of acres (750,000 acres) which would constitute 45,000 (forty-five thousand) economic holdings of this size.

36. The sets of figures given above have to be assessed against the background of the following figures for ryotwari areas :—

| | |
|---|---|
| The number of pattadars (single and joint) at present. | 69 lakhs; |
| The extent .. .. .. .. .. .. .. | 275 lakhs of acres; |
| The number of workers (heads of families) under landless labourers. | 20 lakhs; |

37. However, if we were to put the maximum as low as Rs. 250 (rupees two hundred and fifty) assessment, and then distribute the excess not in ' economic holdings ' but, say, in plots of one acre wet or two acres dry, on the idea that such a plot would be merely an ' allotment ' which a labourer could cultivate with profit, deriving additional benefit to himself, that would make a better showing. We can put, on the 12½ lakhs of acres (1,250,000 acres) that might be available, about 7½ lakhs (750,000) of landless people in possession of such units. But to put a ceiling so low as that—an annual income of roughly Rs. 2,000 (rupees two thousand) is, for one thing, obviously quite unjustifiable, particularly in the absence of similar action in the other sectors of the national economy; for another, it would mean a considerable displacement of cultivators on that cadre in the middle rungs who on the whole are more enlightened and have brought to bear on agriculture more resources than the ordinary and have taken a more conscious part in general affairs. These persons will be replaced by cultivators with less resources and less responsivity to the process of improvement in agriculture. While saying this the Committee should not be understood as saying that the latter should not be given the opportunities, the lack of which alone has prevented them from improving themselves. But, the accommodation of landless labourers in large

numbers must depend mainly on the reclamation of sizable areas now unoccupied or waste, and on opportunities for employment in other industrial fields. Apart from these middle rungs, even those at the top have their own part in the economy; quite a number of them run farms which serve as models. We would be loth to recommend the slicing off of such large farms alone merely to accommodate a comparatively small number among landless persons.

38. We should like to point out also in this connexion that even in the recent expropriation in the Soviet sector of Germany, holdings of 100 hectares (250 acres) were left undisturbed and the unit for an economic holding in the process of redistribution was 5 hectares (12½ acres) giving the ratio of 1 :20 between the economic holding and the maximum holding.

39. If expropriation were to be considered it could be only on payment of compensation. Taking for purpose of calculation the proposal most favourable for purposes of redistribution and at the same time not entirely outside the arguable pa'e, viz., limit of Rs. 250 (rupees two hundred and fifty) assessment, 12½ lakhs of acres (1,250,000 acres) would become available. This may be roughly put as 2½ lakhs of acres wet and 10 lakhs of acres dry, adopting a ratio 1 :4 for wet and dry lands. On the basis of pre-war prices we may adopt an average cost of Rs. 1,000 (rupees one thousand) per acre wet and Rs. 500 (rupees five hundred) per acre dry. This would mean a total compensation of the order of Rs. 75 crores (seventy-five crores). This is likely to be rather an under-estimate, but may be taken as a rough index of the magnitude of the problem. The amount may be recovered in instalments from the beneficiaries. But the period will have to be very long, say, 30 to 40 years and although there is risk in the matter of repayment from persons with such small holdings and no other resources, that has to be faced. But the important point is that the State will have to find an initial capital expenditure of Rs. 75 crores. This is not a figure that could be faced with equanimity. This, it may be added, has reference, like all the figures above, only to ryotwari areas. But it may be assumed that the same pattern would be applicable to the zamindari areas, and the validity of the discussions will not be affected; only, proportionate adjustments or additions would have to be made in respect of those areas.

40. On all these considerations we are of the view that in the case of existing holdings there is no need to fix any maximum limit, *per se* and expropriate the extents in excess of such maximum.

41. We feel that the set of considerations taken into account above will not, however, apply with the same force to future acquisitions. There is a strong case for preventing undue concentration of land in the hands of a comparatively few in the future at least. Those who have very large holdings already should not be allowed to increase them. Those who have comparatively smaller holdings and those who take to cultivation anew, should not be allowed

to make the holdings grow beyond a certain limit. While the limit should be small enough to prevent objectionable concentration, it should be large enough to accommodate the growth of holdings adequate for the exercise of resource and enterprise. We therefore recommend that no person should be allowed in future to acquire agricultural lands, if he already has a holding carrying an assessment of Rs. 250 (rupees two hundred and fifty), or so as to constitute a holding carrying more than Rs. 250 (rupees two hundred and fifty) as assessment.

42. In the case of joint families we recommend that an allowance up to this limit should be made separately for each branch of the joint family subject, however, to an over-all limit of a holding the assessment on which does not exceed Rs. 1,000 (rupees one thousand).

43. We also recommend that this restriction on future acquisitions should not apply in the case of inheritance and bequests and in such cases the beneficiary should retain the land even though such inheritance or bequest either by itself or with the lands already held by the person concerned, is in excess of the maximum suggested by us. We have deliberately excluded "gifts" so as to deny opportunities for evasion by accepting "gifts" for which concealed consideration might have been passed. Religious, charitable and educational institutions should, however, be exempted from this restriction and should be free to receive gifts irrespective of the size of their existing holdings.

44. We also recommend that a definite exemption should be made in favour of recognized cattle-breeders. When computing the maximum holding in their cases, the assessment paid on land set apart exclusively for animal husbandry by such recognized cattle-breeders should not be taken into account.

45. We have also examined whether, in computing the maximum, the assessment paid on lands which are fit only for non-agricultural purposes, should be excluded. We consider that such cases will be rare and that where such lands are retained instead of being relinquished, it would be because they are otherwise valuable, e.g., for mining operations. In such cases, therefore, the argument against concentration of valuable resources would apply and no exemption would be justified.

46. Where an existing holding exceeds the limit which we have proposed for future acquisition, although, as recommended above, they will be left undisturbed, it is not the intention that when portions of that holding are sold the landholder should still have the right to purchase up to the previous extent; he will have no such right; the right to hold lands in excess of the maximum prescribed for the future should be held to have been correspondingly curtailed to the extent of the sale. If, however, by such sale the holding goes below the limit fixed for future acquisitions, the right to rebuild the area up to this maximum shall remain unaffected. Where, however, in such cases, lands are exchanged for purposes of consolidation of holdings, the transaction need not be deemed to be a sale

or transfer entailing such curtailment of right, provided permission has been taken from the Land Tribunal or other prescribed authority for the exchange.

47. Since the general idea is to extend the operations of co-operative farming societies on as wide a scale as possible, co-operative farming societies of all types should be exempted from the limit proposed above for acquisitions in future.

48. Joint Stock Companies, and partnerships, associations or firms of that type, stand excluded from the definition of 'cultivator', and we are proposing later on that, in future, there should be no sale of land to non-cultivators; so these will be precluded from acquiring lands in future except where we are proposing exemptions in their favour.

49. The case of undeveloped lands in private holdings is one calling for such exemption. Where it is proposed to purchase lands in private holdings which have not been cultivated at all previously, or which have remained continually out of cultivation for a period of not less than five years, and such a transaction involves an infringement of the provision relating to the maximum extent of holdings, a relaxation from the provision may be given in favour of Joint Stock Companies and associations, but only for the purpose of mechanized cultivation; such a relaxation may, in the same circumstances, be given to individuals also, but in their case, it should be open to them to resort to any type of cultivation as they may find suitable. The authority to give the relaxation shall be the Land Tribunal which we are proposing; applications should be made to the Tribunal for that purpose.

50. The proposed limit on holdings shall not be applicable to plantation areas; and when applying the rule as to the maximum elsewhere, the holdings in plantation areas should be excluded from the computation.

51. Legislation will be required for the imposition of a maximum as proposed. It should also contain provisions to the effect that where land is acquired in excess of the prescribed limit such of the land as is in excess should be forfeited to Government without compensation and disposed of by the Land Tribunals, that cases are to be dealt with by the Land Tribunal and that any person should be competent to lodge a complaint before the Tribunals. In order that cases may be brought to notice even otherwise, village karnams should be required to send annual returns of landholders resident in their villages, or owning lands there, who have contravened the provisions.

### 2. Economic Holdings.

52. The Congress Agrarian Reforms Committee recommend that an economic holding should be determined regionally by an appropriate authority according to the following principles:—

(1) It must afford a reasonable standard of living;

(2) it must provide full employment to a family of normal size and at least a pair of good bullocks;

(3) it must have a bearing on other relevant factors peculiar to the agrarian economy of the region.

In the minute of dissent by Sri O. P. Ramaswamy Reddiar and Sri N. G. Ranga the following considerations have been suggested :—

(i) It must be capable of giving maximum yields per acre or per person, or both;

(ii) it must provide full employment to a family of normal size;

(iii) it must afford a reasonable standard of living;

(iv) it has to provide for other relevant factors peculiar to the agrarian economy of the region.

In the latter set the idea of maximum yield per acre and per person has been imported and the criterion of full employment for at least a pair of bullocks eliminated. The idea of maximum yield is more pertinent to the concept of an ' optimum holding ' than an economic holding; and when we think of a family of normal size, it is necessary to have an indication also of the normal resources that it will bring into play—in which context the specification of a pair of bullocks is useful; the principles enumerated in the main report are therefore more in accordance with the usual concept of an economic holding. In any case, as indicated by that Committee, the size of an economic holding can be fixed only after elaborate enquiry in the various regions of this State.

53. The concept of an economic holding is a varying concept. It is not the same as a unit of economic cultivation : that may be much less. It is not the same as a unit of optimum efficiency : that may be much more. But it is generally associated with the idea of keeping an average cultivator in comfort and giving full employment for him, his family and his cattle. Even so the content of that concept may vary.

54. According to Keatinge, an economic holding is one which allows a man a chance of producing sufficient to support himself and his family in reasonable comfort after meeting his necessary expenses. Dr. Mann on the other hand holds that it should be enough to maintain a family at the minimum standard of life considered satisfactory. The United Provinces Banking Enquiry Committee fixes it in relation to the standard of comfort to which the cultivator is accustomed. On these Sri Baljit Singh in his book "Whither agriculture in India" has made the comment that this would mean that the point at which a holding becomes uneconomic is not fixable, but movable, and that there are as many economic holdings as there are cultivators and that, in fact, an economic holding is an economists' abstraction—an average of averages. It cannot be denied, however, that the central idea has

a certain validity. Admittedly also the unit will have to differ from tract to tract with reference to the fertility of the soil and value of the produce, the nature and type of cultivation carried on and other similar factors. We consider therefore that there is no objection to the principles laid down by the Congress Agrarian Reforms Committee for determining the extent of an economic holding.

55. But the more important question is, what use are we going to make of this concept? The Congress Agrarian Reforms Committee hold this to be their central concept and require the size to be fixed for the various areas in this country. But this will be justified only with a definite end in view, and apart from providing a method of determining the maximum holding by multiplying this economic holding by three (a point to which we advert further below) the Congress Agrarian Reforms Committee has not laid down any definite end.

56. One possible procedure is to aim deliberately at the elimination of all uneconomic holdings, leaving only economic holdings in the field and taking steps to maintain them in tact, by prohibition of alienation, subdivision and fragmentation. But there are grave difficulties in the elimination of uneconomic holdings. The average holding is 2·6 acres of wet lands in wet districts and 6·5 acres of dry lands in dry districts in this State. On certain assumed norms (higher than at present) under food, clothing, shelter, health and education, it has been suggested in Sri S. Y. Krishnaswamy's Monograph on "Rural Problems in Madras" that 10 (ten) acres of wet or 15 to 20 (fifteen to twenty) acres of dry might constitute a fair economic holding. We may equate this very roughly with a holding paying an assessment of Rs. 50 (rupees fifty only). Going by the figure of two hundred and ten lakhs (21,000,000) acres of extent under ryotwari paying an assessment of Rs. 50 (rupees fifty) and less and taking the composition to be 1 :4 for wet and dry lands and dividing up into such economic holdings the existing holdings now paying less than Rs. 50 (rupees fifty) assessment, we would be accommodating only four lakhs of pattadars under wet and 11 lakhs under dry—a total of 15 lakhs of pattadars. (This of course is only a method of computation and not an indication of actual distribution.) The existing number of pattas single and joint paying an assessment of less than Rs. 50 (rupees fifty) is about 65 lakhs. Making due allowance alike for the existence of joint pattas and for persons holding more than one patta, this would mean that roughly three quarters of the existing number of proprietors (in the range that constitutes the vast bulk of the holders of land) will have to be dispossessed. Even if we take a lower limit for an economic holding, 5 (five) acres wet or 10 (ten) acres dry, about half the existing number of proprietors will have to be dispossessed. It would be a colossal undertaking to buy these off, distribute the lands and recover the

cost from the purchasers. Apart from that, such a scheme would cause a tremendous social and economic upheaval. It will mean permanent depression of a large section of the population. It will tend to keep all the existing landless labourers and tenants permanently in that status because they will not be able to purchase lands in units less than an economic holding. On these grounds we cannot contemplate any such measure of elimination of uneconomic holdings and redistribution of them into economic holdings. Measures of that kind can be thought of only when there are alternative avenues of employment available, e.g., by rapid industrialization, to the vast numbers that would be displaced thereby. Even in the interwar land reforms of Europe, it may be noticed, the concept of economic holdings was generally enforced in respect of new holdings created; those which were smaller were not compulsorily swept into the economic holdings.

57. We are aware that the Congress Agrarian Reforms Committee have not recommended the policy of eliminating all except economic holdings but the point is that the absence of such an aim robs the concept of much of its value.

58. The Congress Agrarian Reforms Committee's idea is that holdings below the economic holding should, while being allowed to be retained, be treated by rehabilitation. But for the purposes of that treatment, it is not essential that the size of an economic holding should be fixed by an elaborate enquiry. If it were at all necessary, a rough average based on the knowledge of local conditions (5 acres of wet or 10 acres of dry, the standard taken in the Darkhast rules of the State for definition of a landless person may be mentioned in this connection) would quite do. But as a matter of fact we see no reason why rehabilitation measures should not be resorted to without particular reference to the issue whether, and by how much, the holdings fall short of a meticulously fixed economic holding in size.

59. The Congress Agrarian Reforms Committee, as observed above, have related the question of maximum holding to this concept of economic holding by fixing the former at thrice the size of the latter. But the multiple is arbitrary, and we see no special virtue in fixing the maximum holding as any particular multiple of an economic holding. A maximum holding could be fixed straightaway on independent considerations, and this is the line we have adopted in recommending the assessment limit of Rs. 250 (rupees two hundred and fifty only) on all future acquisitions.

60. The Congress Agrarian Reforms Committee do not propose to enforce their concept of economic holdings in measures of prevention of subdivision and fragmentation. In considering this question, the Congress Agrarian Reforms Committee refer to the Bombay Enactment, which proceeds in terms of ' standard units '; a ' standard unit ' may or may not be an economic holding. Nor

do the Congress Agrarian Reforms Committee propose to enforce the concept of economic holding in relation to the grant of expropriated or reclaimed lands. In respect of the former they say " we do not recommend that the land acquired should be generally used for the purpose of making uneconomic holdings economic " although later on in paragraph 18 (ii) they have indicated that it might be done. And in respect of the latter they say that reclaimed lands should not be settled with individuals on peasant farming but should be organized under co-operative joint farming. We agree as to this, incidentally, but only as a first preference, and to co-operate better farming as a second preference; we do not rule out individual settlements if these two are not feasible. When the question of individual settlement arises, an ' economic holding '. if it is to be adopted, need not, however, be anything worked out on an elaborate enquiry. A rough and ready unit of 5 acres of wet or 10 acres of dry may be adopted by the Government and it would be quite appropriate and adequate. In actual practice we consider, though, that there is no need to prescribe even this as a minimum and to say that nothing less than an economic holding should be granted anywhere. In our opinion that would mean stoppage of assignment of the small or scattered bits of land available in several villages, or the assignment of plots available in comparatively smaller blocks, where such a course would be necessary from the point of view of expediency and in fairness to the local demand from landless persons, so that a larger number of people could be given something by way of an ' allotment ' each which they could cultivate with profit. The policy of insisting on assignments in economic holdings in the case of landless people would be inexpedient. We consider it necessary to recognize and allow for the anxiety of landless persons to acquire a piece of land however small it might be. This will increase their social and economic status and constitute a definite improvement on the existing agrarian economy. It should not be considered a valid argument against this that the number of small holdings would be increased. The comment of R. D. Tiwari in his book on ' Indian Agriculture ', that smaller holdings serve better the needs of an agricultural country with a large population and absence of alternative sources of employment, would apply also to holdings smaller than what is strictly considered to be an ' economic holding. ' We would like to point out that even after the interwar land reforms in Europe quite a number of small holdings continued to exist. It is desirable, no doubt, that holdings should not go down in size below a unit of profitable cultivation; but such a unit would be different; and just as, as indicated already, it would not be practicable to eliminate all units below that, it would be inexpedient to prevent assignments being made to landless persons of plots below that unit. We consider that more important than the size of the holding is the help that should be rendered for efficient cultivation by providing through a co-operative agency or otherwise, facilities

for better cultivation, marketing, etc. What we have in mind is obviously the point also in item (*b*) on page 185 in the minute of dissent to the Congress Agrarian Reforms Committee's report where it is stated that one of the principles of agrarian economy should be " enabling the maximum number of agriculturists to satisfy their traditional hunger for land and utilize their attachment to land for protecting their individual economic freedom and developing their individual and co-operative initiative, enterprise and also for the development of incentives for greater efficiency and production and higher standard of living within the ambit of general agrarian planning obtaining in their region. "

61. On all these considerations, therefore, we would say that the concept of an economic holding as set out by the Congress Agrarian Reforms Committee is of no practical utility at present and there is no need or justification for the State Government to embark on an elaborate enquiry of the kind suggested by the Congress Agrarian Reforms Committee for fixing the size of an economic holding for the various regions in this State.

### 3. Units of Profitable Cultivation.

62. At the same time, however, we feel that it is necessary to have as clear an idea as possible of what a unit for profitable cultivation would be—a concept different from that of an ' economic holding ' discussed above. That would be useful in connexion with the problem of preventing subdivision of holdings below a minimum and also in dealing with the question whether any special measures—e.g., compulsory formation of co-operative societies—would be necessary in the case of holdings smaller than such a unit : we are dealing with these problems later on in the Report. So we consider that it is necessary to ascertain by enquiry the minimum extent of holding, in each representative tract, and with reference to the representative types of cultivation, in this State, on which an average family consisting of four persons working with ordinary prudence and diligence and with ordinary resources, can secure an adequate return on the investment made; in assessing the investment, the element of interest on the capital cost, all costs of cultivation including the labour of the cultivator and his family, Government dues, cesses, etc., should also be taken into account. Only a return of 3 per cent on the total investment including both the elements of capital and running costs should be considered adequate. A set of ' pilot ' enquiries in selected areas should, we think, serve the purpose, and we recommend accordingly that such enquiries may be instituted.

### 4. Basic Holdings.

63. This is a new concept put forward by the Congress Agrarian Reforms Committee. They have defined it as " a holding smaller than which would be palpably uneconomic from the point

of view of efficiency of agricultural operations." They themselves admit the definition is vague. Their idea is that below the economic holding there should be two categories, the basic and the sub-basic; the basic along with the economic holding should be compulsorily brought under co-operative better farming and the sub-basic should be under compulsory co-operative joint-farming. For that purpose, there is obviously no need to distinguish between the basic and the economic: they are both to come under co-operative better farming. The question therefore narrows itself down to the treatment of the sub-basic holdings. From the point of view of mere cultivation there appears to be very little justification for drawing a distinction in size between what is palpably uneconomic and what is not. Once the concept of an economic holding is relaxed, anything below that, from one point of view is uneconomic; and from another point of view anything below it can be taken as being cultivated profitably, since it is also being cultivated, and can be cultivated, with some benefit, if we keep the holding itself in view and not the question of its adequacy or otherwise for the support of the cultivator or the question of its giving an adequate return. In principle, therefore, there is no justification for this distinction. This is also the point indicated in the minute of dissent, in which it is stated that all the arguments advanced in favour of encouraging the peasants in any holding below economic but above the basic are equally valid for the sub-basic holdings. As urged in the minute of dissent, we consider there is no justification for prescribing, as the Congress Agrarian Reforms Committee have done, a different method of treatment for the sub-basic holdings, and forcing them into a separate social dispensation, namely, co-operative joint farming. These holdings have a sociological and economic value and we consider it necessary to allow such holdings also to continue, subject to such measures as may be found desirable to avoid future subdivision or to pool these holdings together for more efficient cultivation; we are dealing with these questions later on. On the question of pooling of resources through co-operative societies we are recommending, as far as co-operative joint farming is concerned, that it should not be a matter of compulsion, although since it has certain advantages of its own, its development on a voluntary footing, should, we are proposing, be encouraged. This is because co-operative joint farming, which means the pooling of all the resources and the drawing of wages for the work done and the division of profit in proportion to the resources put into the pool by the particular individual, would be so severe a wrench to the outlook of our peasantry on landed property that they are not likely, until the ground is prepared by propaganda and education, to agree to such an arrangement, and compulsion is likely, therefore, to evoke widespread hostility. Besides, any arrangement which debars the grant of small plots to individuals would act as a permanent bar to the present landless people, particularly landless

labourers, from improving their status; under the conditions existing in this State to-day it is impossible to give them all economic or basic holdings; and to say that if they were to acquire anything less they shall not enjoy it individually but only as a wage-earner and profit-sharer in a co-operative joint farm, would be to stultify their main ambition of having a piece of land which they can call their own, and which would not only raise them on the economic level but also in the social scale.

64. On these considerations we hold that the idea of a basic holding as propounded by the Congress Agrarian Reforms Committee is of no practical utility and no attempt need be made to fix any size for such a holding.

65. The only element of value in the concept is the reference to ' efficiency of agricultural operations '. Though this by itself is vague, it will be useful if translated into more concrete terms—viz., a specific return on the capital and running costs invested on a holding. Such a concrete idea has been embodied by us in the recommendations in which we have suggested that an enquiry should be made to ascertain what a minimum unit of profitable cultivation would be—a concept which is distinct from both the economic and basic holdings envisaged by the Congress Agrarian Reforms Committee.

## CHAPTER IV—RESTRICTIONS ON ALIENATION.

### 1. Definition of Cultivator.

66. A definition of the term ' cultivator ' or ' tiller ' will be necessary in any scheme of reforms where rights or restrictions in relation to the holding of land are made to depend on whether a person is a ' cultivator ' or ' tiller '. The term ' agriculturist ' also figures in this connection. The Bombay Tenancy and Agricultural Lands Act, 1948 defines ' an agriculturist ' as ' a person who cultivates personally ' and then proceeds to define the term ' to cultivate personally ' as follows :—

" ' To cultivate ' means to carry on any agricultural operation;" and

" ' To cultivate personally ' means to cultivate on one's own account—

(i) by one's own labour, or

(ii) by the labour of any member of one's family, or

(iii) by servants on wages payable in cash or kind but not in crop share, or by hired labour under one's personal supervision or the personal supervision of any member of one's family.

*Explanation I.*—A tenant who is a widow or a minor or is subject to any physical or mental disability shall be deemed to cultivate the land personally if it is cultivated by her or his servants or by hired labour.

*Explanation II.*—In the case of an undivided Hindu family, the land shall be deemed to have been cultivated personally if it is cultivated by any member of such family."

The word 'cultivator' has also been defined in the Malabar Tenancy Act as follows :—

"'cultivate,' with its grammatical variations means cultivate either solely by one's own labour or with the help of the labour of the members of one's tarwad or family, or of hired labourers or both, or direct or supervise cultivation by such members or hired labourers, jointly or separately, provided that such members or hired labourers have not agreed to pay or take any fixed proportion of the produce of the land they cultivate as compensation for being allowed to cultivate it or as remuneration for cultivating it."

This is in substance the same as the definition in the Bombay Act.

67. The Congress Agrarian Reforms Committee define the cultivator as one who puts in a certain amount of manual labour in cultivation. This definition, closely associated with the idea of "tiller", is undoubtedly too narrow. There is a numerous class of persons living in the villages having their lands cultivated through farm servants or by hired labour, supplying cattle and implements, seed and manure, applying their intelligence and experience to the various processes of cultivation and exercising close personal supervision over all the operations, without actually undertaking any physical operation connected with the tillage itself. This class would be excluded under the definition of the Congress Agrarian Reforms Committee. That, we consider, would be clearly unjustifiable, as these persons are essentially cultivators or agriculturists. On the other hand it has been suggested sometimes, that we may adopt a broad definition of cultivator so as to include all holders of land who take the risks of cultivation either wholly or partly. But that would be too wide a definition; it might include a city dweller who seldom sees his land, which he lets out on lease, and who merely advances money for seed, implements, etc.

68. The definition in the Bombay Act, which is not so wide, as this, and which at the same time is wider than that of the Congress Agrarian Reforms Committee so as to allow the inclusion in it of the class of persons referred to in the previous paragraph as being genuine cultivators, seems to us to be appropriate. This in effect would exclude from the definition any landlord who merely lets out his land on lease. It is arguable that there is no distinction in principle between a landholder who cultivates his land on "pannai" and a landlord who, while letting out his land, furnishes all the capital and continues to exercise personal supervision over cultivation—very often it being only a matter of convenience when a particular piece of land is cultivated with hired labour or "pannaials" or let out on waram tenancy, the landlord continuing to exercise close supervision over the operations of his tenant—

and that such a landlord could properly be called an agriculturist; that, going a step further, supervision being the more essential role, even a landlord who watches and guides the tenant's operations even though he does not supply the capital could still be classed as an agriculturist; and that, going one step further still, since it is impossible to prescribe in practice what constitutes actual supervision, all that is necessary is that the landlord should be in a position to exercise such supervision, by being resident in the locality and that such residence in a rural area would itself imply identification with the agrarian economy, which is the central idea; and that therefore an agriculturist may be defined so as to include, besides the classes embraced in the Bombay Act, landlords who are residents of rural areas; and that the fact that there may be complete drones among them here and there should not stand in the way of such a definition which would apply to the generality. We consider, however, that to adopt such a wide definition would be unduly straining the meaning of 'cultivator', and that though in particular contexts it may be useful to have a conception of 'agriculturist' wider than that of 'cultivator', it would be better, for the purpose in view, to equate 'cultivator' with 'agriculturist' and not to go beyond the definition in the Bombay Act.

69. Following that definition, therefore, we consider that the following definition of cultivator or agriculturist should be adopted:—

"'A cultivator', or 'agriculturist' means any one who cultivates land on one's own account—

(i) by one's own labour;

(ii) by the labour of any member of one's family; or

(iii) by servants on wages payable in cash or kind, but not in crop-share, or by hired labour, under one's own personal supervision or the personal supervision of any member of one's family.

*Explanation I.*—A female, or a minor, or anyone subject to any physical or mental disability which would incapacitate the person concerned from exercising personal supervision, shall be deemed to cultivate the land personally if it is cultivated by her or his servants or hired labour.

*Explanation II.*—In the case of an undivided family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family."

70. Joint Stock Companies, partnerships and other similar associations or firms, religious and charitable institutions, and co-operative societies, will stand excluded in this definition of "cultivator". We are, however, proposing exemptions in their favour, wherever necessary. in respect of provisions operative on this definition.

We have not, however, proposed that religious and charitable institutions should be permitted to undertake capitalist farming; and in our view they should not undertake any type of "personal

cultivation " either, by appointing a paid " manager " or by hired labour under the supervision of the trustees or executive officers. But in cases where tenants are not available on fair and equitable terms, these institutions may be permitted by the Land Tribunals to undertake personal cultivation including capitalist farming. Educational institutions should, however, be exempted from the restriction against " personal " cultivation, where the educational curriculum requires actual cultivation operations being carried on by the pupils under field conditions.

2. ALIENATION OF LAND TO NON-CULTIVATING CLASSES, ETC.

71. Attempts to place restrictions on alienation of lands, date back to 1872 and originated in the Punjab, resulting in the Punjab Land Alienation Act of 1900, the first enactment of its kind in this country (vide paragraph 88 of Sri S. Y. Krishnaswamy's Monograph).

72. In 1899 the Government of India suggested that the greatest of the evils resulting from agricultural indebtedness was the gradual transfer of land to non-agricultural classes and they asked the Provincial Governments to seek ways and means of arresting the growth of this evil. This Government then pointed out that there was no professional money-lending class in Madras. Transfers of lands were in the great majority of cases from agriculturist to agriculturist. Though vakils and other professional men were eager to purchase land they belonged generally to agricultural or ryot families, and the alienation of land to non-agriculturists was nowhere going on so rapidly as to constitute a political danger or even excite uneasiness. On the other hand the imposition of any restriction on the right of transfer would have consequences seriously detrimental to the well being and content of the ryot population. For these reasons this Government saw no necessity to promote any Legislation in this behalf.

73. The Royal Commission on Agriculture held that the desirability of imposing statutory restrictions on the alienation of land could only be measured in the light of local conditions including the state of mortgage debt amongst the cultivators, the extent to which land was actually passing from agricultural to non-agricultural classes, and the feasibility of defining with reasonable precision those agricultural tribes or classes whose interests it was sought to protect.

74. Mr. Satthianadhan, in his report on agricultural indebtedness in the Madras Province, held that legislative restriction on transfers of land was highly inexpedient. He remarked " There are no distinct tribes as agriculturists in Madras. Any restriction on alienation will immediately be followed by a sudden depreciation in the value of the land. It will not in any way benefit the tenants who form the majority of the agriculturists. It will make consolidation of holdings impossible and hamper agricultural progress by weakening those it seeks to protect. And, moreover, no

good can come by retaining lands in the possession of agriculturists who have grossly abused their position by reckless borrowing for unproductive purposes."

75. In 1934, Sri Krishnaiah Chaudari, a member of the Legislature, complained that the indebtedness of the agriculturists was increasing and as a consequence their lands were rapidly passing into the hands of non-agriculturists, mostly money-lenders, who took not the least interest in cultivation and rack-rented the tenants without mercy. He prepared a Bill on the lines of the Punjab Alienation of Land Act of 1900. The Punjab Act defines the agricultural tribes in the Punjab, groups these tribes by districts and restricts the sales and mortgages by members of these groups to anyone who is not such a member. Under the provisions of Mr. Chaudari's Bill alienation of land between agriculturists was permissible.

76. The Government decided to oppose the Bill, if introduced, mainly on the following grounds which had been urged by the Board of Revenue :—

(i) that conditions in Madras were not analogous to those in the Punjab where, speaking generally, the ryot was a Muslim while the money-lender was usually a Hindu and a townsman;

(ii) that in this Presidency it was difficult to draw a hard and fast line of distinction between agricultural and non-agricultural classes;

(iii) that while the transfer of land from cultivating to non-cultivating owners had been a by no means negligible phenomenon in the past, there was no reason to believe that it had become more evident in recent years or that there was any indication that the situation would call for hasty legislation;

(iv) that the Bill, if passed into Law, would injure rather than benefit the agriculturist, for it would reduce his credit and reduce facilities for borrowing; and

(v) that it would place an impossible task on the Collector and his staff.

However, the Bill was not introduced in the Council and no further action was taken.

77. The Congress Agrarian Reforms Committee have pointed out that efforts to check the evil of lands passing into the hands of non-agriculturists especially in the Punjab have not produced the desired results. Sri S. Y. Krishnaswamy has pointed out in paragraph 88 of his Monograph that the Punjab Land Alienation Act of 1900 cannot be said to have worked satisfactorily in that Province and that it resulted in extensive benami transactions in the names of agriculturists. He doubted the necessity for any such restriction in Madras, except in the Agency Tracts.

78. The Special Officer on Land Tenures, Sri N. Raghavendra Rao, has pointed out that transfer of land to non-cultivators is not very common at present and that the land is now passing into the

hands of active agriculturists. In his view, all the people in this Province are agriculturists by birth and temperament, and there is no caste or class dubbed as non-agriculturists. He accordingly considers that it is unnecessary to introduce legislation to prevent lands from passing into the hands of so-called non-agriculturists.

79. The Congress Agrarian Reforms Committee are of the view that as land is the only asset of the peasantry, complete abolition of right of transfer would injure the credit-worthiness of the peasantry. They state that the unrestricted right of transfers under the existing land tenures has, however, led to the concentration of land in the hands of non-agriculturists. The ways and means suggested by them to combat this tendency are that the cultivating rights in land must be transferred according to well-defined priorities to be laid down by the appropriate authority of the Land Commission. The village community, in case of any breach of the provisions regarding transfer, should have the right to arraign the transfer before the Regional Land Tribunal. Reasonable value of the rights in land should be determined by the Regional Land Tribunal from time to time according to the principle of capitalization of the net income on the basis of the current rates of interest. The village community will take cognizance of any sale of land at a rate above the value determined by that Land Tribunal. The Congress Agrarian Reforms Committee recognize the force of the contention that such control would depreciate the credit-worthiness of the cultivator. But on the other hand, they seem to feel that unless such value is controlled, an uneconomic holder would be saddled with a liability which would make cultivation of his freshly acquired economic holding inefficient: he would fail to make proportionate investment of capital in the holding which became economic by his new acquisition. The Congress Agrarian Reforms Committee's proposals, it must be remembered, are over and above their proposals that the leasing out of lands should be prohibited in future and existing tenancy allowed to continue only over a defined extent.

80. Sri N. G. Ranga and Sri O. P. Ramaswami Reddiar have criticised the suggestions of the Congress Agrarian Reforms Committee in their dissenting minute. They observe that the report has laid too much stress upon the controls to be imposed on the right of peasants to transfer their land to others. While conceding the necessity for a certain degree of control over transfer of land, they urge that it should be demonstrably in the interest of the cultivator concerned and also of his class, as otherwise, the prescribed authority may prove to be an engine of oppression and the exercise of its authority may unduly depress the prices of land. They are agreeable to restricting the transference of land only to cultivators and not to absentee-landholders excepting the special categories of owners who are being permitted, according to the proposals of the Congress Agrarian Reforms Committee to let out lands on rent. At the same time, in order to prevent any undue

restriction of this right and the consequent depression in the prices of land and the associated credit-worthiness of peasants, they feel it is necessary to stipulate that the burden of proof of the claim made by the prescribed authority should rest only upon that authority, and the peasants should be free to sell their lands to any class of cultivators who are listed as being entitled to purchase lands.

81. According to the scheme of the Congress Agrarian Reforms Committee leasing out of lands will stand prohibited in future, and that prohibition itself will carry with it the effective prohibition of transfer to persons who are not cultivators according to the Congress Agrarian Reforms Committee's definition. We are however envisaging the position that tenancy will be allowed to continue in the future also.

82. In the other discussions on this question, centring round the idea of the Punjab legislation, non-agriculturists and non-cultivators are thought of as synonymous and they are thought of as classes distinct from agriculturists or cultivators. As pointed out in the previous discussions referred to above there is no warrant for such a distinction in this State. We agree, therefore, that there is no case for any legislation in terms of non-agricultural or non-cultivating classes.

83. The question can, however be considered, as not relating to classes, but relating in a broad way, merely to people who let out their lands. It has been mentioned in the previous discussions referred to above, that the existing numbers of non-cultivating and absentee-pattadars are not very high and there is no reason to think they are a growing phenomenon. Nevertheless, we think there is a case for intercession. We consider that peasant proprietorship should be the normal frame of reference in any scheme of land tenure reforms in this State, and that, in consequence, the aim should be to secure as great an approximation as possible between ownership and cultivation. It is therefore necessary, and it would be justifiable, to prevent lands in future at least from passing into the hands of those who are not cultivators themselves. We therefore recommend the prohibition of alienation in future to those who are not cultivators within the meaning of the definition suggested by us for adoption. That definition is itself sufficiently wide to provide for all important categories of persons who take to agriculture as a profession; but at the same time we consider provisions should be made for new comers into the field of agriculture. We therefore recommend that persons intending to set up as cultivators should be allowed to purchase land on obtaining a certificate from the Collector of the district to that effect. If such a person does not actually become a cultivator within a period of three years from the date of purchase, or such further time as may be permitted by the Collector for good and sufficient reasons, the lands should be forfeited to Government and such a person would receive compensation only when the lands are disposed of by the Land Tribunal and to the extent of the

money realized by the Land Tribunal, if it is less than the purchase amount, and in any case not more than the purchase money. Disposal of lands should be as expeditious as possible, all reasonable safeguards being taken to protect the interests of the persons concerned, and where damage is unavoidable, to cause minimum damage to the persons concerned; subject to these stipulations, sales by the Land Tribunal should ordinarily be by public auction.

84. We also consider that females, minors and disabled persons belonging to cultivators' families, even if they in their own right do not satisfy the definition of "cultivators", and co-operative societies should be exempted from the prohibition of alienation to non-cultivators and that religious, charitable and educational institutions should be exempted to the extent of receiving gifts and bequests. Agricultural labourers, in any event, should be free at all times to acquire lands. The term "agricultural labourers" will have to be clearly defined. The scheme of prohibition contemplated will include gift, exchange or lease of any land or interest therein, or mortgage of any land or interest therein, and acquisitions. The transactions allowed will be subject to the maxima suggested by us in paragraphs 41 to 47 regarding the maximum limit to be placed on future acquisitions of agricultural lands. We would point out incidentally that the position as regards gifts will be that persons, who satisfy the definition of "cultivators", will be free to accept "gifts", provided their holding thereby does not exceed the maximum, but non-cultivators are precluded from accepting gifts except when they intend to set up as cultivators. These restrictions in regard to "gifts" have been deliberately made by us, as otherwise attempts may be made to circumvent the prohibition by accepting "gifts" for which concealed consideration might have been received.

85. Our main recommendation would prohibit alienation to non-cultivators, but our definition of cultivator is wider than that of the Congress Agrarian Reforms Committee. The effect on land values would be less in consequence. There would be a depressive effect nevertheless, but particularly since the transactions of the kind now prohibited have never been very extensive, the effect should not be considerable; and in any case that aspect has to be overlooked in favour of the general principle of preventing, as far as possible, any further divorce between ownership and cultivation.

86. We think it convenient to refer here to an aspect of the matter which was placed before us by the representatives of the Co-operative Land Mortgage Bank and the Registrar of Co-operative Societies. Their point was that measures like this, tending to affect land values seriously, would lessen the value of the lands held as security and the possibility cannot be ignored of the Government, the ultimate guarantors, having to underwrite heavy losses. We consider the fears exaggerated and that, in any case, even if there should be some loss of that kind to Government that should not be allowed to stand in the way of measures of

reform designed to benefit the community at large. The Registrar also threw out the suggestion that the case would be met by exempting from the scope of this provision, and of other regulatory measures we might be thinking of, e.g., fair rents, the lands at present mortgaged to the Co-operative Land Mortgage Banks. We see no satisfactory reason to exempt this particular type of creditor alone in that manner and we do not, therefore, think it justifiable to accept the Registrar's suggestion.

87. We are not convinced, either, that another of the objections set out by the Board of Revenue that such a step " would place an impossible task on the Collector and his staff ", is overwhelming. There would be some points of detail to be settled, e.g., how and when a ruling has to be given that the vendee or mortgagee or other beneficiary or alienee is or is not a cultivator, whether the Registration department should be authorized to register documents presented for registration unless the sale, etc., is shown to be to a cultivator, and whether the courts should be precluded from taking cognizance of, or enforcing such transactions. If the principle were to be accepted, however, we have no doubt a workable method of implementation could be evolved. It has been suggested to us, for instance, as a basis for implementation, that an extra column should be opened in the adangal to show whether a field is cultivated personally by the pattadar or by a tenant, and an entry should be made in the 10-I account to show whether a pattadar is a " cultivator " and if so, with reference to the cultivation of which field. We consider that an arrangement on these lines will be feasible.

88. We do not contemplate any other restrictions beyond the general prohibition; we are there in line with the dissenting minute which urges that the owners should be free to sell to whoever is " eligible " as a purchaser.

89. There is just a likelihood that the provision by which persons who intend setting up as cultivators are allowed to purchase lands on a " certificate " may be exploited by speculators entering the land market, making purchases, and then disposing of the land at considerable profit: or retaining sufficient extent of land thereafter to qualify for the definition of " cultivator ", buying and selling land merely for speculative purposes. If and when such developments assume noticeable proportions, preventive steps would be called for.

90. The restriction on alienation proposed here need not be applied to plantation areas.

91. As indicated in paragraph 18, the Land Tribunals may give relaxation from the restriction to companies, and firms and associations of that type, for the purpose of purchasing undeveloped lands in private holdings in order to introduce mechanized cultivation there; and to individuals for the purpose of purchasing such lands in order to develop them by whatever type of cultivation they may find suitable.

92. Penalty for acquisition of land by a non-cultivator, whether it be a landholder who is not cultivator as defined by the Committee, or a person who desires to enter the field afresh, but has not obtained the necessary permit, shall be forfeiture of the land so acquired without compensation. Complaints will be filed before the Land Tribunal, which after due enquiry may declare the lands forfeit and arrange to dispose of the same. Action may also be initiated *suo motu* by the Tribunal.

## CHAPTER V—ABSENTEE-LANDHOLDERS.

93. Much of the talk about landlords leasing out lands being a parasitic class whom it is necessary to eliminate, and about conferring ownership of land on the " tiller ", is due to, and has reference really to, the existence of non-resident pattadars. There is no doubt that the absentee-landlord has no strong justification to figure in the agricultural pattern; but, at the same time, the question has to be viewed in proper proportion and perspective.

94. We are proposing the prohibition of alienation to non-cultivators in future. That will prevent an increase in the area of land held by non-resident landholders. As far as existing landholders are concerned, one pertinent point is whether the numbers are so serious as to call for interference. The investigation made by the Special Officer, Sri N. Raghavendra Rao, shows that, except for South Kanara, the percentage of landholders who let out their lands varies from 11 to 33; out of these, only about half are absentee-landlords; and even among the absentees, several live very close to the villages where the lands are situated. The proportion of those who do not live in the rural areas at all will be very small. And in regard to these, it is pertinent to remark also that in a large number of cases they are likely to be persons with small holdings which are insufficient by themselves to maintain them in comfort and who have taken to other avocations to supplement the income from land. They have really relieved the effects of the pressure of population on the land, and, with the combined incomes, improved the general standards of living and of culture of this particular sector. To give them the choice of giving up their land or of their other avocations would be to depress that sector, and by throwing some of them back on the land, to depress the rural economy also. This means that it would be justifiable to exempt these from the operation of any provisions designed to eliminate absentees. There is also the point that any definition of absentee (for example, by laying down that an absentee is one who does not live in the same taluk or within fifty miles of the village where the lands are situated) would involve the result that a man may be an absentee in respect of certain lands but at the same time he might be doing personal cultivation of lands in respect of which he is not an absentee; it is hardly justifiable to take away lands from such a type of person when even under our

definition of cultivator it would be permissible for a man to carry on cultivation through an agent, of land situated much farther away from his place of residence than in the test for absentee, and visiting the lands for periodical supervision; such a class of landholder will also therefore have to be excluded from any scheme of elimination of absentees. Females, minors and other incapacitated persons, and religious and charitable institutions, will also, obviously, have to be excluded from the operation of a scheme of elimination of absentees. If all these exclusions are made, the field for operation of a scheme of elimination will, in our view, be not very significant. We do not therefore consider that any particular measures are called for against non-resident landholders.

## CHAPTER VI—PREVENTION OF SUBDIVISION AND FRAGMENTATION.

95. The problem of fragmentation and subdivision of holdings has been engaging the attention of Governments in this country for several years past. The Hindu and Mohammedan laws of inheritance naturally resulted in the increase in the number of subdivisions with each succeeding generation. A progressively increasing population without corresponding increase in the opportunities of employment for gainful occupation, the evolution of a sense of individual rights and ownership in the recent past, a gradual break up of the joint family system and insistence on partition by metes and bounds and the insistence on the liability of the registered holder to pay the land revenue on the piece of land registered in his name, have all tended to encourage subdivision. Another result of the laws of inheritance, in the actual working, has been the increasing fragmentation of the holdings of individuals. Each heir tries to take a share in each of the separated blocks so as to get a fair share of the good and the bad in his inheritance. This twin process has been going on and from time to time the Government in this State have turned their attention to this problem but for one reason or another nothing effective has been done so far in this regard.

96. As indicated by the Congress Agrarian Reforms Committee the mere consolidation of existing fragmented holdings will not carry us far; to be effective it should be linked up with a scheme of economic holdings coupled with a scheme of indivisibility of such holdings. The Congress Agrarian Reforms Committee have not tied up their suggestions with their own scheme of economic holdings but have commended the Bombay scheme which is framed with reference to standard units; but even in the Bombay scheme, while indivisibility and consolidation are provided for, there is no attempt to eliminate holdings below standard units and to have all holdings at or above the standard unit. We have already pointed out that it is impracticable to attempt to have only

economic holdings in the field by eliminating uneconomic holdings; that conclusion will hold also in respect of 'standard units' as conceived in Bombay or 'units of profitable cultivation' about which we have suggested an enquiry being made. All that can be done is, if necessary, taking the holdings as they are now, to prevent those which are below a certain prescribed size being further subdivided and to see that holdings of all sizes, are, besides, helped to be consolidated. While consolidation offers no problems other than those of expediency, the prevention of subdivision would entail drastic interference with Hindu and Mohammedan law. The principle of indivisibility runs so violently against the customs and traditions that are reflected in these laws, that the remedy against subdivision, namely, establishing the rule of primogeniture, seems at first sight to be hardly practical politics.

97. The objections against any legislation embodying the concept of economic holdings and their indivisibility were forcibly put by the Board of Revenue on a former occasion (in 1918) : and they were—

"(1) There would be the utmost difficulty in determining for the purpose of the Bill what constitutes an economic holding, the value of the land varying, as it does, according to the nature of the crops it can produce, the method of its cultivation, climate, the standard of comfort of the owner and so forth.

(2) The Bill aims at creating a vast mass of petty impartible holdings all over the country in defiance of the whole system of the Hindus and Muslims alike.

(3) Its operation would, as a rule, be confined to those families which are rich enough to compensate such members as are excluded from the economic holding, that is, to the very cases in which there is the least need for any special arrangement. In so far as the Bill could be applied to poor families, it must tend to create a landless proletariat which is always a danger and doubly so in a country where industries are so little developed that they cannot absorb the surplus agricultural population.

(4) It would afford an opportunity to co-sharers to effect collusive registration thereunder for the purpose of defrauding creditors.

(5) Its general effect would be to impair the credit of the agricultural classes.

(6) All transactions relating to land would be complicated by the question whether the condition of impartibility existed.

(7) It would involve the revenue establishment in troublesome, and often infructuous, enquiries on applications for creating economic holdings and on complaints that the rule of impartibility has been breached.

(8) And it would undoubtedly prove a fertile source of strife in families."

98. On that occasion there was no proposal to wipe out compulsorily existing holdings below an economic holding; but it has to be realized that a proposal like that, falling short of a scheme of having no holdings except economic holdings, is itself weaker to that extent from the point of view of effective improvement of the agrarian economy—though, as has been indicated already, that more drastic scheme would be beyond the bounds of feasibility at present.

99. A case for consolidation alone of the existing holdings, without imposing indivisibility at a prescribed limit, would be weaker still, as the effects will be undone by the operations of the laws of inheritance and of the other factors that lead to alienation of lands.

100. Even on the footing that consolidation of the existing holdings alone would be of some good while it lasts, and would be worthwhile pursuing, the observations of the Board of Revenue made in 1927, with reference to Punjab legislation on the question, are pertinent. They were—

"The problem of fragmentation is not so acute here as it is in the Punjab. Fragmented holdings no doubt involve some waste of time and labour but there is no sign here that, as a consequence of this, land is going out of cultivation, or that the development of irrigation by wells is impeded, or that the excessive bunding involved causes a waste of land as is reported to be the case in the Punjab. Well irrigation in Madras is chiefly confined to small areas under valuable crops and is not handicapped by the fact that the holdings are not extensive. Extensive subdivision and fragmentation are, for instance, most prevalent in deltas and irrigated areas, but in the conditions prevailing in these areas they are by no means unmitigated evils. Paddy cultivation is best carried on in small plots to secure an even level over the whole land. The bunds between the wet fields do not coincide between the boundaries of holdings and one man's land is often split up into smaller plots for economic cultivation. The waste of cultivable lands used as bunds is thus an incident of wet cultivation and is not due to fragmentation. In other ways too it is clearly sometimes an advantage to a cultivator not to have all his land in one spot. He then has greater facilities for adopting his cultivation to the vagaries of the season and for maintaining an even employment of his time and labour through the cultivation season. Particularly in the delta areas, where transplantation is the rush season, it is a disadvantage for a ryot to have his land all in one block which has to be transplanted at one and the same time. It is more economical for himself and his cattle that his land should come under water progressively and this he secures, to some extent, by owning lands in different areas of his own or surrounding villages."

For these reasons the Board considered the Punjab scheme quite unsuitable for our Province.

101. We notice also that in 1935 the Sub-Committee of the Provincial Economic Council also considered that the evils of fragmented holdings are not so acute in our Province and it agreed with the Commissioner of Land Revenue that experiment here should proceed on the line of consolidation of cultivation rather than consolidation of holdings. That line, we observe, was pursued but not with success; and the question was left at encouragement of the formation of voluntary co-operative consolidation societies which would be given certain facilities.

102. While it may be that fragmentation is not so acute here as in certain other States, we feel, however, that even to the extent that it prevails, it is a serious handicap and we consider that positive steps should be taken to help consolidation.

103. The Congress Agrarian Reforms Committee have observed that consolidation of holdings may not make much headway if it is left to co-operative societies or if it is to be achieved under an arrangement in which two-thirds of the landholders must agree before consolidation could be taken up compulsorily. We note that under clause 17 of the Madras Economic Holdings Bill of 1948 consideration of which was held up pending our report, the consolidation officer cannot proceed *suo motu* and it is necessary that owners of not less than two-thirds of the land in the village should apply to the consolidation officer for having their holdings consolidated. Since, as indicated, the problem of fragmentation is not quite so pressing here as elsewhere, we consider that compulsion *ab initio* is unnecessary and it would be more appropriate to make action depend upon the decision of two-thirds of the landholders. We recommend therefore that action on this question may be taken on the lines of the Madras Economic Holdings Bill, 1948, referred to above.

104. We are definitely of the opinion that mere consolidation of existing holdings will not be of much use unless the results are to be conserved, in the cases of smaller holdings, by the prevention of subdivision and alienation; and we are also very definitely of the opinion that a very large number of holdings being very small already it will be a serious menace to the agrarian economy if the process of their becoming smaller still is not arrested. We are aware that this means that primarily the Hindu and Muhammadan laws of inheritance and partition will have to be interferred with, and we are aware that such interference will evoke hostility. But we feel that the evil is so great as to justify the application of such a remedy even in the teeth of a certain amount of resentment. We consider therefore that subdivision and alienation of holdings below a prescribed size should be prohibited by law. We observe that this main principle was embodied in the Madras Economic Holdings Bill, 1948, which we have referred to above. We observe also that the 'economic holdings' contemplated there are not 'economic holdings' of the kind contemplated by the Congress Agrarian Reforms Committee, the formation of which we have

considered to be not feasible at present; they answer rather to the conception of a unit of profitable cultivation, the determination of which by enquiry we have suggested in paragraph 62. That enquiry may appropriately be used for the purposes of this legislation. Though difficult, as indicated in item (1) of the objections of the Board of Revenue put forward in 1918, such enquiries can be made, and can give results adequate for the purpose. Item (2) of these objections has been answered above; items (4) and (7) would have no application now since we are not proposing any registration of economic holdings at the instance of parties; the other items of objection would remain, but they should, in our opinion, be considered as outweighed by the advantage to be derived. We therefore recommend that action in this respect may be taken on the lines of the Madras Economic Holdings Bill, 1948. For purposes of easy reference a copy of that Bill is given in Appendix II of this report.

105. This scheme need not be applied to plantation areas, however, as conditions there are different.

## CHAPTER VII—CO-OPERATIVE FARMING.

106. The All-India Planning Committee on Co-operation has classified Co-operative Farming Societies into four types. They are—

(1) Co-operative Better Farming Societies;
(2) Co-operative Joint Farming Societies;
(3) Co-operative Collective Farming Societies;
(4) Co-operative Tenant Farming Societies.

The essential features of these four types of Co-operative Farming are described below:

(1) A Co-operative Better Farming Society has been defined as a society designed to introduce improved methods of farming. Its members agree to follow a plan of cultivation laid down by it; but they are independent of one another in other respects. They may, however, agree to joint purchase of seeds and manure, joint sale of produce and other joint efforts, and the society may help them in these directions.

(2) A Co-operative Joint Farming Society is one in which small landholders pool their lands and entrust them to the administration of the society. They then work on the pooled lands in return for wages from the society, which sees to the cultivation of the land on its own account according to modern agricultural methods. The income from the pooled land less expenses constitutes the profits of the society. Each member is entitled to a share in the profit in proportion to the value of the land contributed by him. This recognizes individual ownership in the land. Each member will also have to pay for any improvement made on his plot of land.

(3) A Co-operative Collective Farming Society holds lands by freehold or on leasehold. The lands are cultivated on the society's account by its members who are paid wages. The yield belongs to the society. The profits, after meeting expenses, are divided as in every other co-operative society, and the members are given a bonus on the wages earned.

(4) A Co-operative Tenant Farming Society owns land by freehold and on leasehold; but the land is divided into smaller holdings, each of which is leased to an individual cultivator, who is a member of the society and settles on the land with his family. He pays to the society rent for his land, if the lands are leasehold, and land revenue and other assessments, if the lands are Government lands alienated to the society. He cultivates the land on his own account and retains the profits thereof himself. The society assists him in the cultivation by supplying credit, seeds, manures, implements, etc., and by marketing his produce.

Types (1) and (4) are similar—the only difference being that in the former the cultivator owns the lands and in the latter the cultivator holds as a tenant under the society, the lands belonging to the society. Types (2) and (3) are similar—the only difference being, again, that in the former the ownership rests with the individual members while in the latter the land belongs to the society. The essential distinction between types (1) and (4) on the one hand and (2) and (3) on the other is that in the former there is separate cultivation by the members each in his own plot while in the latter there is no such separate cultivation.

107. From a note furnished by the Registrar of Co-operative Societies we find that the general position in this State, as far as these types of co-operative societies are concerned, is as follows :—

There are 56 (fifty-six) societies of the better farming type, going by the name of Agricultural Improvement Societies. There are 39 (thirty-nine) societies of the tenant farming type, 29 (twenty-nine) composed of the landless poor, particularly Harijans, and 10 (ten) composed of ex-service personnel. These 39 (thirty-nine) societies are also known as Land Colonization Societies; they have been formed mostly on lands at the disposal of Government which have been assigned to the societies but in a few recent cases lands have also been taken on lease by the societies from private land-owners. No collective farming societies have been formed. One Co-operative Joint Farming Society has been organized very recently; its results are being watched. Joint farming methods were tried on two occasions on the existing tenant farming societies but they were found to be unsuccessful because sufficient idealism and community of interest could not be developed to make up for the loss of interest in separate plots cultivated individually.

108. The Congress Agrarian Reforms Committee have recommended co-operative joint farming with particular reference to

their category of sub-basic holdings and co-operative betterment farming with reference to their category of basic holdings. We have already pointed out that there is no need to have these categories at all and provide for separate treatment for them. Apart from that, however, we have no doubt that the proper solution for the crying evil in the present agrarian economy, the existence of small holdings, is the super-imposition on them of some form of co-operative organization.

109. There are certain *prima facie* difficulties in the way of co-operative joint farming as a type of cultivation. With the present background and outlook of the ordinary cultivator, it is ordinarily not possible to hope that he will merge his individuality and the individuality of his holding in a common pool and draw only wages (for the work done by him) and participate in the division of profits in proportion to the resources brought by him into the common pool. Besides, the fact that the small holdings which have to be 'treated' may not always be compact, would also for the present be a handicap.

110. There are no such difficulties in the way of better farming societies. We feel, however, that the prospects of forming such societies will be even further improved if they are made to form part of multi-purpose co-operative societies which will cover aspects wider than better farming. The Registrar of Co-operative Societies also is of this view. The Congress Agrarian Reforms Committee contemplate the formation in due course of a multi-purpose co-operative society in every village. We are in agreement with that view. We have no hesitation in recommending, therefore, that co-operative betterment farming societies, particularly as part of multi-purpose co-operative societies, are eminently desirable, irrespective of the size and type of holdings concerned, and should be encouraged as a matter of active State policy.

111. As to co-operative joint farming, although there are certain difficulties as indicated above, they would be generally valid as arguments against the exercise of compulsion; there can be no objection to the encouragement of joint farming societies on a voluntary footing; and in fact this type of society has the additional advantage over better farming societies, of enabling economies and improvements to be achieved even in the cultivation operations. We, therefore, recommend that co-operative joint farming also should be encouraged in equal measure with co-operative better farming, it being left to the cultivators to choose whichever of the two types they prefer.

112. The further point is whether there should be compulsion. The Congress Agrarian Reforms Committee have suggested compulsory co-operative joint farming for sub-basic holding and compulsory co-operative better farming for basic and economic holdings. Although we have considered there is no need to distinguish between various types of holdings in the manner suggested by the

Congress Agrarian Reforms Committee, the question of compulsion would still arise for considerations generally, and particularly with reference to the units of profitable cultivation which, we have suggested, should be determined.

113. For the reasons indicated by us already we are not in favour of general compulsion for the formation of co-operative joint farming societies. Even as to better farming societies there is the objection on principle to compulsion on the ground that compulsory co-operation is a contradiction in terms. There is also considerable force in the point raised in the dissenting minute to the report of the Congress Agrarian Reforms Committee that in view of the unsatisfactory working of ordinary co-operative societies, the prevalence of factions and paucity of competent and educated men with public spirit and requisite leisure, compulsory co-operation should not be lightly embarked upon as a policy. The minute goes on to say that if, however, 75 (seventy-five) per cent of the farmers in any region or area vote for compulsory co-operative better farming it should be made compulsory there and that this should be done by way of experiment first in some areas. But then there is this distinction that for the 75 (seventy-five) per cent to work out their wishes it is not essential that the other 25 (twenty-five) per cent should join in; in other words a multipurpose co-operative society can work, and work successfully, with 75 (seventy-five) per cent of the peasants as members, and it is not imperative for its successful working that the rest should be coerced. Besides, there may be landowners with large holdings and sufficient resources of their own and there will not be much point in compelling them to join a co-operative society. We are not, therefore, in favour of general compulsion even in respect of better farming societies.

114. We recognize, however, that in the case of very small holdings with inadequate resources, which we would equate with holdings less than the unit of profitable cultivation referred to in paragraph 62, it is quite necessary that a co-operative organization should be superimposed on them, as quickly as possible, and if voluntary efforts are not effective in such cases, the objections on principle referred to above should be overlooked and compulsion can be justifiably exercised. Even there, however, we would first give voluntary efforts a chance. We recommend, therefore, in the case of such holdings, that if at the end of five years it is found that no tangible results in this direction have been achieved, compulsion may be exercised to bring them into co-operative better farming or co-operative joint farming, whichever is found to be then suitable and feasible.

115. We note that the activities of the department were until recently confined to the formation of new land colonization societies, and that in respect of the existing sectors of cultivation there was no sustained drive for the formation of co-operative betterment farming societies or what are sometimes called agricultural

improvement societies. Land colonization societies are important, but even more important is the question of formation of better farming societies to cover the already 'settled' sectors. It is implicit in our recommendations that the department should make an intensive drive, accompanied by active and educative propaganda, for the formation of better farming societies or joint farming societies in the existing sectors of cultivation.

116. We understood from the Registrar that of late there has been a drive towards the formation of multi-purpose co-operative societies. We gathered from him that the credit societies here had all along been empowered to embark on the activities called multi-purpose, that every other village in the State has a credit society and that it is more or less only a question of changing their name. But there is obviously more to it than that. There is the question of increasing the membership so as to bring in as many of the landholders into them as possible, and the question of making them actually take up the duties of better farming, apart from the question of forming new societies wherever possible. It is towards these that a drive is still necessary and has to be directed. We would mention in this connexion that it should quite suffice, for the formation of a co-operative farming society, that a reasonable number of persons, owning a reasonable extent, join together; it is not necessary to insist on a high percentage of the total number of landholders or the extent of land in the village.

117. The Committee agree with the Registrar's suggestion that, in order to encourage the growth of the co-operative movement, Government should subsidize the cost of one paid office bearer or secretary or other employee, being a full-time employee, to look after the business activities of the society, for each society in the initial years to enable the societies to get going—

Scale of subsidy may be—
100 (one hundred) per cent in the first year,
75 (seventy-five) per cent in the second year,
50 (fifty) per cent in the third year,
25 (twenty-five) per cent in the fourth year, and
nil thereafter.

118. We should not be understood to say that we are not alive to the importance of exploiting new areas hitherto uncultivated or which might have gone out of cultivation in the recent or distant past for various causes. As we have observed elsewhere in the report, the satisfaction of the desire for possession of land by the landless labourers is dependent on the reclamation of sizable areas for cultivation and as indicated in paragraph 19, we would recommend that they should be reclaimed at State cost in the first instance and then thrown open for co-operative colonization, the costs of reclamation being recovered from the society in easy instalments where such course is considered necessary or desirable by the State. We would also recall, in this context, that

we have already recommended (para. 19) that when such areas are colonized, the manner of disposal of the lands should be for co-operative joint farming in the first instance, and co-operative better farming next, and only if both fail should individual settlement be resorted to. While the existing co-operative tenant farming societies may continue, further colonization will have to be on the lines suggested above.

119. As a type of organization no exception need be taken to the co-operative tenant farming societies such as are now functioning. We notice, however, that the lands allotted to each individual are not sufficient to secure adequate livelihood. In future while assigning or allotting lands for cultivation to co-operative societies the endeavour should be to provide as far as possible a self-sufficient holding to each member.

But where there is large local and insistent demand for possession of land, it may be desirable to reduce the extent allotted to each individual even though it be less than the extent required for an adequate livelihood.

Where extents allotted to individuals are not adequate for a comfortable living, subsidiary industries should be started so as to make the members of the farming societies self-sufficient and self-supporting.

120. It will be a better incentive to members of tenant farming societies if ownership were to be conferred on them in due course over the holdings which they are cultivating. We understand that Government have passed orders to this effect. There is, however, the danger, which should be avoided, of the holding being split up into fragments by alienation or inheritance. The general legislation which we are proposing, prohibiting subdivision of small holdings, will in due course cover these cases, but that will take time and meanwhile the mischief may have occurred. We suggest, therefore, that suitable conditions under the Government Grants Act (the Crown Grants Act) may be imposed by the Government pending the general legislation referred to, prohibiting subdivision of these holdings. Breach of this condition should entail resumption of the lands by the Government.

The right of alienation itself is likely to tend towards societies breaking up; it should be up to the department to see that the benefits of the societies are made so evident and attractive as to counteract that tendency.

121. The development of a new type of society, where lands are taken on lease from private individuals, causes us some concern. There seems to be no certainty that the leases will be successively renewed and there is a likelihood, therefore, that private individuals may resort to this as a quick and easy way of getting lands reclaimed and improved at the cost of the society, and then taking the lands back. We consider that such societies should be encouraged

only if that risk is eliminated. One step in that direction would be to provide that where the owners of the lands refuse to renew the lease after the expiry of each period, the landlord shall be liable to pay compensation to the society for the improvements effected by the society notwithstanding the provisions of any other enactments in force; that such compensation shall be fixed by mutual agreement between the society and the owners of the land; and that where such mutual agreement is not possible the compensation shall be adjudicated upon by the Land Tribunal on an application from either of the disputing parties. Suitable legislation may be promoted to implement this provision.

## CHAPTER VIII—PROBLEMS OF TENANCY.

### 1. Continuance of the Tenancy System.

122. The Congress Agrarian Reforms Committee have recommended that sub-letting (tenancy) should be prohibited altogether in future, but that as far as lands already under lease are concerned, tenants cultivating a holding for six years should have occupancy rights and continue as protected tenants. The latter question is discussed by us later on. The former rests on the idea that no land should be owned by anybody who is not cultivating it himself. We have suggested a definition of cultivator which is wider than that of the Congress Agrarian Reforms Committee. Even then the point of view remains to be discussed—that the land should belong to the cultivator, that the cultivator is a person who carries on agricultural operations either through the labour of himself and his family or the labour of farm-servants or hired labour, and that consequently letting out to a tenant would make him cease to be a cultivator and make him forfeit his right to own land.

123. As far as landlords who lease out their lands but live in the villages are concerned, it is proper to presume that many of them are closely interested in and identified with the agrarian economy. It is difficult to draw a distinction in principle between those who carry on "pannai" cultivation or supply livestock, implements, seed and manure and those who content themselves with advice and supervision. It is still more difficult to draw a distinction between those who carry on "pannai" cultivation and those who supply some of the capital facilities for the tenant to cultivate. There are numerous cases of this latter type, and it is in fact this type of farming which will give better results than if there is replacement of it by tenants with inadequate resources becoming owners themselves. This is particularly so in the type of cases, which is also quite common, of a landholder having more area than he can manage under direct cultivation and therefore letting out some portion to tenants to cultivate. In a large number of cases it is just on a balance of convenience that persons

prefer to let out and just supervise generally, rather than do "pannai" cultivation; and if we prohibit tenancy they might take to "pannai" cultivation, with the result that a large proportion of the tenants would become farm labourers and remain permanently so. For the rest, if all excess over what can be personally cultivated is to be expropriated and redistributed, the amount involved in the payment of compensation and recovery from allottees later on will be so considerable, and the process itself will, besides being costly, be so complicated and difficult that it is hardly a practicable proposition at present. Tenancy is now taken up, too, in many cases by small owners so as to make up a larger unit of cultivation which will give full employment for their livestock and implements; if tenancy were to be prohibited, the alternative for this class of persons would be purchase of land, which is not quite so easy, and so the benefit to the individual and general economy that is obtained under existing conditions will be lost. And then there would be the cases of religious and charitable institutions, and of females, minors and other incapacitated persons, where, in the nature of things, tenancy would have to be allowed. Having regard to all these considerations we feel that it is not necessary or expedient to prohibit tenancy as such, and the more important thing really is that equitable rights should be secured to tenants; if that is done it would not be imperative to prohibit tenancy altogether. We therefore recommend that the landlord and tenant system may be allowed to continue, but subject to the regulation of the system in respect of fair rents, security of tenure, compensation for improvements, grounds for eviction and other related matters, all of which we are dealing with later on.

### 2. Definition of Tenant.

124. In any scheme of protection to tenants, it is necessary to define precisely under what conditions the relationship between the landlord and the person who attends to the agricultural operations on his land would constitute tenancy.

125. Where cultivation is mainly by the physical operations of the owner or the members of his own family, assisted, where necessary, as for example, during rush seasons, by occasional hired labour, it is clear that there can be no tenancy. Where cultivation is by the employment of farm servants or by hired labour all stock, implements and capital being supplied by the landholder, it is clear there can be no tenancy either. On the other hand where rent is paid in cash, or is a fixed quantity of grain or a combination of both, and the tenant supplies all the stock, implements and capital, the arrangement of tenancy is clear. Doubts are likely to arise where the person who cultivates takes assistance in varying degrees from the landlord in regard to seed, implements, cattle and other items of expenditure. The only criterion in such cases for deciding whether the particular form of relationship between the landlord and the cultivator constitutes tenancy

must be the stipulation of the payment of a fixed amount of cash or quantity of grain or a combination of both. Where this arrangement is present, it should be deemed to connote rent, and therefore tenancy exists irrespective of the quantum of help rendered by the landlord. Where assistance is rendered by the landlord, the natural presumption is that there would have been consequential adjustment in the rent stipulated, or there would be alternative arrangements setting off these advances or aids to cultivation.

126. Waram tenure, i.e., division of produce, calls for particular consideration. Where the share-cropper supplies stock, implements, seeds and manure it is clear that he should be considered a tenant. But where the landlord supplies everyone of these items, the arrangement is almost indistinguishable in principle from hired labour paid in grain, and distinguishable in fact from it only as involving, in case of failure of crops, no wages or very low wages. But against this should be set down the point that when the share-cropper gets nothing or little from the yield, or there is complete failure, he takes the risks of cultivation and this is really a tenant's risk. Under the circumstances we are of the view that just as there need be no distinction among tenants who pay fixed grain or cash rents, as between those who get aid from the landlords and those who do not, similarly there need be no distinction between waramdars who supply stock, implements and seeds themselves and those who are dependent on the landlords for these aids to agriculture. Therefore, waramdars also should be deemed to be tenants and we have no hesitation in accepting the definition suggested by the Congress Agrarian Reforms Committee under which a waramdar would be a tenant, and in rejecting the representations made by landlords in the Cauvery Delta areas, that waram does not constitute tenancy and that the waramdar is nothing more than a glorified agricultural labourer who receives a consolidated wage in the form of a crop-share.

127. We would therefore suggest for acceptance the following definition of a tenant given by the Congress Agrarian Reforms Committee which follows the definition in the Bombay Act :—

"A 'tenant' means a person lawfully cultivating any land belonging to another person, if such land is not cultivated personally by the owner and if such a person is not—

(*a*) a member of the owner's family, or

(*b*) a servant on wages payable in cash or in kind but not a crop-sharer, or

a hired labourer cultivating the land under the personal supervision of the owner, or any member of the owner's family, or

(*c*) a mortgagee in possession."

This definition of a tenant would include waramdars generally, and verumpattamdars in Malabar.

### 3. The question of making the leasing of land less attractive.

128. As a result of his extensive enquiries, the Special Officer Sri N. Raghavendra Rao, has come to the conclusion that some of the non-agriculturists now purchase lands because of the high rents which yield a better return for the money invested than in other modes of investment. In his report on "Land Tenures," he has observed that though legislation was not necessary for preventing the lands from passing into the hands of non-agriculturists, it was still desirable that steps should be taken to minimise the evil and also to mitigate it as far as possible. He has suggested that this could be ensured by improving the economic position of the small pattadars, by affording them financial facilities where necessary, and also by making the leasing of lands less attractive and less remunerative than it is at present.

129. The Congress Agrarian Reforms Committee's approach to the problem was by way of prohibiting the leasing out of lands in future and allowing existing tenancies to continue in a defined sphere.

130. The question of making the leasing of lands less attractive applies not merely to non-agriculturists but to tenancy as a whole. In the background is the idea that peasant proprietorship, operating through personal cultivation, is the best arrangement and any deviation from it is to be discouraged. We have identified ourselves with this view. We have suggested in paragraph 27 of this Report that peasant proprietorship should be the ideal of our agrarian reforms and that measures should be taken to secure as great an approximation as possible between proprietorship and cultivation by suitable administrative and legal measures although at the same time we have held in paragraph 123 that tenancy also will have to be allowed to continue. The question therefore is what measures are advisable towards making the leasing of land less attractive so that personal cultivation may be encouraged.

131. The fixing of fair rents (which we are dealing with later) on terms more advantageous to the tenants than now will itself operate as a force in that direction.

132. One method suggested in this connexion is that rents should be pitched so low (say a small multiple of the assessment) as to make rentiers revert to farming. But then, there is the danger that that will lead to a wholesale replacement of tenancy by personal cultivation with the result that large numbers of tenants will be reduced to the status of labourers. While personal cultivation is encouraged, there should not at the same time be such a serious dislocation in the tenancy area. In many cases it is a measure of convenience whether a land is personally cultivated or given on lease. The balance should not be so severely tilted as to leave practically no choice but personal cultivation. So we consider it inadvisable to reduce rents very steeply merely to discourage leasing of lands.

133. Another specific method that has been suggested in this connexion is to introduce an element of disparity in the rents received by various classes of landlords according as they are residents or non-residents or cultivators themselves (for those who cultivate their own lands may also lease out portions of their land), or landholders who are suffering from a disability, e.g., minors, etc., who will ordinarily be exempt from any discrimination. But it is largely a matter of accident under whom tenancy is taken up. The status of the lessor will shift from time to time within these well-defined groups. We feel therefore that the rents charged should properly have relation to factors which are common to these groups and not to the adventitious factor of what group the landlord belongs to. Moreover, any benefit that accrues by any discriminatory measures against a particular class of landlords, should accrue to the community as a whole and mere accident of tenancy under particular types of landlords should not give any individual tenant a fortuitous advantage. We consider therefore that there is no justification for any manipulation of rents against any particular type of landlord.

134. There is another set of suggestions made in this connexion —that the assessment should be fixed at a lower level in the case of owner cultivators or a surcharge should be levied on non-cultivators. Nanavathi and Anjaria in their book "The Indian Rural Problem" have referred to the proposal of the Punjab Land Revenue Committee suggesting a reduction of 50 per cent on standard rates for cultivating owners paying land revenue up to Rs. 10 and a flat reduction of Rs. 5 for those paying between Rs. 10 and Rs. 25 (besides levy at $\frac{3}{4}$ of the standard rates for holdings below Rs. 25). Baljith Singh in his book has suggested that a surcharge should be imposed on all non-cultivating proprietors pending their final elimination. It is not quite logical that the standard rate of assessment should have reference to the operations of non-cultivators and relief should be proposed to owner cultivators by reduction from those rates; it would be more appropriate in our view to take owner cultivation as the normal standard of reference for the rates of assessment, and to levy surcharges in other cases. But on a question of expediency we do not propose the levy of such a surcharge. We have to reckon on such a measure operating to replace tenancy by personal cultivation. As already indicated in paragraph 132, a much too serious dislocation in the tenancy sector is to be avoided; and in fact, we are proposing later on, with that object, that a limit should be placed on personal cultivation. It would not be consistent with the principle of such a limit to levy a surcharge on lands leased out.

### 4. The question of Occupancy Rights for Tenants and creation of Protected Tenants.

135. The Congress Agrarian Reforms Committee have recommended that while all sub-letting (tenancy) should be prohibited in future, as regards lands already under lease, the tenants continuously

cultivating a holding or part of a holding for six years should get occupancy rights. In the minute of dissent the principle is favoured but the period is suggested to be put as twelve years.

136. It is not clear what is to become ultimately of these leases or what is to happen to cases where no tenants have been in possession continuously for six years. If it were the intention of the Congress Agrarian Reforms Committee that all such lands without occupancy rights should come under the control of the Land Commission or whatever other authority might be set up for administration of these lands, and if it were further the intention that such lands under tenancy should be bought out by the Land Commission, it is not clear why the same treatment should not be accorded to other holdings where the Congress Agrarian Reforms Committee propose to set up protected tenants. If tenancy by itself was an objectionable feature there seems to be no logical justification in continuing it in one sector based merely on consideration of the length of occupation. In a scheme of annual leases it is a matter of accident which particular *land* was let out continuously and which particular land was let continuously to *the same person*. In fact, to base occupancy rights on the length of occupation by the tenant would be tantamount to penalising the good and benevolent landlord who allowed the same tenant to cultivate his lands over a period of years, and would therefore be particularly objectionable as it would give an undue advantage to the comparatively worse type of landlord who had been changing his tenants capriciously. If the conferment of occupancy right is to be thought of, even apart from the question of prohibition of tenancy in future, there is the objection that it would freeze occupancy rights in a class of tenants according to the circumstances as they stood at one point of time, and prevent such rights from accruing to further bodies of tenants since landlords would avoid any further tenants remaining continuously in occupation for the prescribed period. If, on the other hand, this is to be avoided by conferring occupancy rights on all tenants irrespective of the period of occupation—and this suggestion has been made in certain quarters—there is, firstly, the objection that here again we shall be perpetuating the relationship of tenants in respect of landlords and holdings as they stood by accident at one particular point of time, and secondly the main question whether the conferment of occupancy rights is necessary and justifiable, will itself remain for consideration.

137. The Congress Agrarian Reforms Committee have not indicated what precisely are the implications of the occupancy right they proposed to confer on protected tenants. These tenants will have the right to purchase the landlord's land—but that is a right which can be conferred, if thought fit, on all tenants, and if need have no intrinsic connexion with occupancy rights. The Congress Agrarian Reforms Committee have not stated whether these occupancy rights contemplated should be alienable or heritable. If they are not, there is no substance in the occupancy right as such; whatever security may be necessary can be conferred by appropriate action in

regard to fair rents, length and conditions of the lease, compensation for improvements and other such cognate matters. If they are, that means a considerable subtraction from the landlord's rights in the land.

138. Such occupancy right would connote the bulk of the bundle of rights over the land and the landlord will then be deprived of the bulk of his rights in the land. Unlike in the zamindari areas this right of occupancy for a tenant has never been in existence under ryotwari holdings and is altogether a new right. In our view, this is a subtraction of the landlord's right which cannot properly be made without giving compensation to the landlord. The conferment of occupancy right in this fashion—and that is the only proper conception of occupancy rights—has been considered in the past. Some of the objections then raised, that letting was a sign of progress, that an intermediate rentier class was socially valuable, and that land was a legitimate source of investment, are not really of much force. Another argument, that the rights are attached to certain persons and not to the land, and these persons would become mere rentiers, as in the zamindari areas, may be met by the suggestion that we can prevent sub-letting by tenants altogether. But the main objection indicated above, which was pointed out then also, that it would be confiscatory in character, is undoubtedly valid and is a serious objection. If the answer is that the rights lost by the landlord can be bought out and the tenants are to pay the compensation, it is pertinent, as pointed out during those discussions in the past, that " in fact the proposal amounts to this, that the cultivators should be compelled to purchase their holdings and to be started on their career of improvement and amassing of capital with a load of debt about their necks. The cultivator's savings over a generation would probably go to this object and not to the improvement of his land. He would be for years not enriched." If this objection is to be met by the suggestion that the Government can help the tenants by way of long term loans, the capital expenditure involved will be a colossal sum—for the bulk of the ownership rights would be passing to the tenant. Besides, the justification for a landlord class in the agrarian economy would become negligible; and when zamindaris stand abolished we shall have the incongruity of having a number of something like petty zamindars dotted all over the State whose right in the land is merely to receive rents. The more straightforward course would be to buy out landlords altogether and give the lands to tenants and forbid further tenancy—which would be an even more colossal proposition.

139. On the basis of there being about two hundred and seventy lakhs acres (27,000,000 acres) of land under ryotwari holding and assuming about one-third of these lands are under tenancy, compensation will have to be paid for nearly ninety lakhs acres (9,000,000 acres) of lands. The amount involved will run to hundreds of crores of rupees.

140. If the idea is that occupancy right is not meant to be heritable and alienable, then, as indicated already, there is no point

at all in the suggestion since what is required can be secured by regulations relating to length of lease, ejectment, fair rent, compensation for improvements, etc.

141. We observe that the Special Officer, Sri N. Raghavendra Rao, considered that there was no need to confer occupancy rights on tenants and that the Board of Revenue agreed with his view.

142. We have understood occupancy right to mean the right of the tenant who was in occupation of the land as a tenant on the crucial date to be in possession of the land indefinitely, subject only to the payment of rent to the landlord, this right being heritable and alienable. The conferment of such rights on the tenant would, in our view, involve payment of compensation to the landlord, and the amount involved would be so considerable that this should be ruled out as impracticable. We are therefore not in favour of conferring occupancy rights on any class of tenants.

143. We have considered the question also of an occupancy right somewhat differently conceived, viz., the right of the tenant who was on the land on the crucial date, or who may be let into the land as a tenant thereafter, to be in possession of the land for agricultural purposes so long as he pays his rent regularly to the landlord, the landlord having the right to resume the land for personal cultivation, and the tenancy being liable to termination for sub-letting or wasteful use of the land, the right being heritable but not alienable. The main difference between this and the type of occupancy right previously discussed is that the right will not be alienable and that no question of compensation to the landlord will arise. But in other respects the other objections indicated in the previous discussion largely hold good. We are not therefore in favour of conferring this type of occupancy right, either.

### 5. Fair Rents.

144. We observe that the question of fixing fair rents for tenants under ryotwari pattadars was considered by Government on various occasions between the years 1885 and 1918. The general grounds urged on those occasions in favour of State interference on behalf of the tenants were that the tenants were usually poverty-stricken, living from hand to mouth; there was evidence of exhorbitant rents; there was no evidence of tenants raising themselves to the land-holding classes; and that the minimum share of the cultivator due to whose labours the produce is grown, should be fixed. But time and again the question was dropped owing to various objections.

145. The objections that prevailed were the following :—

(1) State interference in the matter of fixing fair rents would interfere with the sanctity of contracts;

(2) it would result in the depression of land values;

(3) it would check enterprise and transfer liability for improvements to the land from a fairly well-to-do class to a class of people living hand to mouth;

(4) it would lead to evasions;

(5) there was not much room for rack-renting;

(6) the proposal would make more landholders resume their lands for personal cultivation, permanently depressing the status of the existing tenantry to that of landless labourers; and

(7) no evidence was in fact forthcoming of the existence of rack-renting such as would justify State interference.

146. These arguments *pro* and *con* are still of current interest and will have current application and as we consider that the case for legislative interference is the acceptable case, we will review the objections mentioned.

147. In the modern conception of the functions of a State, the first objection, relating to the freedom of contract, is clearly outmoded. Under the Constitution Act, it is true, all citizens have the right to acquire, hold and dispose of property [Article 19 (5)]; but at the same time the Constitution reserves to the State the right to impose reasonable restrictions on the exercise of the said rights in the interest of the general public. We consider therefore that if an examination of the position that exists to-day discloses the necessity for State interference in the public interest, then, the State would be justified in intervening and fixing not only fair rents but also other conditions relating to tenure, etc.

148. As regards depreciation of land values, it would not altogether be an unmixed evil in view of the present excessively inflated values of land.

149. As to enterprise, it is quite as likely that the countervailing effect will be stronger, viz., that the bettering of the tenants' economic position by fixing fair rents will tend to greater enterprise on their part; and that would be the answer also to the other objection that a measure of this kind would transfer the duty of effecting improvements from a well-to-do class to a class living from hand to mouth; this is apart from the point that we see no reason why a mere alteration of the rates of rent should result in the shifting of the liability for making improvements from the landlord to the tenant.

150. As to evasions, that would rest largely on the sense of awareness of its own interests on the part of the class whom it is intended to benefit, and there is every reason to hope that that sense would grow.

151. The point of the next objection is that tenants generally form three classes—

(*a*) pattadar tenants;

(*b*) village artisans and traders; and

(*c*) the class of landless labourers;

that the pattadar tenants whose lands are sufficient for all their requirements and who take additional lands on lease to make up a complete economic holding, or to secure rotation of crops or to give full employment to their cattle, are not likely to be rack-rented

and are not likely to pay anything more than fair rents; that the class of village artisans and traders, who have an independent means of livelihood, and take up lease lands as a subsidiary occupation, are not also likely to be rack-rented; and that as regards the class of landless labourers, they are well remunerated for the small time and labour they spend on the holdings even on the existing level of rentals and their condition is on the whole better than the general run of the class of field labourers. We would observe that the assumptions on which the above analysis has been made are not of universal application, and that, in fact, the last of them begs the question; and the analysis, for the most part, leaves out the bulk of the tenant class.

152. The next argument urged against State interference is that this step would drive the landholders to take to personal cultivation displacing tenants to a progressively increasing degree. We have indicated elsewhere that this possibility must be recognised and in fact a certain amount of scope should be allowed for its play in conformity with the principle that there should be progressively greater approximation between ownership and cultivation in the future. We would, however, point out that this process of displacement of tenants will be somewhat restrained with the laying down of minimum wages for agricultural labour, which would reduce the comparative attractiveness of personal cultivation or "pannai" cultivation, and also owing to the fact that it is not every landlord that would be in a position to resort to personal cultivation. But we do concede the validity of the argument to this extent—that it has to be borne in mind that, if the rents are fixed at too low a level, we would be leaving room for the play of this factor to an extent that will be detrimental to the interests of tenants as a whole.

153. The point of the last argument is that the present level of rents is an equilibrium level reached after years of adjustment and whatever variations there are in rental between one area and another depend on custom, population, soil, irrigation facilities and numerous other factors, and that there is no actual evidence of rack-renting, the rents having been customary over a very long period of time; authoritative settlements of rent would merely tend to confirm the existing rates and would therefore be unnecessary, and so there is no sufficient justification for State interference. We would urge that so far as the pressure of increasing population tends to rack-renting, that factor deserves to be over-ridden. As regards the other items enumerated, the argument would be valid only to the extent that it indicates the need for a certain elasticity in the fixation of rents by the State and it will not by itself affect the principle of fixing fair rents. Even if the existing rents are on the whole fair, we would observe that this would be no satisfaction in individual cases of exceptions where they are not fair and tenants are made to pay what amounts to rack-renting. Apart from the question of individual exceptions, none can be certain that the existing state of affairs would continue unaltered. There

is always the possibility that the rates may become disadvantageous to the weaker party, the tenant. Statutory fixation would have the advantage of infusing a feeling of confidence and security which would be otherwise lacking. It would further discourage the existing tendency to enter into disputes, which has become a feature of the agrarian scene in the last few years, and to that extent would make for peace in the countryside.

154. Apart from these considerations, the most signal point which has now to be taken note of is that even the conception of a fair rent has undergone a radical change in recent years. The old customary notions of what should be the proper share respectively for the landlord and tenant are no longer acceptable. In the simplest terms the present argument is that the tenant, who contributes the labour, is rightly entitled to a higher proportionate share in the produce than the landlord whose contribution is merely the supply of the use of the land which he owns. We find it difficult to deny the fundamental justice of this argument.

155. Another consideration is also very pertinent now. If we are to ensure proper wages for agricultural labour, an adequate margin will have to be provided for the tenant for this purpose too.

156. On all these considerations, therefore, we consider it quite necessary that statutory arrangement for fixing fair rents should be brought into force. We observe that the Special Officer, Sri N. Raghavendra Rao, has also recommended this and the Board of Revenue which considered his report has agreed with him in principle.

157. As regards the basis on which the rental should be fixed, we have to consider whether it should be land value or the land revenue assessment or the net produce or the gross produce.

158. Land values depend upon various complicated factors, and they are liable to constant fluctuations also. It would be a laborious process to assess land values and revise them. We are therefore in agreement with the Special Officer, Sri N. Raghavendra Rao, that it is not desirable or practicable to fix the rent with reference to land values.

159. It has sometimes been suggested that rents may be fixed with reference to land revenue assessment. One particular suggestion made in this connexion is that the rent should be equivalent to the assessment. The general suggestion is based on the theory that the assessment represents half the net produce. We would observe that even at the original settlements, ample margin was allowed in favour of the ryots, and the final figure adopted for the assessment was much less than half the net produce, and that in succeeding resettlements it has become progressively less. Under the present level of prices it would probably be a much smaller proportion. The actual proportion which it now represents will also vary from district to district. These features may not altogether disappear even if we were to standardize the rates of

assessment throughout the State with reference to any particular range of commutation prices. If we remember that a parallel suggestion is also made, laying down the converse proposition that the land revenue assessment should bear a prescribed proportion to the rental, we can realize the obvious difficulty in treating either as a fixed centre and putting the other in definite relationship to it.

160. The specific proposition that rents should be equal to the assessment apparently rests on the assumption that half net is adequate return for the landholder, that the State theory of assessment is that it represents half net, and therefore rent and assessment should be equal. Put in this way of course it is extremely naive. If the landlord receives half net and pays away half net, there is no margin left at all. The fact is that the assessment is less than half net which is only the theory. This simple equation cannot be justified on the basis of this argument. If the argument is that whatever proportion the assessment may bear to the produce, the rent also should be the same, the difficulty will become more pointed that the landlord is left with no margin. The proposition will have some validity only if it is to mean that the landlord should get the actual half net produce and should pay the assessment which is only theoretically half net but in practice much less. But the working out of the half net or any proportion to the net produce, involves the question of costs of cultivation, which has always been a vexed question and never yet satisfactorily solved. We would therefore rule out the half net as a general principle altogether. We are in agreement with the Special Officer, Sri N. Raghavendra Rao, that it is not desirable to relate rent to assessment and we also rule out the possibility of adopting net produce as a basis at all. We consider it much simpler, and it has been, so to say, traditional in this country, to reckon rent with reference to gross produce. The Special Officer has pointed out that non-official opinion in this State is in favour of this principle. We are therefore in agreement with him that the correct principle in fixing fair rents would be to relate it to the gross produce. We would point out also that this is what has been done in the Bombay Tenancy and Agricultural Lands Act, 1948, in fixing the maximum rental.

161. The Special Officer, Sri N. Raghavendra Rao, has suggested that it is not necessary to fix fair rents for commercial crops and that the following may be fixed as provisional rates of fair rent for other crops, as percentages of gross produce :—

| | PER CENT. |
|---|---|
| Paddy under good sources of irrigation ... .. | 55 |
| Paddy under ordinary source of irrigation .. .. | 50 |
| Ordinary dry lands .. .. .. .. .. | 50 |
| Where irrigation is by baling or irrigation channels require constant repairs. | 33-1/3 |

He has pointed out that the differences in conditions would require varying rates to be fixed for various areas, that the opinions of the parties interested should be invited on these provisional rates, and after appropriate rates are fixed for the different tracts, the rates for each field should be left to be worked out by the parties, disputes being referred to Land Tribunals to be set up for this purpose.

162. The Board of Revenue agrees broadly with the principle but suggests that the figures should be reduced throughout by 5 per cent, and that the fair rents for commercial crops should also be fixed. The Board presumes that the idea is that these rates should be the maxima below which it would be open to parties to settle in detail and states that tribunals would be expensive and landlords and tenants might merely be helped informally to settle disputes.

163. We would state that the Board's presumption, that these rates would be the maxima, is correct. We consider it would be appropriate for the Government only to specify the maxima on general grounds—that is, to fix the maximum which any landholder will be entitled to. Below this maximum, there should be room for variations with reference to the special conditions of any locality, or any class of land, or any variety of crop, or types of cultivation, in favour of the tenants. This should be left to be settled in detail by the parties, subject to a decision in case of disputes by a tribunal.

164. It would be impossible for the Government to determine, or fix, rentals to be paid for each field, in each village throughout the State. That is really a process which can and should be carried out in detail, within the framework of prescribed maxima, by the parties themselves subject to adjudication by the Land Tribunals. We consider that the proper method would be for the Government to leave it so, after fixing maxima on general grounds, these grounds being of uniform applicability. This, we would point out, is the scheme of the Bombay Tenancy and Agricultural Lands Act, 1948, also. The maxima would conform to the State's notion of what constitutes a proper remuneration for the landlord and tenant respectively, and also that what is allowed to the tenant should leave him an adequate margin to accommodate fair wages for agriculture. We see no point in the Government publishing these maxima as provisional rates and inviting opinion on them. The landlords may be expected to plead for the *status quo* and tenants for enhanced shares. This would only prolong the period of uncertainty leading to further friction in the relationship between the landlords and the tenants. We feel that when legislation is proposed embodying the rates which the State considers appropriate to fix, that process itself will enable public opinion to be reflected on the question. In any case, these rates will have to be fixed on *a priori* grounds and there is bound to be an element of arbitrariness but that in itself cannot be considered a serious

objection; it has to be observed in this connexion that existing rates themselves are a crystallization round about a traditional notion of half and half as a proper ratio—which is itself an *a priori* rate. We therefore recommend that maximum rentals should be fixed by legislation, and rents in the case of individual holdings or fields be left to be regulated by custom, usage or agreement, subject to the maxima, and in cases of disputes, fair rents, subject to these maxima, should be fixed by the Land Tribunals to be set up by the Government.

165. We consider that, in any scheme of fair rents, there should be an authoritative tribunal to decide disputes and we are not in agreement with the Board of Revenue that informal help to settle disputes would be adequate.

166. The Congress Agrarian Reforms Committee, in the field in which it proposes tenancy to continue, have suggested that the provisions of the Bombay Act may be followed. The rates of rent fixed as maxima in that Act are 25 per cent for irrigated lands and 33-1/3 per cent for unirrigated lands. When compared with the prevailing rates, they would constitute much too steep a reduction. They are very much lower than the rates which the Special Officer (Sri N. Raghavendra Rao) has suggested and the rates which the Board has suggested in modification of his proposals. We do not think it is justifiable to pitch them so low; such a drastic reduction all of a sudden is likely to upset seriously the economy of considerable sections of people. It is also necessary to recall that it would be inexpedient to pitch rents so low as to accentuate a tendency to replace tenancy by personal cultivation. But, on the other hand, we do not think even the Board's proposal gives sufficient weight to the consideration that there should be an effective shifting of the rates in favour of the tenant. Another comment on the provision in the Bombay Act is also called for. That Act provides for a higher rent for unirrigated land than for irrigated land, and makes no distinction between the various categories of irrigated land. In this State, taking it by and large, the proportion constituting rent for ordinary irrigated land has been more or less the same as for dry lands, and for wet lands under good sources of irrigation it has been higher. Back of this idea is the principle that for fertile lands, and particularly for wet lands under first-class sources of irrigation, since the effort required in cultivation is proportionately less, the tenant's share can properly be made proportionately less. We think this background will have to be retained in any scheme of fair rents which we may fix. Some sets of crops are raised both on wet lands and dry lands. While in most cases wet crops are raised on lands classified as wet, in some cases they are raised on lands which are classed as dry on payment of a suitable charge for water. It is better therefore to let the scheme of rent have relation to the crops. We agree with the Board of Revenue that commercial crops also should be brought under the scheme of fair rents.

167. On these considerations, we would suggest the following proportions of the gross produce as maximum rentals :—

| Paddy. | Landlord's share (rent). | Tenant's share. |
|---|---|---|
| Under first-class irrigation sources .. .. | 45 | 55 |
| Under irrigation sources grouped as second class and below. | 40 | 60 |
| Where baling is to be resorted to, a reduction up to 1/3 in the landlord's share to be allowed. | | |
| The classification of sources will be that laid down at settlement or resettlement. | | |
| *Commercial crops.*—Whether raised on wet or dry lands. | 40 | 60 |
| The following shall be classed as commercial crops for this purpose :— | | |
| Turmeric, sugarcane, plantains, onions, groundnut, cotton, betel. | | |
| *Other crops.*—Raised on wet or dry lands .. | 40 | 60 |

NOTE —(*a*) The scheme of Fair Rents will not apply to the cultivation of coconuts, mangoes, fruits of citrus variety and other trees fruit bearing or otherwise.

(*b*) When in any year there are more crops than one, the proportions will apply to all the crops together.

A catch crop on wet lands should go, however, entirely to the tenant, as is the custom now. In cases of dispute, as to what constitutes a "catch crop" enjoyed in full by such custom in any area, the decision of the Land Tribunal shall be binding on both parties.

(*c*) The proportions assume as a norm that the straw goes to the tenant, that assessment, water cess and local cesses are paid by the landlord, and all expenses of cultivation including the supply of cattle, implements, seed and manure are borne by the tenant.

(*d*) Variations from this norm, as well as variations in other factors, will, as indicated already, be left to be adjusted in individual settlements, subject to decisions in cases of disputes by the Land Tribunals.

(*e*) We wish to make it clear, incidentally, that by "gross produce" we mean what in fact is the gross produce and not, as is understood in some areas, the produce available for division between landlord and tenant after a deduction is made from the gross yield for harvesting expenses.

168. As regards Land Tribunals to adjudicate on fair rents whenever there are disputes, we consider that Statutory Tribunals should be set up. The Board of Revenue raised the question that, apart from the point of expenditure involved, the Land Tribunals will involve a drain on personnel, on top of the extra off-take due to the zamindari settlement operations. The Board therefore suggested that this scheme of Land Tribunals should be put off until the zamindari settlement operations were over. But, in actual practice, owing to the decision to retain as many of the previous zamindari personnel as possible in the zamindari settlement operations, we understand that those operations have not taken away

quite so many Revenue officials of the grade of Tahsildar and Revenue Divisional Officer as was at first apprehended. And for another, the scheme of separation of the Executive from the Judiciary has released some Revenue personnel. In any case, we consider that the work is so obviously urgent that it should not be put off till the zamindari settlement is over.

169. In the Bombay Tenancy and Agricultural Lands Act, 1948, power has been vested with the mamlatdars to decide disputes about fair rents The Special Officer, Sri N. Raghavendra Rao, has suggested that disputes may be adjudicated upon by a tribunal consisting of the Revenue Divisional Officer and of the representatives of landlords, tenants and agricultural labourers. He also suggested that the District Agricultural Officer should be a member. We consider it unnecessary to divert the District Agricultural Officer for work of this type. For the rest, it is quite necessary that the Revenue officers should be primarily associated with this work. They should keep in touch with the local conditions and developments and they have been trained to deal with the class of people concerned. Possibly, it will make for despatch if the work is entrusted to the Tahsildar but we consider it would be certainly more satisfactory if non-officials are associated with the work and also that it would be appropriate to associate them with officials at a higher level, and a level at which courts of similar scope were functioning in the past. A tribunal of the type suggested by Sri N. Raghavendra Rao, i.e., the Revenue Divisional Officer and representatives of landlords, tenants and agricultural labourers would be the best, in our opinion. The Revenue Divisional Officer would have the assistance of the Taluk Tahsildar in making any enquiries that would become necessary, in having summonses served and so on.

170. We are not in a position to anticipate the volume of work that this might involve. But we would suggest in the first instance it would suffice if one tribunal is constituted for each Revenue division with the regular Tahsildar helping. It may be necessary, however, in view of the various duties which the Revenue Divisional Officer will have to perform under our proposals, to reduce the size of the Revenue Division and to restore the Revenue Divisions as they stood before the separation of the Judiciary from the Executive. It is also possible for the functions of the Wages Board, etc., to be combined with those of the Land Tribunal and this would avoid duplication. We are dealing with this issue later on in the Report. If actual experience shows that the work is unwieldy, Government will have to be prepared to expand the staff.

171. It will be noticed that we have followed the main lines of the scheme adopted in the Bombay Tenancy and Agricultural Lands Act, 1948. Maxima are to be fixed in terms of gross produce for various crops on certain specified assumptions regarding the incidence of assessment, water-rate and cultivation expenses. Subject to these maxima, it will be open to the parties to enter

into suitable agreements. In the absence of an agreement the question will be referred for adjudication to the Land Tribunal and what the Tribunal will be called on to fix in such cases is the fair rent. The Bombay Act lays down that in determining reasonable rent regard shall be had to the following factors :—

(*a*) The rental values of lands used for similar purposes in the locality,

(*b*) the profits of agriculture of similar lands in the locality,

(*c*) the prices of crops and commodities in the locality,

(*d*) the improvements made in the land by the landlord or tenant,

(*e*) the assessment payable in respect of land, and

(*f*) such other factors as may be prescribed.

The Congress Agrarian Reforms Committee have also recommended the adoption of the same guiding principles. We are entirely in agreement with them and recommend that these may be laid down as the factors that should be taken into account by the Land Tribunal in determining fair rents.

172. In the Bombay Act there is provision for compulsory commutation of grain rents into cash. But in our scheme we have suggested that waram should be allowed to continue as a mode of tenancy. The question, however, arises, whether a waram tenant should have the option, nevertheless, of commuting into cash at the time the rent is due. At the outset when leases are entered into—and later on we are suggesting that all leases should be for a minimum period of five years and should be in writing—it is obviously left to the parties to settle between themselves whether the rent will be in the form of a fixed quantity of grain or in the form of a definite share of the gross produce or in the form of cash. If at that time there is agreement that it should be on a waram basis it is because that is considered mutually more advantageous. If the tenant is to have the option to change it to a cash basis at the time of payment, that would go against the principle of waram itself, and, besides, it would mean uncertainty to the landlord and unsettlement of an arrangement he would have made on the footing that he would receive rent in kind. We therefore consider that waramdars or crop-sharers, should not have the option to commute the quantity of grain deliverable by them into cash payment at the time stipulated for the payment of rent. Similarly, for the same reasons, those who have agreed to pay a fixed quantity of grain as rent should not, either, have the option of commuting their rent into a cash rent.

173. Another issue that arises is whether cash rents should be made to vary according to the variations in the prices of foodgrains, or the cost of living index or any other index of price levels. In annual leases the question will not rise as necessary adjustments could be made when the leases are settled afresh.

When the lease period is longer—and we are suggesting a minimum period of five years—the essential idea is security, and we consider it is part of that idea of security that there should be an element of certainty for the landlord as well as the tenant as to the rent payable. In fact that is the advantage of cash rent over grain rent whether in the form of waram or of a fixed quantity of grain. When it is fixed at the inception, it is implicit in the arrangement that both the landlord and the tenant take a certain amount of risk as to this being impaired by changes in the prices of foodgrains. The advantage of trying to eliminate this risk will be outweighed by the element of uncertainty and the unsettlement of calculations, for the landlord, and for the tenant also—for, if the idea of variation is introduced, it should in fairness work upwards as well as downwards. We therefore consider that no attempt should be made to make rents variable during the currency of a lease in accordance with the changes of the prices of foodgrains or any other index of price levels. But we consider this should apply only to normal year to year variations. If there were to be a steady and steep decline or ascent, then, there would be a case for an alteration; alteration in such cases by way of a percentage could be appropriately linked up with a scheme of a sliding scale of assessment if that is accepted (we will be dealing with this in our second report), or independently thereof, as the case may be.

174. We agree with the Special Officer, Sri N. Raghavendra Rao, that it should be prescribed that interest on arrears of rent, or on amounts advanced for meeting expenses of cultivation, should not exceed 6 per cent per annum. We note that the Board of Revenue also has agreed with this and that the rate fixed under section 61 of the Estates Land Act is also 6 per cent.

175. The Special Officer and the Board of Revenue have agreed that when there is a total or partial failure of crops, remission of rents should be allowed to the tenant to the same extent, on the same principle, and in the same proportion, as remission by Government of the land revenue assessment. We note that the Bombay Act of 1948 carries a similar provision. We are entirely in agreement with the principle and recommend therefore that such a provision may be laid down. This concession of course will apply to tenancies other than waram.

176. We agree with the Special Officer (Sri N. Raghavendra Rao) that personal services by tenants, or the insistence on the services of the cattle and goats of the tenants, without payment, should be prohibited.

177. The Special Officer (Sri N. Raghavendra Rao) refers also to the practice in vogue in various places of stipulating payment in the shape of fowls, ghee, vegetable, straw, etc., and suggests that no interference is necessary. We see no justification, however, to allow items like these to be taken without payment. We recommend therefore that the stipulation of such items without payment should also be prohibited.

178. Where any landlord recovers from the tenant rent in excess of what he is entitled to under the scheme of fair rents, he should not only be liable to refund the excess collected by him to the tenant, but also to a penalty, except in cases of *bona fide* mistake, amounting to five times the excess, subject to a minimum of Rs. 25 (rupees twenty-five) as the Land Tribunal may determine.

179. All disputes arising out of the scheme of fair rents, suits for recovery of rent excepted, shall be adjudicated on by the Land Tribunals. Appeals should lie to the Collectors of districts and the Board of Revenue should have revisional powers.

Suits for recovery of rent shall go before the Revenue Divisional Officer, sitting as a Revenue Court, or before the Special Courts mentioned in paragraph 202 below.

180. The scheme of fair rents proposed here, and the regulation of the relationship between landlord and tenant proposed in the other sections of this Chapter, will not apply to the individual members of co-operative societies, who cultivate the lands held by the said societies under whatever tenure. The relationship as between the co-operative society and the members thereof, and as between the members *inter se*, should be regulated by suitable and appropriate bye-laws, which should provide for suitable corresponding provisions wherever necessary, e.g., prohibition of subletting.

181. Where a co-operative society takes lands on lease for cultivation from private landholders, the co-operative society should be treated as a " Tenant " and be entitled to claim all the protection afforded to tenants in the various sections of this Chapter.

182. The scheme proposed in this section will not apply to plantation areas.

### 6. Minimum period of lease and prescription of grounds for eviction.

183. If a tenant is to put his best into the land, it is essential that he should have, in a scheme such as we envisage, where no occupancy rights are conferred, reasonable security of tenure.

184. This can be ensured by providing for a fairly long period of lease and for freedom from unreasonable eviction during the currency of the lease.

185. In paragraph 7 of Chapter IX of his report on Land Tenures, Sri N. Raghavendra Rao has observed that the system of annual leases—which is largely prevalent now—is disadvantageous both to the landlord and the tenant and one of great uncertainty for the tenant. Failure of crops occurs once in three or five years. The tenant who incurs a loss in a particular bad or indifferent season, expects to recoup the same if he stayed on

the land in the succeeding good seasons. The cultivation of commercial crops like sugarcane, plantains, or betel requires a longer tenancy. We agree therefore that the period of tenancy should be longer than a year. But it should not be too long, as in that case there may be reluctance on the part of the landlord to let in tenants for fear of losing control over the land for long periods at a time. For this reason we are not in favour of the ten-year period for leases adopted in the Bombay Tenancy and Agricultural Lands Act, 1948. A period of three years, on the other hand, suggested by the Board of Revenue, would not be long enough and would not cover one complete cycle of good, bad and indifferent seasons in this State as a rule. A period of five years seems to us to be appropriate. Anything longer than that, in cases where rifts and recriminations have set in, would merely prevent a mutually advantageous parting. To have it as five years instead of longer, will also facilitate a quicker change-over to personal cultivation by the owner if desired, without a provision having to be made for ejectment for that purpose. As improvements of a very costly nature are comparatively rare, and, where carried out, are done by the landlords themselves, there is no need to have a very long period for the purpose of enabling tenants to reap the full benefits of improvements made by them. We therefore recommend that in future all leases should be for a minimum period of five years.

186. In the case of virgin land which is to be reclaimed, or land which has been newly reclaimed, however, the first lease should be for a minimum period of ten years.

187. We recommend also that all leases should be in writing but that they need not be registered; appropriate action may be taken to exempt these agricultural leases from the necessity for registration.

188. At the end of the initial period of five years or more, the lease may be renewed for a further period of five or more years if both parties are agreeable; but, there need be no option to renew conferred on the tenant in the sense that the landlord should be bound to renew the lease if the tenant wishes it even though the landlord himself does not desire it.

189. The tenant should always have the option of terminating the lease by three months' notice expiring with a year of the tenancy.

190. In order to secure freedom to the tenant from arbitrary eviction, we consider that the following alone should constitute proper grounds for the landlord terminating a lease during its currency :—

(1) Failure to pay rent within one month of the date stipulated in the lease deed;

(2) commission of any act which is destructive or permanently injurious to the land;

(3) use of land for any purpose other than agriculture;

(4) violation of any of the conditions of the lease deed regarding the restrictions on the nature of the crop to be grown and other similar conditions which are not repugnant to the statutory provisions governing tenancy;

(5) sub-letting of the land by the tenant;

(6) the tenant being adjudged to be insolvent.

191. Items (1) to (3) in paragraph 190 have been suggested by the Special Officer, Sri N. Raghavendra Rao; corresponding provisions are found in the Bombay Act of 1948 also. The justification for these provisions is obvious.

192. Item (4) in paragraph 190 has been suggested by the Special Officer, Sri N. Raghavendra Rao. As conditions about rent, length of lease, and general grounds of ejectment will be laid down by Statute we consider there will be no harm, while there will be some advantage, in allowing minor stipulations to be made with reference to local conditions.

193. Item (5) in paragraph 190 is found in the Bombay Tenancy and Agricultural Lands Act of 1948. The Special Officer, Sri N. Raghavendra Rao, did not recommend the prohibition of sub-letting. We do not agree with his view. Sub-infeudation tends to general impoverishment. When the ideal is to make proprietorship and cultivation coincide and eliminate parasitic elements, and tenancy itself is a suffered exception, it is illogical to allow further intermediaries to grow by sub-letting by tenants being allowed. That it is of particular advantage for absentee landlords, as argued by Sri N. Raghavendra Rao, is in fact a point against it, since absentee landlordism has to be discountenanced as much as possible. His further argument, that it does not matter by how many people the profits of cultivation are shared, is unacceptable; it does very much matter; the general idea in fixing fair rents is that the tenants themselves should have an adequate margin, and it will considerably affect the general scheme if this is pared off and tenants merely become secondary rentiers. The general practice, as pointed out by Sri N. Raghavendra Rao himself, is against sub-letting. He has indicated the possibilities of evasion—but that is a risk entailed in any legislation. He refers to an ' economic law ' in favour of sub-letting; the operation of such a ' law ' will have to be prevented when such prevention is in the larger public interests. We have therefore suggested that sub-letting should be prevented by making it a ground for eviction. It may be doubted whether, if we merely do that, sub-letting will be completely prevented. We consider, however, that for the present it may merely be left at that, and further measures may be considered if this provision by itself is found to be ineffective.

194. Item (6) in paragraph 190 has been added by us; it needs

195. The wording of item (1) in paragraph 190 needs an explanation. In the Bombay Tenancy and Agricultural Lands Act, 1948, the period allowed is one month from the date on which the last instalment of land revenue falls due. The same formula has been suggested by Sri N. Raghavendra Rao also. But we consider it would be too long a period particularly in the case of rents payable in kind, as harvesting would have taken place generally sometime before the first instalment of the kist falls due. We understand that the normal practice is to specify in the lease deed itself the date on which the rent falls due depending upon the harvest seasons for each particular type of crop. We consider it would be adequate to provide one month's grace to the tenant and therefore we have adopted the formula "failure to pay rent within one month of the date stipulated in the lease deed."

196. Even so, we would give an additional concession to the tenant on the analogy of the provisions in the Bombay Act and section 114 of the Transfer of Property Act, 1882. Where any tenancy of any land held by any tenant is terminated for non-payment of rent and the landlord prefers a petition before the appropriate authority to eject the tenant, the said authority shall call upon the tenant to tender to the landlord the rent in arrears together with the cost of proceedings, within 15 days from the date of the order, and if the tenant complies with such order, the said authority should, in lieu of making the order for ejection, pass an order directing that the tenancy had not been terminated, and thereupon the tenant shall hold the land as if the tenancy had not been terminated. We would provide, however, to discourage habitual default, that this protection shall not apply to any tenant whose tenancy is terminated for non-payment of rent after he has failed for any two years to pay rent within the period specified by us above.

197. We have considered the question whether it should be a ground for eviction that the landlord requires the land *bona fide* for his personal cultivation. The Bombay Act of 1948 contains such a provision but only in relation to protected tenants. The Special Officer, Sri N. Raghavendra Rao, has suggested a provision to that effect. We feel, however, that such a provision will be a source of contention and often of harassment. We consider also that when the minimum period of lease is not too long—we have proposed only five years—there is no great hardship in the landlord being compelled to defer to the end of the lease the option to cultivate personally. We have therefore not thought it necessary to allow a landlord to resume the land for personal cultivation during the currency of a lease.

198. In the event of the sale of the land during a tenancy, the tenancy should continue, the new landlord taking the place of the old landlord in respect of the assets and liabilities, privileges and

199. Where a tenant dies, his heirs should have the option to continue the tenancy for the unexpired period on the same terms and conditions.

200. In the event of a tenant putting the land to wasteful uses or causing damage to it, the landlord may claim damages before the appropriate authority, at the same time as he prefers before it, a petition for eviction of the tenant, or independently thereof, and that authority should decide the issue and grant appropriate reliefs.

201. The scheme proposed in this section will not apply to plantation areas; nor will it apply to leases which are given merely for the usufruct of trees.

202. We consider it a matter of prime importance that disputes arising in the group of questions dealt with in this section and suits for the recovery of rents should be adjudicated on most expeditiously. We recommend, therefore, that the appropriate authority to adjudicate on these disputes should be the Revenue Divisional Officer sitting as a Revenue Court, or Special Courts constituted for the purpose. Over decisions of the Revenue Divisional Officer appeals should lie to the Collectors of Districts and the Board of Revenue should have revisional powers. Where, however, special courts are constituted from officers of the Civil Judicial Cadre, the appeals should lie to the higher Civil Judicial Courts.

### 7. Prevention of intermediaries between the Tenant and the Landlord.

203. While on the question of the terms and conditions of tenancy we think it fit to deal with one particular type of case. It has been brought to our notice that it has been the practice in some places for religious and charitable institutions and for big pattadars not to lease out lands directly to individual tenants for cultivation, but to set up a lessee by auction or other arrangement. This lessee pays a lump sum to the landlord and is given complete freedom to distribute the lands to tenants, making his own terms with them and collecting the rental, or to have the lands cultivated by hired labour where tenants are not agreeable to his terms. Such an intermediary is not a genuine agriculturist or cultivator but a speculator to whom the landlord's rights are farmed out and he has no justifiable function in the agrarian economy. If he is treated as a ' tenant ' to whom the prohibition of sub-letting would apply, his operations would be curbed, but not completely as he will then be able to carry on with hired labour; and on the other hand treating him as a tenant would enable him to have the advantage of fair rents which are clearly not intended for a person of this type. His operations generally entail considerable discontent to the tenants in the area in which he operates. The whole arrangement is pernicious. We therefore suggest that there should be a specific prohibition against any

arrangement which sets up this type of intermediary. The institutions and individuals who resort to this kind of arrangement now should hereafter be expected to adopt the usual arrangement of leasing lands directly to the cultivating tenants. We would reiterate here, what we have already indicated in paragraph 70 of this Report, that it is very definitely our view that religious and charitable institutions should not ordinarily resort to any kind of personal or direct cultivation of lands belonging to them : the normal arrangement should be for them to lease out the lands to tenants directly.

### 8. Compensation for Improvements.

204. " Improvements " to the land are necessary not only for increasing the productivity but also for maintaining it. Sometimes, in the negative aspect improvements may be necessary to prevent damage and depreciation. As observed by the Special Officer for Land Tenures, Sri N. Raghavendra Rao, in a tenancy system where two persons share the profit, improvements to the land are liable to be neglected. At the present time, although theoretically it is the landlord that is responsible for making improvements of a permanent nature or of long-term value, he is not ordinarily inclined to spend money for improvement unless he can secure an immediate benefit by way of an increased rental from the tenant. Similarly the tenant has no incentive to spend money as under the scheme of annual leases he is liable to eviction at the end of the year. In the scheme which we are proposing, of fair rentals subject to prescribed maxima, there will still be incentive maintained for the landlord, as the maxima are laid down in terms of gross produce and there should be room for enhancement of rent in due course in consequence of improvements which increase the produce; and the tenants, in consequence of the increased share of the produce they will get under the scheme of fair rents, and the security of tenure they will be getting, will have more incentive than now to make improvements on their own initiative provided they can recoup the cost. Anyway, it is clearly necessary in any scheme of regulation of the relationship between the landlords and tenants to have clear provisions laid down in respect of improvements.

205. It is necessary at the outset to define precisely what is meant by improvement. We note that the term has been defined as follows in the Bombay Tenancy and Agricultural Lands Act, 1948 (Bombay Act No. LXVII of 1948)—

" ' Improvement ' means with reference to any land, any work which adds to the value of the land and which is suitable thereto as also consistent with the purpose for which it is held; and includes

(*a*) the construction of tanks, wells, water channels, embankments, and other works for storage, supply or distribution of water for agricultural purposes;

(*b*) the construction of works for the drainage of land or for the protection of land from floods or from erosion or other damage from water;

(*c*) the reclaiming, clearing, enclosing, levelling or terracing of land;

(*d*) the erection of buildings on the land required for the convenient or profitable use of such land for agricultural purposes; and

(*e*) the renewal or construction of any of the foregoing works or alterations therein or additions thereto as are not of the nature of ordinary repairs; but does not include such clearances, embankments, levellings, enclosures, temporary wells, water channels and other works as are commonly made by the tenants in the ordinary course of agriculture."

We consider that the above definition covers the categories of improvements mentioned by Sri N. Raghavendra Rao, which we extract below in full—

"(1) Improvements which will increase the value of the land and its productive capacity; they generally include—

(*a*) the construction of wells, water channels, etc., for storage or distribution of water for irrigation purposes;

(*b*) the construction of works for the drainage of the land or for protection of land from floods or from erosion or other damage from water;

(*c*) the reclaiming, enclosing or levelling up of the land.

(2) Ordinary periodical improvements which are necessary to maintain the fertility of the land, such as, repairing the water courses, damages by heavy floods, or levelling up of the land in cases of heavy sand-cast, etc.

(3) Annual repairs which are required in the ordinary course of agriculture."

206. Except in the West Coast, costly improvements are rare, and where they are carried out, they are carried out by the landlords themselves. Sri N. Raghavendra Rao has observed that annual maintenance and repairs which are required in the ordinary course of agriculture are carried out at the expense of the tenants. This has, in fact, been recognized in the definition adopted in the Bombay Tenancy and Agricultural Lands Act, 1948, which we have quoted above, wherein works commonly made by tenants in the ordinary course of agriculture have been excluded from the definition of improvements. We therefore recommend that the definition in the Bombay Act of 1948 should be adopted here also.

207. Cases may arise where the landlord, either due to genuine inability, or deliberately, refuses to carry out the improvements that are necessary for maintaining the efficiency of agriculture and which are his liability. In such cases, subject to certain safeguards to protect the interests of the landlord, we consider it necessary that provision should be made for tenants carrying out

such improvements and also securing equitable compensation for the improvements made by them to the land. A view has been expressed that where improvements carried out are agricultural improvements, consent of the landlord is unnecessary, and if the landlord does not accept liability, the matter should be left for a decision by the Tribunal. This would be an unsatisfactory state of affairs tending to endless disputes marring the relationship between landlords and tenants. We consider that the proper course would be for the tenant to obtain the consent of the landlord in writing before he carries out any improvements to the land —improvement being defined as in the Bombay Act. Such consent should be obtained by the tenant serving a notice on the landlord calling upon the landlord to carry out the improvements specified, or alternatively, to consent to the tenant carrying out the improvements. The landlord should be given time for a period of one month from the date of the service of the notice to object to the improvements suggested by the tenant, or to agree to the tenant carrying out the improvements, or to commence execution of the works himself. If no reply is received by the tenant within the period of one month stipulated above, or the execution of the works is not commenced by the landlord, the consent of the landlord shall be presumed, and the tenant be free to proceed with the work of improvements as specified in his notice to the landlord. If the landlord objects to the improvements proposed by the tenant, the tenant may take the case to the appropriate authority on the ground that consent has been unreasonably withheld, and if the said authority rules that the consent has, in fact, been unreasonably withheld, the tenant shall be free to carry out the works himself. If the landlord, after the commencement of the work, fails to complete it within a reasonable period, the tenant may approach the appropriate authority for a direction to the landlord to complete it, within a stipulated period or for permission to complete the work himself. These safeguards and conditions would be adequate in all ordinary cases. But in cases of emergency, for example, protection of land from imminent flood damages or erosion or other damage from water, the tenant may carry out the necessary works to protect the land from imminent damage, and the consent of the landlord shall be presumed for such improvements.

208. Where authorized improvements have been carried out by the tenant, we consider that the tenant should be entitled to be compensated by the landlord for the value of the improvements as may be fixed by mutual agreement, or in case of disagreement as may be fixed by the appropriate authority. We also consider that in valuing the improvements, due regard should be had also to the fact, where such be the case, that the rent payable by the tenant would not be enhanced during the currency of the lease. Such compensation may be either by a lump-sum payment or be set off against rent due from the tenant to the landlord.

209. Where the landlord either on his motion or on receipt of a notice by the tenant carries out any improvement which is likely in itself to enhance the produce on the land, or the value of the produce on the land, he should be entitled to demand enhancement of rentals suitably, but subject to the prescribed maxima, by agreement with the tenant or if the tenant does not agree, by application to the prescribed authority. In practice, where the waram rental is fixed at the maximum permissible under the scheme of fair rents, it will not be possible for the landlord to ask for enhancement of the proportion of the gross produce to be delivered to him. The share will have to be maintained at what it was before the improvement was made, as stated already at the maximum permissible; but as against this the landlord would automatically secure an increase in the quantity of grain delivered to him as there would be an increase in the total quantity of the produce grown on the land. If, however, the landlord's share of the waram rental has been fixed at something less than the share allowed to him under the scheme of maximum rentals, he should be at liberty to ask for an increase in the waram share subject to the maximum permissible, and if the tenant does not agree, the case should be referred to the appropriate authority as proposed by us. In the case of cash rents or fixed grain rents, there would be no automatic increase in the rental, and the cash rental or the grain rental will have to be revised, subject to the maximum permissible, by mutual agreement if possible as pointed by us above, or if not, the case will have to be adjudicated on by the appropriate authority.

210. If after the tenant has carried out the improvements to the land with the consent of the landlord, his tenancy is terminated on any of the prescribed grounds, the tenant should be entitled to be compensated for the improvements already made by him and he should not be evicted from the land until such compensation is paid to him. In cases where the tenancy is allowed to run the full period, compensation for improvements made by the tenant with the consent of the landlord should be paid to him before the expiry of the lease; and if it is not so paid, the tenant may, if he prefers, continue on the land as tenant from year to year until the compensation is paid, and the cost of the improvements should, in any case, be a first charge on the land.

211. The scheme proposed in this section will not apply to plantation areas.

212. Disputes arising over the questions dealt with in this section should also be adjudicated on by the Revenue Divisional Officer sitting as a Revenue Court or by Special Courts constituted for the purpose, i.e., the same authority as has been proposed by us in paragraph 202; the provisions for appeal and revision should also be the same.

### 9. Limits to Personal Cultivation by Landlords and Tenants.

213. As already indicated during the preceding discussions, while the general idea is to make ownership and cultivation increasingly coincide, and the effect of some of the measures proposed (fixing of fair rents, etc.), will be to impel landholders to take to personal cultivation, it is at the same time necessary to see that that tendency does not lead to dislocation on a considerable scale in the tenants' sector. We propose that for that purpose a maximum should be fixed for personal cultivation by landlords.

214. This maximum should not apply to landlords who were personally cultivating larger areas of land on the crucial date. In those cases landlords may continue personal cultivation up to the extent under personal cultivation on the crucial date.

215. The limit of personal cultivation shall be the extent of land bearing a total assessment not exceeding Rs. 250 (rupees two hundred and fifty) and this shall be inclusive of lands already under personal cultivation, if any.

216. If the landlord leases out more land after the crucial date, his right to hold land for personal cultivation in excess of the maximum shall be curtailed to the extent of such leasing. If the area under personal cultivation goes below the maximum, his right to bring up the area to the maximum shall remain unaffected. The right of each of the landlords' heirs to cultivate personally the proportionate share accruing to each would not be affected, where it is in excess of the maximum. No special exemption or dispensation will be made in favour of undivided families in respect of the maximum limit fixed for personal cultivation.

217. Where, on the application of a landlord, the Land Tribunal is satisfied that, in any particular case, tenants are not available on terms and conditions considered by it to be fair and equitable, having due regard to the local circumstances, the Tribunal may permit the landlord to bring the land under personal cultivation even if it be in excess of the maximum limit.

218. At the same time, we consider it necessary also to ensure that opportunities for tenancy are as widely distributed as possible and are not monopolised by groups of bigger people. We therefore propose that there should be a maximum limit fixed for lands taken up by tenants for cultivation and that this limit shall be an extent of lands bearing a total assessment not exceeding Rs. 50 (rupees fifty).

219. Where the application of these maximum limits, to the landlord or the tenant, results in the severance from a holding of a small strip which cannot be profitably cultivated independently, the Land Tribunal may grant exemption from the operation of these rules subject to such conditions as it may deem fit to prescribe.

220. These restrictions are designed primarily as safeguards in the tenancy sector in respect of areas already under cultivation,

and they should not be allowed to stand in the way of the development of uncultivated areas (where there is no tenancy sector to be disturbed). Where lands in private holdings which have not yet been cultivated, or which have remained continuously out of cultivation for a period of not less than five years, are proposed to be brought under cultivation by the landlord, a relaxation from these restrictions may be given in favour of the landholder by the Land Tribunal on application laid in his behalf.

Similarly, where such lands are proposed to be brought under cultivation by a tenant, a relaxation from these restrictions may be given in favour of the tenant by the Land Tribunal on an application made in his behalf, with the concurrence of the landholder.

221. In cases where the limit of personal cultivation has been exceeded by the landlord, and the case is merely one where the exemption has not been obtained from the Land Tribunal under the relevant provisions of this scheme, the landlord should be punishable with a fine; in other cases where the limit of personal cultivation has been exceeded the penalty shall be forfeiture without compensation of such excess over the permissible limit.

In case where the tenant exceeds the permissible limit of personal cultivation, the tenancy should be terminated in respect of such excess, and in addition he shall be liable to a fine.

## CHAPTER IX—CONTROL OVER AGRICULTURAL OPERATIONS.

222. The Congress Agrarian Reforms Committee envisage control in the shape of crop planning, better manuring, using improved seeds and payment of premium for crop and cattle insurance and think of it as emanating from the village communities and ending up with the Land Commission. We are in agreement with the principle of planning and control. And any measures that are necessary need not be confined to any particular percentage of the holdings as suggested in the minute of dissent; if the measures are justified, they ought to extend over the whole field. But we feel strongly that any scheme of planning and control of agriculture must include fixation of minimum prices for agricultural produce and it is only on that understanding that we agree to the principle of planning and control. We do not consider, however, that it would be feasible or proper to have measures of planning and control settled at the village level. It is more appropriate for these measures to be planned at the top, at the zonal, State or All-India level, whichever may be suitable according to the circumstances, and executed at the bottom; crop planning, for example, will have to be done at the zonal or State and sometimes the Union level, and cannot be merely built up from village planning. As regards execution, we do not see any need for its being in the hands of any particular village organization as contemplated by the Congress Agrarian Reforms Committee. In our view such plans can be executed even under present arrangements and through the existing

official agencies. We are dealing with this aspect more fully in a later chapter.

223. One particular aspect of control mentioned by the Congress Agrarian Reforms Committee is a test of good husbandry. The Congress Agrarian Reforms Committee say that if a cultivator fails to satisfy such a test, he should be divested of his land. As pointed out in the minute of dissent, this is a dangerous right to confer. It is difficult to lay down any definite and uniform test of good husbandry, or to devise an impartial machinery for applying such a test, or a suitable machinery for administering lands which fall in. Short-comings such as exist now are due to very temporary causes, or to the lack of adequate facilities, or resources, and very rarely to inefficiency or negligence. We consider, therefore, that no attempt need be made to impose or enforce any test of good husbandry.

224. Different from this, however, is the question of preventing lands in holdings from lying waste. We have proposed elsewhere that the restrictions which would otherwise operate in respect of maximum holdings, alienation to non-cultivators and limit of personal cultivation, should be relaxed so as to allow such areas to be developed by companies and similar associations through mechanised farming, and by individuals through mechanised farming or otherwise. This would make development, however, dependent upon the initiative and resources of individuals and groups of individuals and dependent also on the willingness of indivduals to sell their lands, when they are themselves not able to develop them. There is also, besides, the question of lands already brought under cultivation which are lying waste.

225. We have taken note of the Government Order in G.O. Ms. No. 122-F & A (Food Production), dated 9th September 1950, and the provisions of the Madras Land Utilization Order, 1950. The Committee are of the view that the approach contemplated in the order will meet with some degree of success in the case of land ordinarily cultivated from year to year but left fallow due to neglect or inefficiency; but it is hardly likely to solve the problem of land left fallow for want of resources on the part of the landholder, say for example, where considerable expenditure has to be incurred for reclamation. In such cases the Committee would recommend that Government should have the power, as a last resort, to reclaim the lands and recover the costs of reclamation in easy instalments from the landholder. The costs of reclamation may be made recoverable as an arrear of land revenue.

## CHAPTER X—CONTROL OVER CONVERSION OF LAND TO NON-AGRICULTURAL USE.

226. The Congress Agrarian Reforms Committee have observed that in villages which are near big industrial towns, the problem of conversion of land to non-agricultural uses has already taken an acute form. They anticipate the problem would assume serious dimensions when, in pursuance of the programme of industrial

development of the country, industries are located in rural areas having in view the availability of raw material and labour force. So they consider such conversion should not take place without the sanction of the village community, or alternatively, some other authority under the Land Commission.

227. Housing, generally, and commercial and industrial uses particularly, are the aspects to be considered in this connection. When we are thinking of rapid industrialization as a main source of relief to the agrarian economy, and when housing has become an acute problem in rural as well as urban areas, it would not, in our view, be proper to impose any stringent restrictions on the conversion of agricultural land to non-agricultural uses. A certain measure of conversion incidental to the expansion of industry and business and to ampler provision of house-sites, generally all over, and particularly in relation to the growth of municipal areas, is inevitable and should be allowed. This problem, in our view, has not assumed the dimensions of a serious inroad into agricultural land. As to the type of lands that may be chosen, when several alternatives are possible, the builders or other industrial users will normally choose the cheaper type of lands. There already exist in the Municipalities, District Boards and Panchayats Acts certain restrictions on the use of premises for industrial or other purposes. For companies which contemplate operations on a large scale, the intervention of the Government for the acquisition of land and provision of other facilities will be usually sought. And this would allow an opportunity to see that in the choice of sites agricultural interests are not affected to a greater degree than is unavoidable. On these considerations, therefore, we hold that no special measures are called for to control the conversion of land to non-agricultural use beyond the existing powers available under the local and municipal laws and the provisions for licensing, etc.

228. As regards the question of altering the basis of assessment in cases where lands are converted to non-agricultural use, we propose to deal with it in our Second Report.

## CHAPTER XI—PROBLEMS OF AGRICULTURAL LABOUR.

### 1. Questions Relating to the Fixation of Minimum Wages.

229. Though wages follow in the wake of a general rise in prices, there is usually a time lag due to the labourers being poor and ignorant and lacking in organisation.

230. In Sayana's book, Agrarian Problems of Madras Province, the following tendencies relating to agricultural labour have been mentioned :—

" There has been no considerable rise in wages in kind and these are being rapidly replaced by cash wages. There has been a steady rise in cash wages but it has been insignificant when compared with wages of industrial and urban labour. There is

a widespread impression that efficiency of farm labour is diminishing. There have been difficulties over food and housing, and there has been a spread of ideas of socialism and communism."

231. We have no hesitation in holding that it is necessary to improve and sustain the lot of the agricultural labourer and one of the essential measures in that connection is to secure fair wages for him. It is in fact superfluous now to canvass the question of minimum wages for agricultural labour since the Minimum Wages Act is already on the Statute book. We will only add that we agree with the Congress Agrarian Reforms Committee that it is imperative that the State Government should take appropriate steps as early as possible to implement the provisions of the Act in respect of agricultural labour.

232. There are two ways open to the Government under section 5 of the Act:

either they could appoint a Committee to hold enquiries and to advise the Government in this behalf, with such sub-committees for different localities as Government may deem fit to appoint to assist such a Committee; or

the Government could straightaway notify in the Gazette their proposals for fixing minimum wages for the information of persons likely to be affected, and specify a date, not less than two months from the date of the notification, on which these proposals will be taken into consideration by the Government.

As far as we are aware, there are no data ready for adoption of the second of these methods; and in our view the collection of such data can be satisfactorily done only by the first method; we consider therefore that the first method is the appropriate one for Government to adopt. Our Committee cannot obviously be the Special Committee contemplated under Section 5 (1) (a) of the Minimum Wages Act. Elaborate enquiries through local committees would be necessary. All these committees will therefore have to be set up separately by the Government under the Act. Our Committee can only suggest for the acceptance of the Government certain general principles which might be followed by these committees.

233. We extract below in full for ready reference certain principles suggested by the Congress Agrarian Reforms Committee in the matter of fixation of wages—

"We recommend that the daily minimum wage of a casual labourer (agriculture) should be so fixed as to provide his minimum daily requirements during the period of employment. Since there are many kinds of work needed for the cultivation of any crop, and in most places there are more than one crop, the minimum piece as well as time rates of wages to be paid should be carefully worked out. Even to-day wages are generally paid in kind consisting of certain quantities of local standard of the grain of the crop

raised as well as some amount of food, clothing, housing, etc. Standardisation of wages for each season in terms of different crops is necessary. Wages in kind should be so determined that the cash equivalent would be enough to meet the ordinary expenses of living of agricultural workers. Cash wages should also be fixed with regard to local costs of living as well as the general standard of living of the local workers. There should be suitable provisions for seasonal wage payments as well as payments of annual salaries.

The Wages Board, keeping in view the local usage, should prescribe for different areas and different crops and for different pieces of work, standards of minimum efficiency of work. Minimum wages to agricultural labourer should depend on the fulfilment by agricultural labour a standard of minimum efficiency laid down by the Wages Board, provided labour is given proper facilities of work. Wages would be paid in cash or kind with the option of the agricultural labourer to accept the payment in kind or partly in kind and partly in cash or entirely in cash."

We are entirely in agreement with the Congress Agrarian Reforms Committee on these principles and recommend that they may be accepted.

234. We further consider that a rough and ready working principle to adopt in fixation of wages would be to equate wages with the customary payment in kind according to the existing price levels, and then to add a small percentage for getting an approach to living standards. We would emphasise in this connexion that no attempt should be made to base wage levels on an artificially high standard of comfort for the labourer since such an attempt would break the agricultural economy.

235. We would further emphasise that fixed hours, standardization of holidays and the like, are alien to agricultural conditions in this country, and should not be imported indiscriminately.

236. The Congress Agrarian Reforms Committee have suggested that men and women should get equal pay. We agree that there should be equal pay for equal work for men and women. "Equal pay for equal work" implies that the work is, in fact, equal. Where the existence of unequal pay is but the reflection of the fact that the actual work done is not, in many operations, equal, differentiation would be justified and may be allowed.

237. The Congress Agrarian Reforms Committee have suggested prohibition of the employment of children below a certain age. In our view what is important is that only the employment of children during school hours should be prohibited—and that may be done in the interests of compulsory education in areas where that is in force. Subject to this condition, there need, however, be no absolute prohibition of employment of children. It may be left to the educational authorities to so adjust the school hours as to leave the children free during the busy seasons or operations.

Employment of children on agricultural operations during those free periods need not be objected to, as conditions of work are different from those in a factory, and employment of this kind is in consonance with the existing trends in education, that is, making it craft-centred.

238. As regards Wages Boards entrusted with the responsibility of fixing wages, we consider that they should be the same as the tribunals set up to adjudicate on fair rents—consisting of the Revenue Divisional Officer as Chairman, with representatives of landlords, of agricultural labourers and of tenants as members. It would be necessary to constitute this tribunal as the appropriate committee under the Minimum Wages Act, 1948 so that they could function under the Act and be clothed with appropriate powers.

239. There need be no appellate tribunals to hear appeals from the decisions of the Wages Board. Under the Minimum Wages Act (Union Act XI of 1948) there would be a State Advisory Board to advise the State Government on matters of large policy and bring about co-ordination; that, we consider, is adequate.

240. As regards the Inspectorate contemplated under Section 19 of the Minimum Wages Act, it should, in our opinion, form part of the Harijan Welfare Department; the Rural Welfare Department will be the Administrative Department in the Secretariat. As a very large proportion of the agricultural labourers are from the Harijan classes, we consider that the entrustment of this work to the Harijan Welfare Department would not only be conducive to the uplift of the Harijans and the backward classes but also result in economy and higher level of efficiency in the administration of this department.

241. We have already stated that the Wages Boards should be constituted as the appropriate committees under the Act. The advantage of this will be that the Revenue Divisional Officer will be brought into the picture more actively in the matter of Harijan Welfare than in the past.

242. In our view it is desirable that care should be taken in fixing the minimum wage, to fix it at what would constitute " fair wages " for agricultural labourers which both the parties, the employer and the employee, would be bound to accept. If this is not done, there is the danger of labourers holding out for something more than a mere ' minimum ' prescribed under the Act, and of consequent disputes and unrest, necessitating the intervention of Government at various stages and in various ways. If, on the other hand, ' minimum wages ' are declared to be ' fair wages ' as proposed, there should be no room for further disputes, and if there should be any, the authorities would be in a position clearly and unreservedly to support the party that is agreeable to the acceptance of ' fair wages '.

243. We would like to emphasise a point which has not been made sufficiently clear in the Congress Agrarian Reforms Committee's report, viz., that slightly different wages will have to be prescribed for casual labour, seasonal labour, annual labour and permanent farm-servants.

244. Where labour is given perquisites in kind such as free house-sites, or backyards or allotments for cultivation, or clothes at specified seasons, we consider that they should be defined and their cash equivalent fixed, when making the necessary adjustments of wages in cash.

245. The wages should be fixed in advance of the agricultural season and the matter should be published in every village.

### 2. Relief of Indebtedness.

246. The relief of indebtedness of agricultural labourers, in our view, should be dealt with as part of the general programme to relieve agricultural indebtedness. The question of giving them off season employment and facilities for credit should also form part of the general programme. These questions are strictly outside the purview of our Committee but we would recommend that in all such schemes the agricultural labourer should receive prominent attention and preferential treatment.

### 3. Employment Exchanges.

247. While dealing with the necessity for an employment exchange for agricultural labour the Congress Agrarian Reforms Committee have observed—

"The need for an all-India Employment Exchange of agricultural labour could be realised if we take into consideration the uneven nature of the supply of agricultural labour in different provinces. While the labour exchanges would greatly facilitate mobility of labour by spreading information about the demand and supply of labour in different regions, transport facilities at concessional rates should be placed at the disposal of the agricultural labourers. The workers' trains are common in Denmark and Norway. In Finland during the winter when agricultural work decreases, the unemployed agricultural worker can easily migrate to forest regions on account of excellent transport facilities provided by the State. While touring in the different provinces we found large number of agricultural labourers going for harvesting and transplantation work from one place to another on foot. Most of them had to cover long distances under difficult conditions. We do recommend special concessions as well as special railway accommodation for agricultural labourers. Special rest centres may also easily be established with the help of local bodies."

We would observe that even in the more manageable sections of industry and professional employment, where it is easier to establish contact between the prospective employer and employee,

it has been found difficult to work the employment exchanges. Migration of agricultural labour is seasonal and is generally confined to well defined limits and areas. We are therefore sceptical about the necessity for employment exchanges on an elaborate scale under present conditions of agricultural labour; we are doubtful about their being helpful in this field.

### 4. Workers' Trains.

248. As regards the provision of workers' trains we would recommend that if local investigation discloses the existence of large scale movement of labour, necessary steps should be taken to provide concessional travel facilities for such migrant labour. We doubt the utility of any elaborate arrangements for rest centres on the scale contemplated by the Congress Agrarian Reforms Committee.

### 5. Housing.

249. Housing of agricultural labour in our view is really a most important problem and should receive the highest priority. The Harijans form the bulk of agricultural labour and we are aware that the Harijan Welfare Department has been actively seized of this problem, and that grants are made in the budget annually for providing house-sites to Harijans. The Department is also concentrating on those areas where special difficulties are encountered, as in the Tanjore district. If progress is held up by the existence of the condition that the beneficiaries should meet a portion of the cost, or execute a bond to meet a portion of the cost in instalments, in the scheme for acquisition of house-sites under the ægis of the Harijan Welfare Department, we are of the view that Government should waive that condition and themselves meet in full the cost of acquisition.

250. In cases as in Tanjore, where the agricultural labourers have been in occupation of the present house-sites over long periods of time, if an examination of the problem, including the legal aspects, discloses that occupancy rights could be conferred on them without payment of compensation, such a step may be taken; if the sites can be made available only by acquisition on payment of compensation that should be done at the cost of Government as indicated above; but in either case the step should not be taken if it inflicts undue hardship on the land-owner by making it impossible for him to bring in a new labourer to cultivate the holding to which the house-site is an appurtenance; in such cases, and in all other cases generally, alternative sites should be provided for them elsewhere by acquisition at Government cost, but the land-owners of the original sites may also, if possible, be made to bear a share of the cost. In the case of tenants or labourers occupying 'manaicuts' belonging to the landlords, they should not be evicted until alternative arrangements are made for their accommodation and immediate interim legislation may be resorted to

for this purpose. It is expected that the arrangements for providing alternative accommodation will be made with the utmost expedition possible.

251. It is alleged that in some localities conditions of agricultural serfdom exist. Whether they exist, or not, agricultural serfdom clearly infringes the scheme of Fundamental Rights in the Constitution Act, particularly Article 23 (1). We are aware that in the off season the agricultural workers take advances from the landlords in order to eke out their living, and when work is available the labourers work in the landlord's farm and work off their debt. But a system whereby the labourer is tied down to his creditor and is bound down to him is indistinguishable from forced labour. And, in our view, and in this matter we are entirely in agreement with the Congress Agrarian Reforms Committee, forced labour of any kind should be made a cognizable offence and the taking of service in repayment of loans should be prohibited. We would recommend that legislation should be undertaken in terms of Article 23 (1) of the Constitution Act to enforce this provision.

### 6. Facilities to acquire Land.

252. One of the most effective methods of amelioration of the position of landless labourers would be to give them facilities to acquire land. In our view the landless agricultural labourers should have first preference for all available Government lands. Whenever under the terms of assignment the value of the land has to be paid, loans should be advanced to them freely by Government or through the co-operative societies. We are aware that under the policy of assignments laid down in G.O. No. 1523, Revenue, dated 11th June 1948, political sufferers are given the first preference and ex-servicemen the next preference. The landless labourers come third, but they are protected to the extent that land under the occupation of landless poor persons, if it had been occupied before the crucial date, 1st May 1948, should not be taken away from them for assignment to political sufferers or ex-servicemen. However, the net effect of the Government Order as it now stands is there cannot be much scope for assignment of lands to landless labourers so long as there are some unsatisfied applicants in the higher priority categories. So, we would particularly recommend that the processes in connexion with the assignment of land to political sufferers and ex-servicemen should be concluded in as short a period as possible, say, by 31st March 1951, so as to make lands freely available to landless labourers, who should always be given first preference in any grants, whether in isolated bits or in large blocks of land that might be available, or hereafter become available, for cultivation.

### 7. Organization of Agricultural Labour.

253. As regards the organization of agricultural labourers there are some inherent handicaps. The labourers are scattered and it

is difficult for the union officials to bring them together easily. Non-membership does not carry the same penalties as in industries or factories. Subscription means a comparatively greater inroad into the slender resources of the agricultural labourers. But in spite of these handicaps there is no doubt, in our view, that the formation of unions of agricultural labourers is essential, and should be encouraged, in order to ensure a proper atmosphere for the implementation of the policy of fair wages and proper conditions of work.

254. The interests of the tenants and labourers are generally conflicting and divergent and we agree with the Congress Agrarian Reforms Committee that they should have separate organizations.

255. The Congress Agrarian Reforms Committee have suggested that agricultural labour and factory labour should be under the same organization. We are unable to agree with them. One of the reasons urged by them is that factory workers are recruited from the peasantry; but that cannot constitute an essential link between them afterwards. The types of problems arising in agricultural employment and industrial employment have very little in common and may even be conflicting. Another ground urged by them is that otherwise a strike in a factory could be broken by importing blacklegs from the countryside, and an agricultural strike could similarly be broken by employing the unemployed labour from the factories. We consider that it is not correct to think of the problem of labour organization mainly in terms of strikes, for one thing; and, for another, the formation of unions should be determined by the similarity or identity of interests, and the lumping together of two dissimilar groups merely on the principle of eliminating potential blacklegging would be definitely incongruous. We, therefore, recommend that agricultural labour should be organized separately from urban labour.

256. We would invite attention to the following passage in the dissenting minute to the report of the Congress Agrarian Reforms Committee—

"It is the imperative duty of the State to so re-organize the social and economic relations between cultivators and agricultural workers as to make it unnecessary for either of them to contemplate with any sense of social justice, any resort to lock-outs or strikes and to proceed to assure cultivators, remunerative prices and workers decent wages. If in spite of these precautions either lock-outs or strikes come to be organized, it should be the duty of the State to take necessary precautionary steps to ensure the continued agricultural operations in the countryside."

We are entirely in agreement with these views.

257. There is a suggestion in the minute of dissent to the report of the Congress Agrarian Reforms Committee that the Government should collect the membership dues of the agricultural

unions. The examples cited there relate, however, to collection by employers or by co-operative societies and not by agencies of the State. In our view, it is not good on principle that State agents should collect trade union dues. It would not make for healthy trade unionism, and there would be the danger of serious interference with individual liberties by the State exercising the weapon of collecting membership dues (or failing to exercise adequate diligence in collecting dues) to stifle any trade union or organization which may prove itself embarrassing to the party in power. An organization depending on the good will of the Government and their collecting agents for its funds may sometimes be placed entirely at the mercy of the party in power. Particularly in areas where there are two organizations, one identifying itself with the party in power and the other opposed to the party in power, even where the authorities are scrupulously fair, the Government will not be free from criticism of abuse of powers, and the position of the local authorities will often be extremely difficult and irksome and they will be handicapped in dealing with situations when strikes are threatened or are imminent. Under the circumstances, therefore, we disagree with the suggestion in the minute of dissent that Government should collect the membership dues of the agricultural labour unions.

258. It is also very important, in our view, that these unions should not become mere tools of political or mass propaganda. In order to secure that object, we recommend that it should be laid down that the preponderance of office bearers of agricultural unions should be from the ranks of agricultural labourers, and that membership of primary unions should not extend to more than one village, and that these unions should not be affiliated to any political parties (though they should be free to affiliate themselves to unions similar to their own, or to larger associations in their own hierarchy, e.g., zonal or State federation or other Central Organization).

### 8. Plantation Areas.

259. We intend our proposals under the various sections of this Chapter to be applicable to Plantation areas also generally, i.e., except where the problems concerned are proposed to be dealt with by separate enactments specially intended for those areas. In this connexion we would like to recall that during the course of our Report we have referred to " plantation areas " in a number of places—particularly paragraphs 16, 17, 50, 90, 105, 182, 201 and 211. When we say plantation areas, we have in mind those hill tracts in which mainly crops like tea, coffee, cardomum, cinchona, etc., are grown on a plantation scale, i.e., in larger units and by investing a considerable amount of capital and resources. Our reference is to those tracts, and not to crops of the same group when they are raised outside those tracts.

## CHAPTER XII—SPECIAL ORGANIZATION FOR LAND MANAGEMENT—RECOMMENDATIONS OF THE CONGRESS AGRARIAN REFORMS COMMITTEE EXAMINED.

260. The Congress Agrarian Reforms Committee envisage the setting up of a Central Land Commission to co-ordinate the activities of the Provincial Land Commissions (State Land Commissions), and a State Land Commission at the State level, with regional authorities between it and the village communities, and having as its executive agency a Rural Economic Service.

### 1. Management and Control by the Village Community.

261. Starting at the lowest level of the organization, the village community, the Congress Agrarian Reforms Committee think of it as the basis of all agricultural planning, and propose to vest in it powers relating to sub-letting (tenancy) and transfer of right of cultivation, fixation of the reasonable value of cultivating rights in land, management of waste lands, forests, pathways, water channels, village sites, pastures and other village common, and also the right of collecting rent rates and making over the stipulated demand to the Land Commission.

In the minute of dissent it has been pointed out that the village community and the agricultural community need not necessarily be co-extensive, and that therefore there should be one body for civic purposes—the panchayat—and an Agricultural Council for agricultural purposes.

262. It has already been pointed out that the proposals of the Congress Agrarian Reforms Committee regarding prohibition of tenancy and connected matters are largely unacceptable : therefore, the question of vesting the related powers with the panchayat does not arise.

263. Management of porambokes is more a civic than an agricultural matter. Suitable provisions have been made in our Panchayat Act and it is not necessary to go further than that.

264. In regard to purely agricultural matters, it is not clear what the relationship is to be between the Panchayat or the Agricultural Council, and the multi-purpose co-operative societies (which are also envisaged by the Congress Agrarian Reforms Committee), or other forms of co-operative societies which are proposed by us. All operational details could well be left to these co-operative societies and it is not obvious what further activities or control the Panchayat or the Agricultural Council would have to direct without their coming into conflict with, or their functions overlapping those of, the co-operative societies, which themselves would be democratically organized bodies. As regards planning and control, on specific items like crop planning, the village units could only be the

executing agencies, and we have already observed in an earlier paragraph that there is no special advantage in entrusting the execution to the village communities or panchayats rather than to the ordinary official agencies. Planning and control, as observed by us, should be at the appropriate zonal, State or All-India level, and not at the village level.

265. Matters of irrigation transcend village limits, as do the agencies in charge of them. The management of these cannot be put in the hands of village communities.

266. Land revenue assessment is an important matter which transcends village limits too. The Congress Agrarian Reforms Committee propose that the Land Commission should arrange for fixing the demand for each village and that even a fresh survey and settlement should be done. Why the existing survey and settlement is to be discarded altogether is not at all apparent—nor what exactly the purpose of the new survey and settlement is to be. And it is not clear on what principles this settlement is to be conducted and on what principle the assessment is to be fixed. Except a casual statement in Chapter VII that the scheme of assessment will vary with the prices, we get no light on this. We are not aware of the implications of the idea of a " consolidated demand " for the village, if, as proposed, the Land Commission is to settle the individual demand of the cultivator also. If the village is to be taken as the unit, on what principle is the demand to be fixed for each village? It is difficult to spell out anything about this proposal except a vague but complete distrust not merely of the existing system of land revenue but even of the present survey. In the note of dissent it seems to be argued that the village community itself will vary the individual assessment, and it is therefore suggested that we should have a uniform provincial or district system of assessment and collection, and the village establishment should continue under the general supervision of the panchayat and without any interference in the day-to-day discharge of their duties. This strikes a more realistic note; but it is impracticable for village officers to be under the supervision of the panchayat without being interfered with in their day-to-day duties. If they are not to be interfered with in those duties, there can be no effective supervision. And what is in fact the supervision that is thought of here? Or its purpose? These are by no means clear. The fact is that methods of levy and collection of land revenue are largely independent of the methods of farming, tenure and cultivation, and in any case they are matters that will have to be dealt with for the State as a whole on uniform principles, and it is quite unnecessary and unjustifiable to tack on duties connected with them to an organization intended for managing cultivation.

267. On these considerations, therefore, we do not agree with the Congress Agrarian Reforms Committee in their recommendation that all agricultural operations should be under the management and control of the village community in the manner envisaged by them.

### 2. Regional Authorities.

268. Between the village unit and the Land Commission, the Congress Agrarian Reforms Committee suggest that there should be some regional authority, to be constituted by the panchayats, and to function as an advisory body. Except a reference to the endorsement of receipts of marketing unions (hardly a function to be entrusted to an advisory body), there is no clear indication of the functions which these regional authorities are to discharge.

### 3. Land Commission.

269. In spite of copious references in various contexts, it is difficult to get a clear picture of the functions of the Land Commission itself.

At page 77 of the Congress Agrarian Reforms Committee Report, it is stated that it would be an apex organization to control the various boards recommended, such as the Provincial Co-operative Farming Board, Provincial Marketing Board, Wages Board, Land Reclamation Board, Provincial Rural Finance Board, and Inter-Provincial River Training Commissions. We have not been able to see where this last has been suggested. Even of the rest, only the Wages Board and the Provincial Rural Finance Board have been specifically mentioned in paragraphs 94 and 80. The others have perhaps to be inferred from the various references to "the appropriate authorities of the Land Commission." Except the Provincial Rural Finance Board (paragraph 80) the composition of these Boards has not been indicated. There is some indication of exercise of independent powers by the Rural Finance Board; there has been no indication of the powers of the rest, and they are generally just referred to as attached to the Land Commission. If these Boards are all to be statutory boards with independent powers, there would be no room for control over them by the Land Commission. If, on the other hand, they are to be merely advisory, and the powers themselves are to be exercised by the Land Commission, a body such as that is hardly fitted to exercise such powers. Apart from the fact that the functions which the Boards in any case will exercise through the Commission are not clear, if the Commission, in the process, is to exercise the kind of general supervision exercised by Government now in regard to the various activities concerned, the Commission is not likely to be a more satisfactory authority than the Government itself for the purpose; it would be more appropriate for the Government to have direct relations with such boards, whether statutory and independent, or merely advisory, without the intervention of another authority such as the Land Commission.

270. Another idea behind the Congress Agrarian Reforms Committee's recommendation appears to be that it would be a better co-ordinating body than the Rural Development Boards set up in the States. The reference is apparently to administrative co-ordinating machinery. But a body like the Land Commission proposed by the Congress Agrarian Reforms Committee composed

of representatives of the people, cultivators, agricultural labourers, Government nominees, technical experts, would be the worst one can think of for administrative co-ordination.

271. At page 78 of their report the Congress Agrarian Reforms Committee refer to the Commission in the context of "Land management," and this is further elaborated by them at page 79, where they say that the Land Commission would practically be in charge of planning, development and management of the rural economy, the centre of gravity of which would be land, covering, as indicated immediately afterwards in the report, the activities now carried on by the various departments of Government—Land Revenue, Irrigation, Agriculture, Cottage Industries, etc. It is not clear whether these departments will be allowed to function separately as now. If so, it is difficult to understand the significance of the claim made by the Committee in this connexion (page 11 of the Report) that they had recommended "a single and integrated machinery with regional units composed of different elements—officials, experts and representatives of the agricultural population, with all the powers and responsibilities at present vested in various departments dealing with the problem of agrarian economy." If the idea is that these departments are all to be merged, the utter impracticability of the proposals would at once be apparent.

272. The Congress Agrarian Reforms Committee then go on to draw a distinction between general policy and administrative policy, and to claim autonomy vis-a-vis the Government regarding the latter to the Commission. Policy in respect of agrarian reforms should be laid down by Government. If it is so laid down, it is difficult to see what sphere of policy remains to the Commission to operate in, which could legitimately be called administrative policy. If, by this expression, the Congress Agrarian Reforms Committee meant only the pace and method of implementation, it is extremely doubtful whether this is the type of body fitted for it. Presumably the existing departments would be left more or less intact. The question would then be co-ordination, control or management. As an agency for general co-ordination, this miscellaneous body, as mentioned already, would not at all be suitable. As an agency for general control it would be even worse, and it would be quite unthinkable that the working of all these departments should be put under such a body and that Government should be divested of control. The day-to-day working of the machinery would break down, and all disciplinary matters would become chaotic. Actual management by such a body, in the place of Government, of the affairs of these departments, is utterly impracticable and out of the question.

273. In page 80 of their report the Congress Agrarian Reforms Committee have referred to planning, and to the planning and development over which the Commission would have complete administrative control. But how is planning to be divorced from general policy, and development divorced from administration through the various departments?

274. Passing on to the specific duties assigned to this Land Commission suggested by the Congress Agrarian Reforms Committee, one of them is to take over expropriated lands (paragraph 15 of the report). Under our proposals the field for expropriation would be limited. Apart from that, the work relating to this would be one of detailed administration, and a body like the Land Commission would have little useful to contribute to it.

275. Another function proposed by the Congress Agrarian Reforms Committee is the laying down of priorities regarding transfers of land (paragraph 35). Under our proposals, apart from the prohibition of alienation to non-cultivators, there would be no restrictions on transfers. And here again, once the general provisions have been laid down by Government as a matter of policy, decisions in individual cases should rest with local officers or Tribunals, and the Land Commission as such will not be in a position to carry out any of these functions satisfactorily.

276. Another group of duties proposed for the Land Commission is the management of lands which are under religious, charitable and educational institutions. More effective arrangements are already in existence here and a body like the Land Commission cannot satisfactorily replace the Hindu Religious Endowments Board on the one hand or the Government on the other. As an extra body it would obviously be superfluous.

277. Yet another group of functions suggested by the Congress Agrarian Reforms Committee for the Land Commission is the control of agricultural operations, planning, crop control, manures, seeds, insurance (paragraph 37). Planning proper, on the plane of policy, is admittedly the function of the Government. Measures like crop control and insurance, in terms of policy, have also to be laid down by the Government—it may be even at the Union Government level.

278. Administration must be by executive machinery through existing departments, or a separate department created for the purpose. The Land Commission is hardly the type of body to control or supervise these departments.

279. It has further been suggested in paragraph 38 of the report of the Congress Agrarian Reforms Committee that the Land Commission and the authorities subordinate to it will control the conversion of land to non-agricultural use. Here too, between the laying down of a general policy by Government, and its execution by administrative departments, there is no intermediate sphere where a Land Commission can usefully intervene.

280. It has also been suggested by the Congress Agrarian Reforms Committee that the Land Commission should be in charge of assessment of demand under Land Revenue and its collection (paragraph 40). We have indicated in paragraph 266 above that this work cannot be done through village communities. If it is to be done through the existing agencies, the intervention of a body

like the Land Commission would be quite inappropriate. Principles of assessment should be uniform for the whole State, and these principles can be laid down only by the Government. The executive agency for collection, whether under the present system of land revenue, or anything in replacement thereof, cannot be placed under the control or supervision of a Land Commission of this kind.

281. Reference is also made to the Rural Finance Board to be attached to the Commission (paragraph 80). Whatever may be the necessity for such a Board, there is no clear indication of the functions which the Land Commission itself will discharge in relation to such a Board.

282. In paragraph 84 of the report, in connexion with marketing, the Congress Agrarian Reforms Committee have indicated that authorities working under the Land Commission might countersign receipts for goods in licensed warehouses. But for transactions like this, it is not essential that there should be a Land Commission with authorities subordinate to it.

283. It has also been suggested that a Wages Board should be attached to the Land Commission. But even if a Wages Board were to be set up, it is not clear what functions the Land Commission could perform in relation thereto, particularly in view of the provisions of the Minimum Wages Act.

284. In paragraph 110 of the Congress Agrarian Reforms Committee's report, it is suggested that land reclamation should be done under the auspices of the Land Commission and should be supervised by a Board of Experts attached to the Commission. There may be a case for a separate organization and for a body of experts, but these can very well work in direct relation with the Government and it is not clear for what type of functions the Commission will be required.

285. And most important of all, the composition of the Land Commission itself hardly bears critical analysis. It is to consist of representatives of the people, representatives of cultivators, representatives of agricultural labourers, Government nominees and technical experts. The total number, and the numbers under each head, have not been indicated. It is not clear what type of representation is intended to be secured by Government nomination. It is not also clear whether the technical experts contemplated by the Congress Agrarian Reforms Committee would be the heads of technical departments of the Government. It is not indicated how representatives of the people, of cultivators and of agricultural labourers are to be chosen. If by election, by whom? By the people? If so, is the Land Commission to be a parallel legislature? What is the point in having another body with "representatives of the people" in it when the legislature is composed of representatives of the people? Representation in the legislature is taken as reflecting all shades of opinion, and group representation is appropriate only in the case of advisory bodies or

other *ad hoc* bodies set up for specific purposes. What is the point of putting in representatives of cultivators and labourers, in contra-distinction to, but along with, representatives of the people, in a statutory body having a wide range of functions normally associated with Government itself? On the other hand, if these representatives of the people, and of cultivators and labourers, are to be merely nominated to the Commission, that would detract from the autonomy claimed for the Commission, and would diminish the justification for Government delegating its functions to such a body. The whole conception, to our mind, seems a medley of a Corporation, a Parliamentary Sub-Committee, an Advisory Board and an Assembly savouring of Syndicalism and the Corporate State.

286. The most essential fact overlooked by the Congress Agrarian Reforms Committee is that land and its problems cannot be isolated from the other problems of Government. These problems may be the pre-occupation of the vast majority of the population; but while that would justify their being the main pre-occupation of the Government also, it would not justify the setting up of a body which would divest the Government of its legitimate functions in the administration of these problems. The activities of these departments extend to spheres outside the land and its problems even in the rural areas, and particularly, in the case of the Revenue Department, cover the whole field of administration and executive action. It would be impracticable, and it would be merely creating confusion, to put all these departments under the control of a body like the Land Commission.

287. We are therefore definitely against the creation of a body like the Land Commission envisaged by the Congress Agrarian Reforms Committee and of regional authorities under it; but where *ad hoc* advisory or other committees or boards are necessary for any specific purpose, they may be set up; only, they should carry on their work in relation to the Government or its departmental agencies.

### 4. Statutory Advisory Boards.

288. Nevertheless, we consider that some arrangements are necessary to ensure co-ordination between the several departments and agencies concerned with the agrarian economy and to secure non-official advice also, so that policies and programmes could obtain public support and be executed expeditiously and efficiently. We recommend, therefore, that advisory boards should be set up on a statutory basis at the District and State levels, to give advice on matters relating to the agrarian economy and to secure co-ordination of the work in the several departments. The State Government, or the other relevant authorities, when they do not accept the recommendation of the advisory board, should record their reasons. These advisory boards at the district level may be called the District Agricultural Councils, and should consist of the Collector of the district, all Members of the Legislature in the district, the president of the District Board, prominent individuals in the district

(to represent unrepresented interests) nominated by the Government on the recommendations of the Collector, and district heads of departments concerned with rural problems such as the District Agricultural Officer, the Deputy Registrar of Co-operative Societies, the District Veterinary Officer, the Cottage Industries Officer, if any, the District Forest Officer, the District Health Officer and the District Industries Officer, if any. The Collector should be the President of the Council. At the State level, the Advisory Board should consist of the corresponding heads of departments including Revenue, one member of the Legislature from each district to represent the district elected by the Legislature, three persons to be nominated by the Government and the Economic Adviser to Government.

### 5. Rural Economic Service.

289. In dealing with the Land Commission we have indicated how in the ultimate analysis any attempt to replace the existing departments of Government altogether would be unthinkable and any arrangement to put these departments under the control of the Land Commission would be unworkable. For the rest, it is difficult to see what work remains to be done by a subordinate agency such as the Rural Economic Service which would be outside the purview of the departments and which would necessitate the formation of a separate service like the Rural Economic Service. Paragraph 60 of the Congress Agrarian Reforms Committee's report which deals with this subject is high sounding, but, in our view, vague. The only concrete reference to this service is in paragraph 47 of the report where the rural economic service has been mentioned in connexion with propaganda for the formation of co-operative joint farming. This would hardly be a justification for a full-fledged service. There might be some point in saying that recruits for departments dealing with rural areas and rural problems should have special training in these problems. But apparently that is not the idea of the Congress Agrarian Reforms Committee; for it has indicated that the existing departments would continue and furnish a pool only until the Rural Economic Service is formed. The necessity for such a service, and the functions it is to perform, are, however, anything but clear.

290. The method of recruitment proposed is by no means satisfactory, either. The educational qualification is low. The selecting body is not well defined. There is to be a representative of the regional body of the Land Commission, a body the composition of which has itself not been defined. There is to be a representative of the regional kisan organization; but there is no official recognition of any such organization so far as we are aware, and there may be many in the field or none at all. Then there is to be the principal of the local college; but in the particular region there may be no college or there may be more than one. A non-official chairman is suggested who is to be a person known for constructive work in rural reconstruction. We take it that this has not the technical significance of a reference to the Congress

programme; for if it had that significance, there would be the objection that party politics are being imported into recruitment for Government service. Even so, a selecting body composed on these lines would hardly command the same confidence and respect that a Public Service Commission would. The candidates are to be trained for a period of five years and it is the impression of the trainers, not an examination, that would decide the proficiency of the candidates, but no indication is given as to who these trainers would be. It is surprising, altogether, why even if there is need for a Rural Economic Service, the Congress Agrarian Reforms Committee should feel that it should not be recruited through the usual channels. Without entering into the question whether the stigma against the existing services is merited, it has to be pointed out that in any case it would properly apply only to persons already recruited before the advent of Independence, and as far as new recruits to any of the services are concerned, the material to be tapped will be the same in equipment and outlook. One does not get a bad set of people merely by recruiting them to the older services; nor will one get a different and good set of people merely by calling it a Rural Economic Service. To use a homely phrase they will come from the same drawer. And there is no justification for lowering the qualifications and taking them from a bottom drawer.

291. As we have already stated, there is no need for a Land Commission and authorities subordinate to it; the question of a Rural Economic Service to be attached to the Land Commission does not therefore arise. If, however, such a service is needed for any specific purpose, to work under the Government, the proper way will be to have it recruited through the usual channels and to have such special training as is necessary laid down for it.

### 6. Land Tribunals.

292. The Congress Agrarian Reforms Committee have sug-sugested the setting up of Land Tribunals to which the following functions will be allotted :—

In a scheme of restrictions on transfers of rights in land, the determination of the values of the land to be transferred; the imposition of the rules of good husbandry; the fixation of fair rents and the commutation of rents; the preparation of a record of rights for protected tenants; implementing the decision of the Wages Board; and settling disputes between landed and landless peasantry peaceably with the help of an Inspectorate.

293. Under our proposals there will be no need for any authority to fix land values in the case of tranfers of land. We have held that there is no need to impose any test of good husbandry. We have recommended the setting up of Land Tribunals in the scheme of fixation of rents, and we have recommended that those tribunals may function also as Wages Boards in the scheme of fixation of wages. We have suggested that the Inspectorate should be independent of them and should be attached to the Harijan

Welfare Department. We consider that certain incidental duties arising from some of our other proposals may also be entrusted to these tribunals.

294. According to our proposals, the composition and functions of the Land Tribunals will be as follows :—

The Land Tribunal should consist of the Revenue Divisional Officer as Chairman, with representatives of the landlords, of tenants and of agricultural labourers, as members. (We have also indicated that the Revenue divisions as they stood before the separation of the judiciary may have to be restored.) Its functions would be—

(i) adjudication of fair rents and connected matters, excluding suits for the recovery of rents;

(ii) to advise on minimum wages under the Minimum Wages Act;

[For this purpose these tribunals should be incorporated as the appropriate committees under the Minimum Wages Act, 1948 (Union Act XI of 1948).]

(iii) grant of exemption in cases of exchange of land for purposes of consolidation, treating them not as cases of sale which would curtail the permissible extent of maximum holdings;

(iv) grant of exemption from the restrictions relating to maximum holding where companies and similar associations, or individuals, propose to purchase undeveloped lands in private holdings;

(v) dealing with cases of violation of the provisions relating to maximum holdings, ordering forfeiture of the land which is in excess, and disposing of the land;

(vi) grant of exemption from the provision prohibiting the alienation of land to non-cultivators to enable purchase of undeveloped lands in private holding;

(vii) dealing with cases of purchase of land by non-cultivators, ordering forfeiture of the land and disposing of the land;

(viii) dealing with cases where intending cultivators take lands on the prescribed certificate and default later on, ordering forfeiture of the land and disposing of them;

(ix) giving exemption to the landholders from the limit of personal cultivation in cases where no tenants are available;

(x) giving exemption to landholders or tenants from the limits of personal cultivation when the working of the provisions would involve the hardship of severance of strips which cannot be independently cultivated;

(xi) giving exemption to landholders and tenants from the limits of personal cultivation when undeveloped land is proposed to be taken up;

(xii) giving permission to religious and charitable institutions to take up personal cultivation when tenants are not available; and

(xiii) dealing with cases where landlords and tenants have exceeded the limits of personal cultivation.

295. Except in the exercise of its function as a Wages Board, where the tribunal would be within the framework of the Minimum Wages Act, an appeal against the decision of the tribunal shall usually lie to the Collector of the district. The Board of Revenue shall be vested with revisionary jurisdiction over the decision of the Collectors in the same manner as the Collectors' orders and actions in revenue matters are subject to review and revision by the Board of Revenue. These arrangements for appeal and revision would, we may remark incidentally, apply also to the cases where the Revenue Divisional Officer himself, i.e., independently of the tribunal, functions as a Revenue Court.

### 7. Separate Funds for Land Commission.

296. The Congress Agrarian Reforms Committee have suggested that a separate fund should be set apart for the proper functioning of the Land Commission. Their intention is that the funds placed at the disposal of the Commission should be passed by the Legislature as consolidated fund grant, and they have also suggested the earmarking of certain items of revenue for transfer to the Land Commission. In view of our recommendation that there is no need for a Land Commission, the question of a separate fund will not arise. Even otherwise, we consider that funds should be administered only through the existing Departments of the Government and funds allotted for the Land Commission (if any) as such, only as a Department of Government. The conception that the Commission itself should receive all income arising from agricultural and connected sources, and administer it as a consolidated fund, is, we consider, fundamentally unsound. The receipts are mostly by general taxes, which should go to the support of Governmental activities as a whole; and the objects of expenditure are not very clearly defined, either.

### 8. Agrarian Reforms Commissioner.

297. One of the recommendations made by the Congress Agrarian Reforms Committee is the immediate appointment of an Agrarian Reforms Commissioner to initiate the agrarian reforms recommended by it. In view of our earlier recommendations, we consider that such reforms as we have proposed can be administered through the existing agencies with such additions as may be required, for example, the Land Tribunal. The appointment of a separate Agrarian Reforms Commissioner is unnecessary, in our view.

## CHAPTER XIII—APPLICABILITY OF RECOMMENDATIONS TO SPECIAL AREAS.

298. Under the terms of reference, we have to make recommendations in this first report on the question of improvement and reform in respect of the tenure of holding of ryotwari land, and the conditions of cultivating tenants and agricultural labourers, with specific reference to the points set out under item (*k*) of

paragraph 3 of the Government Order, which has been extracted in Appendix I of our Report. We have been precluded from considering such problems as pertain specially to the tenures in Malabar and to the relationship between landholders and tenants there, as these are regulated by the Malabar Tenancy Act, and the Government have placed before the Legislature, after considering the report made by another Committee on these problems, a Bill to amend the provisions of that Act, and also to extend its applicability to certain parts of the South Kanara district and one taluk of the Nilgiris district. Recommendations outside this excluded group can, however, be properly held applicable to the area covered by the Malabar Tenancy Act. On the other hand, there are some special factors in the South Kanara district which would require a modification of some of our recommendations in their application to that district, although all other recommendations would apply there as they stand. Again, our recommendations will not ordinarily be applicable to the estates that do not come within the purview of the Madras Estates (Abolition and Conversion to Ryotwari) Act, 1948, but there are some general recommendations which can probably be applied even to those areas. As to the areas which were previously estates but which have now come within the purview of the Madras Estates (Abolition and Conversion to Ryotwari) Act and which have actually been taken over under that Act, they will be non-ryotwari only in the sense that a ryotwari settlement has not been made, and while the recommendations will in the main be applicable, some modifications will have to be made with reference to that fact; in the case of estates which have not been taken over, some further modifications will have to be made. We now proceed to examine the applicability of our recommendations to these three classes of areas calling them 'special areas', and calling the third group non-ryotwari, only for the sake of convenience.

### 1. Area under the Malabar Tenancy Act.

299. Our recommendations in Chapter II relating to certain patterns in farming, and the considerations on which those recommendations have been based, paragraphs 15 to 27 will be generally applicable to the area under the Malabar Tenancy Act also.

300. Our recommendations in Chapter III should also be made generally applicable. In this connexion, it was suggested to us that, in view of the much greater concentration of land holdings among the jammis in Malabar, and in view of the fact that the improvements in Malabar belong to the tenant and not to the landholder, we should make an exception in the case of areas under the Malabar Tenancy Act, and recommend a maximum limit on the existing holdings also, and not merely for future acquisitions. We have carefully considered the implications of this suggestion. We feel that such an exception would make a violent breach into

the integrity of the general principle we have adopted in paragraph 40 of our report, and would be in violation also of the principle that, wherever possible, problems should receive uniformity of treatment throughout the State. We have therefore no hesitation in recommending that there should be no discrimination in the case of areas under the Malabar Tenancy Act in this matter. So, all the recommendations in Chapter III would also be applicable to this area. In particular, we recommend that all intermediaries should also be brought under these provisions.

301. Our recommendations in Chapter IV regarding restrictions on alienation, and the definition of the cultivator, on which those recommendations are based, would also be applicable to this area. The Malabar Tenancy Act carries its own definition of cultivator, but we would suggest that our definition of cultivator should be adopted when applying restrictions on alienation to non-cultivating classes.

302. Our recommendations in Chapters V, VI and VII would also be applicable to this area, and would not need any modification in their application there. Our recommendations in Chapter VIII—Problems of Tenancy—Sections 1 to 8 will not be applicable to the area under the Malabar Tenancy Act, as that Act carries its own scheme for the regulation of the relationship between the landholder and the cultivator and the intermediaries in between, *inter se*; these, in fact, constitute the group of questions which has been excluded from our purview in the terms of reference. But, if a closer scrutiny reveals that there are matters provided for in our report, for which no corresponding provisions are found in the Malabar Tenancy Act, our recommendations, so far as they may be applicable, may be implemented in this area also. As regards our recommendations regarding the limit to personal cultivation of landlords and tenants—section 9 of Chapter VIII—we consider that our recommendation should be made applicable to this area also.

303. Our recommendations in Chapters IX to XII would generally be applicable to this area, and apart from slight local modifications dependent on local circumstances, would not call for any specific departure in principle from those recommendations.

### 2. South Kanara.

304. The two issues of significance in this district, excluding those portions which might be brought under the purview of the Malabar Tenancy Act, by virtue of the amending legislation now on the anvil, are " kumaki " or " kumki " privileges to the " kadim " landholders—those landholders whose grants date back to fasli 1275 or earlier—and the system of leasing on " geni ". We examine below the modifications to our scheme in its application to this district.

305. Our recommendations in Chapter II relating to certain patterns of farming and the considerations on which those recommendations have been based, paragraphs 15 to 27, will be generally applicable to this district.

306. Our recommendations in Chapter III may need some slight modification in respect of the section under Maximum Holdings—paragraphs 41 and 42. We recommend that the question whether any special exemption should be made from the maximum limit of holding in respect of assignment of " Kumaki " lands to the adjoining " Kadim " landholders hereafter will need further examination by the Government. The " Kumaki " privilege is a valued privilege in this district, and the existence of these lands as an appurtenance to these holdings has been considered in the past to be essential for cultivation, particularly from the point of view of providing green manure leaves. We understand that the " Kumakidars " have a pre-emptive right to assignment, when the land is proposed to be assigned by the Government. Any curtailment of this privilege might have repurcussions on the efficiency of agriculture here. Subject to the above, all the other recommendations in this Chapter would be generally applicable to this district.

307. No modifications would be required in the implementation of our recommendations in Chapters IV, V, VI and VII in this area.

308. Our recommendations in Chapter VIII—Problems of Tenancy—would need some slight modifications. There are in this district a certain number of " Mulgeni " leases which are of the nature of perpetual leases. They are peculiar to this district. We would recommend that where the " Moolgenidar " himself cultivates the land he should have the benefit of all the safeguards and shoulder all the responsibilities of a tenant generally, as contemplated in our scheme. Where, however, in such cases, the " Geni ", or the annual payment to the landholder, is less than the fair rental suggested by us, the landholder should not be entitled to ask for an enhancement of the " Geni ", or rent; on the other hand, if the " Geni " payment is in excess of the fair rental, a very unlikely event, the " Moolgenidar ", who takes the place of the tenant under our scheme, should have the right to ask for a reduction of the rentals to the level of fair rentals.

309. Where, however, the " Moolgenidar " himself does not cultivate the land, he will take the place of the landlord under our scheme. And the cultivating tenant under him will be treated as a tenant under our scheme, and he will pay only fair rent to the " Moolgenidar ". In all other matters the relationship between the " Moolgenidar " and the cultivating tenant will be regulated by our scheme of relationship between the landlord and the tenant.

310. There are also in this district " Vayadagenis " and " Chalgenis ". The Vayadageni is a lease for a specified number of

years. Where the term of lease under the existing Vayadageni is less than the minimum period of five years, it should be converted to a lease for a minimum period of five years. Where, however, the period under the Vayadageni is more than five years, there need be no interference with the Vayadageni, so far as the period of lease is concerned. As regards the Chalgenis these are annual leases, running from year to year. Under our scheme these should be converted to leases for a minimum period of five years in future. All these classes of cases, subject to the modifications we have suggested regarding the period of lease, should be governed by all the other recommendations we have made regarding fair rents, security of tenure and safeguards against arbitrary eviction, compensation for improvements, limits on personal cultivation, etc.

311. The recommendations in Chapters IX, X, XI and XII will apply generally to this area even as they would apply to areas under the Malabar Tenancy Act. Some slight modifications will, as in that case, be necessary here also, but they would call for no specific departure in principle.

### 3. Non-ryotwari Areas.

312. As indicated by us the "non-ryotwari" areas fall into three groups—firstly, the estate or zamindari areas which have been taken over under the scheme of abolition of zamindaris; secondly, the areas to which the scheme of abolition is applicable but the estates have not yet been taken over; and thirdly, the areas to which the scheme of abolition of the zamindaris will not apply.

313. Our recommendations in Chapter II, regarding certain patterns of farming examined by us would be applicable to all three classes of areas generally and no modifications would appear to be called for.

314. Our recommendations in Chapter III regarding the size of holdings would also be applicable to all these three classes of areas but with certain modifications in the matter of fixing the maximum limit on future acquisitions. We have, in our general recommendation, suggested a limit with reference to ryotwari assessment. In the case of estate areas taken over by the Government, even prior to the final ryotwari settlement, though there would be no ryotwari assessment in the strict sense of the term, there would be the assessment fixed for the interim period; we recommend that this should be reckoned as the assessment with reference to which the calculation of the maximum limit is to be made. In estate areas liable to be taken over but not yet taken over, the rent fixed under the Rent Reduction operations should be reckoned for the purpose. In those areas where there have not been any Rent Reduction operations, and in those areas to which the abolition scheme does not apply, we would recommend the rent actually payable should be reckoned for the purpose. In the cases coming under the purview of the Abolition Act the person who is held

entitled to ryotwari patta should be deemed to be the equivalent of the ryotwari pattadar under the general scheme, and the intention is that the holdings of these persons should be governed by our general proposals as to the maximum limits.

315. As regards units of profitable cultivation, the enquiry contemplated in paragraph 62 of our report may be made in these areas also, if necessary.

316. Our recommendations in Chapter IV will be applicable to all these areas.

317. Our recommendations in Chapters V, VI and VII may be made applicable to all three classes of areas. As suggested above, in the first two classes, the person entitled to ryotwari patta will take the place of the ryotwari pattadar in the general scheme, that position being reached, for the second class, only after the estates are taken over; for the third class (and for the second until the estates are taken over) the occupancy ryot should be treated as the counter-part of the ryotwari pattadar particularly for the purpose of Chapter VI.

318. Coming to Chapter VIII—Problems of Tenancy, in estate areas which have been taken over, the person held entitled to ryotwari patta should be treated as the equivalent of the ryotwari pattadar. He will be treated as the landholder in our scheme of regulation of the relationship between landlord and tenant under this Chapter, the person, if any, to whom he leases out land being the tenant under this scheme. In the second category of areas under this class, i.e., estates to which the scheme of abolition of the zamindaris is applicable but which have not yet been taken over, our recommendations would be applicable only after the estates are taken over under the Madras Estates (Abolition and Conversion to Ryotwari) Act, 1948. In the third category of cases—i.e., areas which are estates under the Estates Land Act but which do not come under the purview of the Abolition Act—our recommendations will not apply at all.

319. We wish to make it clear, incidentally, that as far as "minor inams" are concerned, enfranchised inams will be on the same footing as ryotwari land and the owner will be the landholder under our scheme, and in regard to unenfranchised inams the inamdar should be treated as the landholder, and in both these cases our recommendations in this chapter will be applicable to the relationships between these landholders and persons, if any, to whom they lease out the lands.

320. Our recommendations in Chapters IX and X apply to all three classes of areas.

321. Our recommendations in Chapters XI and XII would also be applicable to all three classes of areas subject to slight local modifications wherever necessary, but there need be no specific departure in principle.

322. Besides what has been mentioned in paragraph 319, all our recommendations may be made generally applicable to minor inams wherever possible.

## CHAPTER XIV—LEGISLATIVE ACTION ENTAILED BY THE RECOMMENDATIONS.

323. In the course of our report we have generally indicated at the appropriate places, which of our specific recommendations would need legislation for their implementation. We consider it desirable, however, to indicate in one place all cases where legislative action is entailed by our recommendations. Accordingly we specify below the paragraphs in our Report, where the specific recommendation requires legislation for its implementation.

324. *Collective farming.*—Legislation would be required to compel the dissenting minority to come into the collective. If the collective operates outside the scope of the Co-operative Societies Act, special provisions to regulate its working will have to be made by appropriate legislation (paragraphs 25 and 26).

325. *Maximum holding.*—Legislation will be required to fix the maximum limit for future acquisitions and also to provide for specific exemptions and permits for acquisition in excess of the maxima fixed, and for penalties (paragraphs 41 to 51).

326. *Crucial dates.*—An exemption has been proposed in paragraph 40 in respect of existing holdings. Whether or not a holding can be interfered with can only be determined with reference to a *crucial date*. Such a *crucial date* can be fixed only by legislation. It would be appropriate that this should be prior to the actual legislation itself and should be fixed as the date of release of our Report for publication, so that, on the one hand, transactions to evade the provision may not be embarked on, and on the other, transactions made before public notice was had of the likelihood of such a provision being made, may not be affected. In order to avoid a laborious enquiry all over the State, it is better to leave it to the individuals themselves who have holdings larger than the maximum fixed for future acquisition and are entitled to have it undisturbed, to put forward claims to that effect and have their names registered. The legislation would therefore also have to provide for appropriate machinery to receive claims from such individuals, to investigate the validity of the claims and to maintain a register of exemptions in regard to existing holdings.

A *crucial date* has to be fixed for the purpose of paragraph 214 also; the recommendations above would hold good, *mutatis mutandis*, in that connexion also.

327. *Restrictions on alienation.*—Legislative definition is necessary. The definition should exclude joint stock companies, etc., as indicated—paragraphs 69 and 70.

Prohibition of alienation to non-cultivating classes, provision for new entrants to agriculture, purchase by companies, associations, etc., of undeveloped lands in private holdings for the purpose of mechanized cultivation, exemption to minors, females, and disabled persons, and penalties for contravention, etc., all need legislation—paragraphs 83, 84, 90, 91 and 92.

328. *Prevention of subdivision and fragmentation.*—Legislation would be necessary—please see paragraphs 103, 104 and 105 and also 62 of the Report.

329. *Co-operative farming.*—Special safeguards for the new type of co-operative farming society taking lands on lease from private persons will have to be provided for by legislation—paragraph 121.

330. *Problems of tenancy.*—All the affirmative recommendations in Chapter VIII in their entirety would require detailed legislative provisions. In particular we refer to the following paragraphs—

Paragraphs 127, 156, 167 to 182, 185 to 190, 196 to 203, 205 to 212 and 213 to 221.

331. *Control of agricultural operations.*—Legislation will be required to implement our recommendations in paragraph 225.

332. *Wages of agricultural labour.*—Recommendations relating to minimum wages can be implemented by virtue of the existing Minimum Wages Act.

We have referred in passing to the prohibition of employment of children during school hours in areas where the scheme of compulsory education is in force. This is primarily a matter for legislation under the Compulsory Education Scheme.

333. *Housing of Agricultural Labour.*—Legislation would be required—paragraphs 249 and 250.

334. *Agricultural serfdom.*—Legislation in terms of Article 23 (1) of the Constitution Act has been recommended—paragraph 251.

335. *Organization of Agricultural Labour.*—Implementation of the recommendations in paragraphs 255, 258 and 259 would need legislation.

336. *Statutory Advisory Boards.*—Implementation of the recommendations in paragraph 288 would require legislation.

337. *Land Tribunals.*—Legislation would be required—paragraphs 294 and 295.

## CHAPTER XV—ADMINISTRATIVE ACTION ENTAILED BY THE RECOMMENDATIONS.

338. In this chapter we set down briefly the administrative action entailed by our recommendations.

339. *Capitalist farming.*—It would be necessary to watch, if as a result of reforms proposed, this type of farming is being resorted to in an increasing measure tending to serious displacement of agricultural labour—paragraph 16.

340. *Colonization of newly reclaimed areas.*—The recommendations in paragraph 19 have to be implemented by appropriate administrative action.

341. *Lankas.*—The recommendation in paragraph 20, to abandon leases by public auction, if accepted by Government, can be implemented by administrative action; no legislation will be required.

342. *Undeveloped lands in private holdings.*—The recommendation in paragraph 18 requires appropriate administrative action through the Tribunals for the grant of exemptions, after legislation has provided for these exemptions, in respect of alienation to non-cultivating classes, maximum holdings, etc. (please see paragraphs 49 and 91 also), and also appropriate administrative action for the active encouragement of mechanized farming in these areas wherever feasible.

343. *Collective farming.*—The desire of the local people to organize collective farming on the lines proposed in paragraphs 25 and 26 will have to be ascertained by appropriate administrative action either before or after, preferably after, legislation. If the village community decide to operate as a co-operative collective farming society, the provisions of the Co-operative Societies Act may be adequate; in which case, further administrative action can be taken by the Registrar of Co-operative Societies. If, however, they decide to operate outside the scope of the Co-operative Societies Act, permissive legislation would be required to provide for the day-to-day working of the collective farms, and also, an appropriate machinery to supervise their activities and safeguard the general interests of the public. The administrative action will have to be coupled with legislative action. Suitable administrative action to encourage such ' collectives ' will also have to be taken.

344. *Maximum holding.*—There is an exemption provided in paragraph 40 in respect of the existing holdings. This will be relatable to a *crucial date*. Such a *crucial date* can be fixed only by legislation; on grounds of public policy the *crucial date* may be fixed as the date of release of our report to the public as indicated in paragraph 326 above in Chapter XIV. Once the crucial date has been fixed by legislation, persons claiming exemption by virtue of paragraph 40 regarding the size of their holdings may be asked to prefer their claims before the appropriate authorities, who may be the Taluk Tahsildars, or Deputy Tahsildars in independent charge; these will, after due verification, register the claims that are established and enter them in a permanent register.

As regards cases of future acquisitions, the village karnams will have to be asked to send annual returns of landholders resident in their villages, or owning lands there, who have contravened the provisions.

Administrative action will have to be taken to set up Land Tribunals. Provision will have to be made for receipt of complaints, their investigation, etc., and their final disposal.

Similar arrangements will have to be made, *mutatis mutandis*, for the purpose of paragraph 214 also.

345. *Unit of profitable cultivation.*—Implementation of the recommendations in paragraph 62 requires an enquiry being set on foot in representative tracts to determine the unit of profitable cultivation. Please see also paragraphs 104 and 348 *infra*. Propaganda relating this enquiry with the legislation proposed for the prevention of subdivision and fragmentation would be very useful and will have to be undertaken.

346. *Definition of cultivator.*—After the definition suggested in paragraphs 69 and 70 has been brought into force by appropriate legislation, necessary administrative action to implement it would be by way of opening extra columns in the appropriate village account, the adangal, to record the name of the persons by whom the particular field is cultivated, and whether it is cultivated personally by the landholder. In the section relating to pattas, Account No. 10–I, appropriate entry may be made to show whether the landholder comes under the definition of cultivator or not, and to indicate, in cases where he is shown as ' cultivator ', the field the personal cultivation of which makes him qualified to be treated as a ' cultivator '.

347. *Restrictions on alienation.*—The operative provisions would prohibit alienation to persons who are not cultivators within the meaning of our definition; administrative action would be necessary to implement the provisions of the legislation and also to book contraventions of the scheme of prohibition. It should be open to any member of the public to lay a complaint before the Tribunals; but over and above that, the following specific arrangements may also be made.

Any purchase of lands by persons who are not noted as cultivators in Account No. 10-I should be reported by the village karnam to the Tahsildar when he receives the Transfer of Registry notices from the Sub-Registrar through the Tahsildar, or such a sale comes to his notice otherwise.

Some higher administrative agency for watching these transactions and for bringing cases before the Tribunal will be necessary. The existing revenue staff, under the immediate supervision of the Tahsildar and Deputy Tahsildar, may be entrusted with this work and appropriate instructions may be issued to them—paragraphs 83, 84, 90 to 92.

348. *Prevention of subdivision and fragmentation.*—Administrative machinery to implement the legislation recommended in paragraphs 103 and 104 would be necessary.

349. *Co-operative farming.*—The recommendations in Chapter VII can be implemented by the existing co-operative department with suitable reinforcement of staff. We would draw particular attention, however, to the necessity for intensive propaganda and an effective drive towards the formation of co-operative farming societies in existing sectors of cultivation—paragraphs 114 to 121.

350. *Problems of tenancy.*—After the appropriate legislation has been passed the most important administrative action would be the actual empanelling of the Land Tribunals, and the constitution of Revenue Courts or Special Courts, as the case may be, with appropriate machinery to assist them—please see Chapter VIII and in particular paragraphs 127, 156, 167 to 182, 185 to 190, 196 to 203, 205 to 212 and 213 to 221.

351. *Minimum wages for agricultural labour.*—Administrative action within the framework of the Minimum Wages Act and constitution of Wages Board, appointment of the Inspectorate, and entrustment of the functions to the Harijan Welfare Department, etc., are indicated—paragraphs 231 to 241.

Appropriate instructions will have to be issued to the various administrative agencies. The wages will have to be fixed at what would constitute fair wages—paragraph 242.

Necessary provision for publicity will have to be made—paragraph 245.

352. *Employment of children.*—Regulation of school hours to suit the busy seasons can be done by administrative action. Prohibition of employment of children during school hours in compulsory education areas would need an administrative machinery to implement—paragraph 237.

353. *Workers' train.*—Local officers will have to keep a watch on the situation and bring to notice of the Government cases where special travel facilities are required for migrant agricultural labour —paragraph 248.

354. *Housing of agricultural labour.*—Administrative action as indicated in paragraphs 249 and 250 is required. Intensive programme of house construction may also be taken up.

355. *Serfdom.*—Legislation and thereafter appropriate administrative action, as indicated in paragraph 251, are required.

356. *Facilities for agricultural labourers to acquire land.*—If the recommendations in paragraph 252 are accepted, Government may issue appropriate instructions immediately.

357. *Organization of agricultural labour.*—After the appropriate legislation has been passed, machinery will have to be set up to register the Unions, and see that the organizations are working on proper lines, and the specific provisions regarding office bearers, and non-affiliation to political parties, etc., are not contravened. Perhaps, the Inspectorate contemplated under the Minimum Wages Act, may be entrusted with the necessary functions—paragraphs 253 to 258.

358. *Statutory Advisory Board.*—Paragraph 288—These Advisory Boards may be set up immediately, as non-statutory bodies even in advance of legislation.

359. *Land Tribunals and the Special Revenue Courts.*—The empanelling of the Tribunals and the constitution of the Special Courts, etc., will have to be attended to after the appropriate legislation has been passed with reference to the scheme of legislation —paragraph 294.

We would here invite pointed attention to the fact that since we are proposing that the Revenue Divisional Officer should be the Chairman of the Land Tribunal, which will attend to the numerous duties set out in paragraph 294, and should also function as a Revenue Court to adjudicate on disputes arising between landlords and tenants in our scheme of regulation of the relationship between them, that the revenue divisions may have to be, as indicated by us in paragraph 170, as they stood prior to the introduction of the scheme of Separation of the Judiciary from the Executive.

## * CHAPTER XVI—SUMMARY OF RECOMMENDATIONS.

For the purpose of our discussion we take " Capitalist Farming " to mean farming carried on by a Limited Company, or a Corporation, or by an individual on large blocks of land, farming operations being carried on on a mechanized basis under the supervision of paid managerial staff and by labour engaged on a permanent or on a casual basis or both, obliterating all traces of tenancy and proprietorship and previous enjoyment, and reducing everyone engaged in the operations to the status of a paid employee, same as in a business or an industrial concern, whether operated by a Joint Stock Company or an individual. We understand the term to include cases where an individual also, or a group of individuals, take to farming of the aforementioned type on their own holdings.

(Paragraph 15)

(*a*) Capitalist farming is not to be encouraged as a matter of active State Policy in areas already under cultivation except in respect of plantation products in plantation areas.

(Paragraph 16)

(*b*) Capitalist farming in existing holdings should not ordinarily be interfered with; in areas already under cultivation in a holding by other methods, it should be open to the landlord or the tenant, as the case may be, to resort to capitalist farming if he so desires, up to the limit of personal cultivation allowed to him.

(Paragraph 16)

(*c*) But, if as a result of the reforms proposed, this type of farming should be resorted to in an increasing measure, tending to

* Separate scheme of numbering of paragraphs has been adopted in this chapter. The number of the paragraphs in brackets at the foot of each paragraph of this chapter refers to the paragraph in the main body of the report (Chapters I to XV). Internal references are to the paragraphs in this chapter unless otherwise stated.

erious displacement of agricultural labourers with no alternative venues of employment open to them, preventive steps may be alled for.

(Paragraph 16)

2. In areas already under cultivation except in the plantations, t is desirable that no companies should be started afresh to take ip cultivation, or existing companies allowed to extend their area of operations.

(Paragraph 17)

3. In order to allow for rapid development of lands in private holdings hitherto not brought under cultivation, however, capitalist farming by individuals, or associations or companies of that type, religious and charitable institutions being excluded, may be encouraged in those areas, and for that purpose specific exemption may be given from the general prohibitions recommended by us relating to

(1) sales of land to non-cultivators;
(2) maximum limits on land purchase in future; and
(3) maximum limit on personal cultivation.

The power to grant exemption should be vested in Land Tribunals.

(Paragraphs 18, 49 and 91)

4. When large areas of land at the disposal of Government are reclaimed, too, capitalist farming may be tried, if alternative methods have been tried and found to be unsuccessful. The alternative methods contemplated are—

(*a*) co-operative joint farming;
(*b*) co-operative better farming;
(*c*) individual settlements;

in the order of preference set down above. Investigation as to the feasibility of co-operative joint farming, or co-operative better farming, should take as short a time as possible consistent with the facts of the case, so that development of the areas is not unreasonably delayed.

(Paragraph 19)

5. Lanka lands in the Godavari and Krishna Deltas should be leased out to co-operative joint farming or co-operative tenant farming societies on fair rentals, and the existing system of lease by public auction should be abandoned.

(Paragraph 20)

6. State farming is not recommended as a matter of active State Policy, except for purposes of experiment, demonstration and research.

7. (*a*) Collective farming as a matter of deliberate State Policy should generally be ruled out.

(Paragraph 23)

(*b*) But, where the community of a village comes forward to organize collective farms by taking lands on lease and cultivating the lands and sharing the produce on collective principles, the State should actively encourage such collectives.

Where 85 per cent of the adult population, covering also 85 per cent of the land under holdings have agreed, the entire village community should be taken as having agreed.

(Paragraphs 25 and 26)

8. Peasant proprietorship is considered to be the pattern best suited to the genius and traditions of our people; the existence of small and scattered holdings is a handicap, and that will have to be removed by taking steps to prevent further subdivision of such holdings, to consolidate existing holdings, and to bring existing holdings into some form of co-operative organization; also, however, in order to avoid too sudden and drastic an unsettlement of economic and social conditions, as a measure of expediency, the existence of tenancy—which implies a divorce between ownership and cultivation to the extent that tenancy is in operation—will have to be tolerated, subject to safeguards being provided for the tenants.

(Paragraph 27)

9. There is no need to fix any maximum limit, *per se*, in the case of existing holdings, and expropriate the extents in excess of such maximum.

(Paragraph 40)



10. In future, however, no person should be allowed to acquire agricultural lands, if he already has a holding carrying an assessment of Rs. 250 (rupees two hundred and fifty), or so as to constitute a holding carrying more than Rs. 250 (rupees two hundred and fifty) as assessment.

(Paragraph 41)

11. In the case of joint families, separate allowance should be made for each branch of the joint family subject, however, to an over-all limit of a holding the assessment on which does not exceed Rs. 1,000 (rupees one thousand).

(Paragraph 42)

12. The scheme of restrictions will not apply to the case of inheritance and bequests; in such cases, the beneficiary should retain the land even though such inheritance or bequest, either by itself or with the lands already held by the person concerned, is in excess of the maximum suggested. Gifts are deliberately excluded so as to deny opportunities for evasion by accepting "gifts" for which concealed consideration may have been passed.

Religious, charitable and educational institutions should, however, be exempted from this restriction and should be free to receive gifts irrespective of the size of their existing holdings. (Gifts, however, cannot be accepted or retained by non-cultivators : please see also paragraph 84 of the Report, and paragraph 28 infra of this Chapter.)

(Paragraph 43)

13. When computing the maximum holding, the assessment paid on land set apart exclusively for animal husbandry by recognized cattle-breeders, should not be taken into account.

(Paragraph 44)

14. In computing the maximum, the assessment paid on lands which are fit only for non-agricultural purposes, should be included.

(Paragraph 45)

15. (*a*) If any landholder, who is permitted by virtue of the recommendation in paragraph 40 of the Report (paragraph 9 in this summary) to hold land in excess of the maximum fixed for future acquisitions, sells any portion of his land after *the crucial date*, his right to hold land in excess of the maximum by virtue of paragraph 40 shall be correspondingly curtailed;

(*b*) if, however, by such sale the holding goes below the limit fixed for future acquisitions, the right to rebuild the holding up to this maximum shall remain unaffected;

(*c*) exchange of lands for purposes of consolidation of holdings with the permission of the Land Tribunal or other prescribed authority, shall not be deemed to be a sale or transfer entailing the curtailment of such right to hold lands in excess of the maximum prescribed in paragraph 40 of the Report.

(Paragraph 46)

16. These restrictions will not apply to co-operative societies.

(Paragraph 47)

17. In cases where purchase is proposed of lands in private holdings, which have not been cultivated at all previously, or which have remained out of cultivation for not less than five years, and such a transaction involves the infringement of the provision relating to the maximum extent of holdings, a relaxation from the provision may be given in favour of joint stock companies and associations of that type but only for the purpose of mechanized cultivation; such a relaxation may, in the same circumstances, be given to individuals also, but in their case, it should be open to them to resort to any type of cultivation as they may find suitable.

(Paragraph 49)

18. Penalty for acquisition of lands in excess of the maximum limits will be forfeiture of such excess without compensation. Cases will be adjudicated on by the Land Tribunal and the forfeited lands disposed of by it.

(Paragraph 51)

19. These limits on holdings shall not be applicable to plantation areas; and when applying the rule as to the maximum elsewhere, the holdings in plantation areas should be excluded from the computation.

(Paragraph 50)

20. The concept of an economic holding as set out by the Congress Agrarian Reforms Committee is of no practical utility at present, and there is no need or justification for the Government to embark on any elaborate enquiry as suggested by that Committee for the fixation of the size of an economic holding for the various regions in this State.

(Paragraph 61)

21. Nevertheless, it is necessary to ascertain by enquiry the minimum extent of a holding, in each representative tract, with reference to the representative types of cultivation in this State, on which an average family consisting of four persons working with ordinary prudence and diligence and with ordinary resources, can secure an adequate return on the investment made; in assessing the investment, the element of interest on capital cost, all costs of cultivation including the labour of the cultivator and his family, Government dues, cesses, etc., should also be taken into account. Only a return of 3 per cent on the total investment including both the elements of capital and running costs should be considered adequate.

A set of pilot enquiries in selected areas may be undertaken to determine these units of profitable cultivation.

(Paragraph 62)

22. The concept of a basic holding as put forward by the Congress Agrarian Reforms Committee is of no practical utility and no attempt need be made to fix any size for such basic holding.

(Paragraph 64)

23. The following definition may be adopted for a "cultivator"—

"A 'cultivator' or 'agriculturist' means any one who cultivates land on one's own account—

(i) by one's own labour;

(ii) by the labour of any member of one's family; or

(iii) by servants on wages payable in cash or kind, but not in crop-share, or by hired labour, under one's own personal supervision or the personal supervision of any member of one's family.

*Explanation 1.*—A female, or a minor, or any one subject to any physical or mental disability, which would incapacitate the person concerned from exercising personal supervision, shall be deemed to cultivate the land personally if it is cultivated by her or his servants or hired labour.

*Explanation II.*—In the case of an undivided family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family."

(Paragraph 69)

24. Joint Stock Companies, partnerships and other similar associations or firms, religious and charitable institutions, and co-operative societies will stand excluded from this definition of cultivator.

Exemptions in their favour, wherever necessary, in respect of provisions operative on this definition have been recommended in the appropriate places.

But, religious and charitable institutions should not be permitted to undertake capitalist farming; nor should they be allowed to undertake any type of "personal cultivation" either, by appointing a paid "manager" or by hired labour under the supervision of the trustees or executive officers; but in cases where tenants are not available on fair and equitable terms, they may be permitted by the Land Tribunal to undertake personal cultivation including capitalist farming.

Educational institutions, should, however, be exempted from this restriction against "personal cultivation", where the educational curriculum requires actual cultivation operations being carried on by the pupils under field conditions.

(Paragraph 70)

25. Alienation in future to persons who are not cultivators within the meaning of the definition suggested above should be prohibited.

Persons who intend to set up afresh as cultivators should, however, be allowed to purchase land on obtaining a certificate from the Collector of the District to that effect; if such a person does not actually become "cultivator" within a period of three years from the date of purchase, or such further time as may be granted by the Collector for good and sufficient reason, the lands should be forfeited to Government, and such a person would receive compensation only when the lands are disposed of by the Land Tribunal and to the extent of the money realized by the Land Tribunal, if it is less than the purchase amount, and in any case not more than the purchase money.

Disposal of lands should be as expeditious as possible, all reasonable safeguards being taken to protect the interests of the persons concerned, and where damage is unavoidable, to cause minimum damage to the persons concerned; subject to these stipulations, sales by the Land Tribunal should ordinarily be by public auction.

(Paragraph 83)

26. Females, minors and disabled persons belonging to cultivators' families, even if they in their own right do not satisfy the definition of " cultivators ", and co-operative societies, should be exempted from the prohibition of alienation to non-cultivators.

Religious, charitable and educational institutions may be exempted only to the extent of receiving gifts and bequests.

(Paragraph 84)

27. Agricultural labourers should in any event be free at all times to acquire lands. The term " agricultural labourers " will have to be defined clearly.

(Paragraph 84)

28. The scheme of prohibition to " non-cultivators " contemplated above will include, gift, exchange or lease of any land or interest therein, or mortgage of any land or interest therein, and acquisitions. The transactions allowed will be subject to the maxima prescribed in paragraphs 41 to 47 of the Report regarding the maximum limit to be placed on future acquisitions of agricultural lands.

(It is pointed out incidentally that gifts can be accepted only by persons who satisfy the definition of " cultivators ", provided their holding thereby does not exceed the maximum limit; but non-cultivators are precluded from accepting gifts, except when intending to set up as cultivators.)

(Paragraph 84)

29. There is no justification to exempt lands mortgaged to the Co-operative Land Mortgage Banks from any of the restrictive provisions.

(Paragraph 86)

30. It is suggested, as a basis for implementation of the restriction on alienation to non-cultivators, that an extra column should be opened in the Adangal to show whether a field is cultivated personally by the pattadar or by a tenant, and if the latter be the case, the name of the tenant. In the section relating to pattas, Account No. 10-I, an entry may be made to show whether the pattadar is a ' cultivator ', and if so, the field the cultivation of which entitles him to be treated as a " cultivator ".

(Paragraph 87)

31. In the event of speculators entering the land market by virtue of the provisions in paragraph 83 of the Report, on a certificate from the Collector, then disposing of the lands at considerable profit, or retaining sufficient extent of land thereafter to qualify for the definition of ' cultivator ', and buying and selling land merely for speculative purposes, preventive steps may be called for if such developments assume noticeable proportions.

(Paragraph 89)

32. The restriction on alienation proposed by us should not be applied to plantation areas.

(Paragraph 90)

33. Land Tribunals may be empowered to give relaxation from these restrictions, to companies, and firms and associations of that type, for the purpose of purchasing undeveloped lands in private holdings in order to introduce mechanised cultivation there; and to individuals for the purpose of purchasing such lands in order to develop them by whatever type of cultivation they may find suitable.

(Paragraph 91)

34. Penalty for acquisition of land by a non-cultivator, whether it be a person who is not a cultivator as defined, or a person who desires to enter the field afresh but has not obtained the necessary permit, shall be the forfeiture of the land so acquired without compensation.

(Paragraph 92)

35. After necessary and essential exemptions have been made, e.g., in favour of persons with small holdings who have migrated to towns to make a living, in favour of cultivators who may lease out lands beyond the radius of their effective operations, and in favour of females, minors and disabled persons, the field for operation of a scheme for the elimination of absentee landholders will not be very significant; therefore no particular measures are called for against non-resident landholders as a class.

(Paragraph 94)

36. Subdivision of holdings below the unit of profitable cultivation (as determined by an enquiry such as that contemplated in paragraph 62 of the Report) should be prevented. Legislation may be on the lines of the Madras Economic Holdings Bill, 1948—**Appendix II.**

(Paragraph 103)

37. Legislation to deal with the problem of fragmentation by consolidation of holdings is necessary and should be on the lines of the Madras Economic Holdings Bill, 1948, a copy of which is attached to this Report as Appendix II.

(Paragraph 104)

38. This scheme of prohibition of subdivision and consolidation of holdings need not be applied to plantation areas.

(Paragraph 105)

39. (*a*) Co-operative betterment farming societies, particularly as part of multi-purpose co-operative societies, are eminently desirable, irrespective of the size and type of holdings concerned, and should be encouraged as a matter of active State Policy.

(Paragraph 110)

(*b*) Co-operative joint farming also should be encouraged in an equal measure with co-operative better farming, it being left to the cultivators to choose whichever of the two types they prefer.

(Paragraph 111)

40. (*a*) There should be no compulsion in the formation of co-operative joint farming societies.

(Paragraph 113)

(*b*) Compulsion need be considered only in the case of small holdings with inadequate resources, the size of the holdings being less than the unit of profitable cultivation referred to in paragraph 62 of the Report; even in such cases compulsion need not be resorted to at the outset. Societies should be left to be formed by voluntary effort as a result of intensive propaganda; if, however, at the end of a period of five years it is found that no tangible results in this direction have been achieved, compulsion may be exercised to bring them into a co-operative better farming or co-operative joint farming society, whichever is found to be then suitable.

(Paragraph 114)

41. The Co-operative Department should undertake an intensive drive, accompanied by active and educative propaganda, for the formation of co-operative better farming societies, or co-operative joint farming societies, in the existing sectors of cultivation.

(Paragraph 115)

42. For the formation of co-operative farming societies, it should quite suffice that a reasonable number of persons owning a reasonable area join together. It is not necessary to insist on a high percentage of the total number of landholders or the extent of land in the village.

(Paragraph 116)

43. In order to encourage the growth of the co-operative movement, the Government should subsidise the cost of one paid office-bearer or Secretary or other employee, being a full time employee to look after the business activity of the society, for each society in the initial years :

Scale of subsidy may be

100 per cent in the first year;
75 per cent in the second year;
50 per cent in the third year;
25 per cent in the fourth year; and

nil thereafter.

(Paragraph 117)

44. (*a*) As a type of organisation no exception need be taken to the co-operative tenant farming societies such as are now functioning. We notice however that the lands allotted to each individual are not sufficient to secure adequate livelihood. In

future, while assigning or alloting lands for cultivation to co-operative societies, the endeavour should be to provide as far as possible a self-sufficient holding to each member.

**(*b*) But where there is large local and insistent demand for** possession of land, it may be desirable to reduce the extent allotted to each individual even though it be less than the extent required for an adequate livelihood.

(*c*) Where extents allotted to individuals are not adequate for a comfortable living, subsidiary industries should be started so as to make the members of the farming societies self-sufficient and self-supporting.

(Paragraph 119.)

45. It will be a better incentive to members of tenant farming societies if ownership were to be conferred on them in due course over the holdings which they are cultivating. We understand that Government have passed orders to this effect. There is, however, the danger, which should be avoided, of the holdings being split up into fragments by alienation or inheritance. The general legislation which we are proposing, prohibiting subdivision of small holdings, will in due course cover these cases, but that will take time and meanwhile the mischief may have occurred. We suggest therefore that suitable conditions under the Government Grants Act (the Crown Grants Act) may be imposed by the Government, pending the general legislation referred to, prohibiting subdivision of these holdings. Breach of this condition should entail resumption of the lands by the Government.

The right of alienation itself is likely to tend towards societies breaking up; it should be up to the department to see that the benefits of the societies are made so evident and attractive as to counteract that tendency.

(Paragraph 120)

46. The landlord and tenant system may be allowed to continue, subject to the regulation of the system in respect of fair rents, security of tenure, compensation for improvements, grounds for eviction, and other related matters—all of which are dealt with elsewhere in this report.

(Paragraph 123)

47. A tenant may be defined as follows:—

" A ' tenant ' means a person lawfully cultivating any land belonging to another person, if such land is not cultivated personally by the owner and if such a person is not—

(*a*) a member of the owner's family;

(*b*) a servant on wages payable in cash or kind but not a crop sharer, or

a hired labourer cultivating the land under the personal supervision of the owner or any member of the owner's family, or

(*c*) a mortgagee in possession."

The definition of a tenant would include waramdars in this State as a whole and verumpattamdars in Malabar.

(Paragraph 127)

48. In view of the limit on " Personal Cultivation " proposed, there need be no surcharge imposed on landlords who lease out their lands.

(Paragraph 134)

49. There is no need to confer occupancy right on tenants in ryotwari areas.

(Paragraphs 142 and 143)

50. (*a*) It is necessary that Government should regulate rents by legislation;

(Paragraph 156)

(*b*) the correct principle in fixing fair rents would be to relate it to the gross produce;

(Paragraph 160)

(*c*) maximum rentals should be fixed by legislation, and rents in the case of individual holdings or fields should be left to be regulated by custom, usage or agreement, subject to the maxima; and

(*d*) in case of disputes, fair rents subject to these maxima should be fixed by the Land Tribunals to be constituted by Government.

(Paragraph 164)

51. Maximum rentals may be fixed in terms of crops as follows and should be expressed in terms of gross produce :—

| Paddy. | Landlord's share (rent). | Tenant's share. |
|---|---|---|
| | PER CENT. | PER CENT. |
| Under first-class irrigation sources .. .. | 45 | 55 |
| Under irrigation sources grouped as second class and below. (Where baling is to be resorted to, a reduction up to one-third in the landlord's share to be allowed. The classification of sources will be that laid down at settlement or resettlement.) | 40 | 60 |
| *Commercial crops whether raised on wet or dry lands.* (The following shall be classed as commercial crops for this purpose :— Turmeric, sugarcane, plantains, onions groundnut, cotton, betel.) | 40 | 60 |
| *Other crops.*—Raised on wet or dry land .. | 40 | 60 |

NOTE.—(*a*) The scheme of fair rents will not apply to the cultivation of coconuts, mangoes, fruits of citrus variety and other trees, fruit bearing or otherwise.

(*b*) When in any year there are more crops than one, the proportions will apply to all the crops together.

A catch crop on wet lands should go, however, entirely to the tenant as is the custom now. In cases of dispute as to what constitutes a catch crop enjoyed in full by the tenant by such custom in any area, the decision of the Land Tribunal shall be binding on the parties.

(*c*) It is assumed as norm that the straw goes to the tenant, that the assessment, water-cess and local cesses are paid by the landlord and all expenses of cultivation including supply of cattle, implements, seed and manure, are borne by the tenant.

(*d*) Variations from this norm as well as in other factors will be left to be adjusted in individual settlements, subject to decision in cases of disputes by the Land Tribunals.

(*e*) Gross produce means what in fact is the gross produce, and not, as is understood in some areas, the produce available for division between the landlord and the tenant after a deduction is made from the gross yield for harvesting expenses.

(Paragraph 167)

52. In fixing fair rents the appropriate authority or Tribunal shall have due regard to the following factors :—

(*a*) the rental values of lands used for similar purposes in the locality;

(*b*) the profits of agriculture of similar lands in the locality;

(*c*) the prices of crops and commodities in the locality;

(*d*) the improvements made in the land by the landlord or tenant;

(*e*) the assessment payable in respect of the land; and

(*f*) such other factors as may be prescribed.

(Paragraph 171)

53. Waramdars, that is crop-sharers, will not have the option to commute the quantity of the grain deliverable by them into a cash payment at the time stipulated for the payment of the rent; nor those who have to pay fixed grain rentals be permitted to commute their rental into a cash payment.

(Paragraph 172)

54. (*a*) Cash rents will not be made to vary with the price levels during the currency of a lease as a rule.

(*b*) If there is steep variation in price levels, alteration of the rental may be allowed, expressed as a percentage of the fixed cash rental and be appropriately linked up with a scheme of sliding scale of assessment if that is accepted, or independently given effect to.

(Paragraph 173)

55. Interest on arrears of rent, or advances for meeting the cost of cultivation shall not exceed 6 per cent (six per cent).

(Paragraph 174)

56. When there is a total or partial failure of crops, remission of rent should be allowed to the tenant to the same extent, on the same principle and in the same proportion, as remission by Government of the land revenue assessment.

(Paragraph 175)

57. Personal services by tenants, or the insistence on the services of the cattle and goats of the tenants, without payment, or stipulation of free supply of fowls, ghee, vegetables, straw, etc., should be prohibited.

(Paragraphs 176 and 177)

58. Where any landlord recovers from the tenant rent in excess of the amount he is entitled to under the scheme of fair rents, he should not only be liable to refund the excess collected by him to the tenant but also to a penalty, except in cases of *bona fide* mistake, amounting to five times such excess subject to a minimum of Rs. 25 (rupees twenty-five) as the Land Tribunal may determine.

(Paragraph 178)

59. The appropriate authority for adjudicating on "Fair Rents", and all matters connected therewith excluding, however, suits for the recovery of rent, shall be the Land Tribunal consisting of the Revenue Divisional Officer, and representatives of the landlords, tenants and agricultural labourers.

Suits for the recovery of rent shall go before the authority mentioned in paragraph 73 below in this Chapter.

(Paragraphs 169 and 179)

60. (*a*) The scheme of fair rents and regulation of the relationship between the landlord and tenant will not apply to the individual members of co-operative societies who cultivate the lands held by the said society under whatever tenure. The relationship as between the co-operative society and the members thereof, and as between the members *inter se*, shall be regulated by suitable and appropriate by-laws.

(Paragraph 180)

(*b*) Where a co-operative society takes lands on lease for cultivation from private landholders, the co-operative society will be treated as a "tenant" and be entitled to claim all the protection afforded to tenants under our scheme.

(Paragraph 181)

61. This scheme of fair rents will not apply to plantation areas.

(Paragraph 182)

62. (*a*) In future all leases should be for a minimum period of five years.

(Paragraph 185)

(*b*) In the case of virgin land which is to be reclaimed, or which has been newly reclaimed, however, the first lease should be for a minimum period of ten years.

(Paragraph 186)

63. Leases should be in writing and need not be registered. Appropriate action may be taken to exempt these agricultural leases from the necessity for registration.

(Paragraph 187)

64. There need be no option to renew the lease conferred on the tenant in the sense that the landlord should be bound to renew it if the tenant so desires, even though the landlord himself does not desire it.

(Paragraph 188)

65. The tenant should always have the option of terminating the lease by three months' notice expiring with a year of tenancy.

(Paragraph 189)

66. The following alone should constitute proper grounds for the landlord terminating the lease during its currency—

(1) Failure to pay rent within one month of the date stipulated in the lease deed.

(2) Commission of any act which is destructive or permanently injurious to the land.

(3) Use of the land for any purpose other than agriculture.

(4) Violation of any of the conditions of the lease deed regarding the restrictions on the nature of the crop to be grown and similar conditions which are not repugnant to the statutory provisions governing tenancy.

(5) Sub-letting of the land by the tenant.

(6) The tenant being adjudged to be insolvent.

(Paragraph 190)

67. Where any tenancy of any land held by any tenant is terminated for non-payment of rent, and the landlord prefers a petition before the appropriate authority to eject the tenant, the said authority shall call upon the tenant to tender to the landlord the rent in arrears together with the cost of Proceedings within 15 days from the date of the Order, and if the tenant complies with such orders the said authority shall, in lieu of making the order for ejection, pass an order directing that the tenancy had not been terminated, and thereupon the tenant shall hold the land as if the tenancy had not been terminated :

Provided that this protection shall not apply to any tenant whose tenancy is terminated for non-payment of rent after he has failed for any two years to pay rent within the period specified in paragraph 66 (1) of this Chapter.

(Paragraph 196)

68. It is not necessary to allow the landlord to resume the land for personal cultivation during the currency of a lease.

(Paragraph 197)

69. In the event of a sale of the land during a tenancy, the tenant shall continue, the new landlord taking the place of the old landlord in respect of assets and liabilities, privileges and responsibilities.

(Paragraph 198)

70. When a tenant dies his heirs should have the option to continue the tenancy for the unexpired period on the same terms and conditions.

(Paragraph 199)

71. In the event of a tenant putting the land to wasteful uses, or causing damage to it, the landlord may claim damages before the appropriate authority, at the same time as he prefers before it a petition for the eviction of the tenant, or independently thereof, and that authority shall decide the issue and grant appropriate reliefs.

(Paragraph 200)

72. This scheme for security of tenure (paragraphs 62 to 71 above in this Chapter) will not apply to plantation areas, nor will it apply to leases which are given merely for the usufruct of trees.

(Paragraph 201)

73. The appropriate authority to adjudicate on disputes in this group of provisions (paragraphs 62 to 71 above in this Chapter) shall be the Revenue Divisional Officer sitting as a Revenue Court, or other Special Courts constituted for the purpose. The same authority shall take cognizance of suits for recovery of rents also.

Over the decisions of the Revenue Divisional Officers appeals should lie to the Collectors of the Districts, and the Board of Revenue should have revisional powers.

Where, however, Special Courts are constituted from Officers of the Civil Judicial Cadre, the appeals should lie to the higher Civil Judicial Courts.

(Paragraph 202)

74. In some places religious and charitable institutions and big pattadars set up a lessee by auction or other arrangement. This lessee pays a lump sum to the landlord and is given complete freedom to distribute the lands to the cultivating tenants, making his own terms with them and collecting the rental, or to have the lands cultivated by hired labour where tenants are not agreeable to his terms. Such an intermediary is not a genuine agriculturist or cultivator but a speculator to whom the landlord's rights are farmed out, and he has no justifiable function in the agrarian economy. If he is treated as a ' tenant ' to whom the prohibition of sub-letting would apply, his operations would be curbed, but not completely, as he will then be able to carry on with hired labour; and on the other hand treating him as a tenant would enable him to have the advantage of fair rents which are clearly not intended for a person of this type. His operations generally entail considerable discontent to the tenants in the area in which he operates. The whole arrangement is pernicious. There should be a specific prohibition against any arrangement which sets up this type of intermediary. The institutions and individuals who resort to this kind of arrangement now should hereafter be expected ordinarily to adopt the usual arrangement of leasing lands directly to the cultivating tenants.

(Paragraph 203)

75. "Improvement" means with reference to any land, any work which adds to the value of the land and which is suitable thereto and also consistent with the purpose for which it is held: and includes—

(*a*) the construction of tanks, wells, water channel, embankments and other works for storage, supply or distribution of water for agricultural purposes;

(*b*) the construction of works for the drainage of land or for the protection of land from floods or from erosion or other damage from water;

(*c*) the reclaiming, clearing, enclosing, levelling or terracing of land;

(*d*) the erection of buildings on the land, required for the convenient or profitable use of such land for agricultural purposes; and

(*e*) the renewal or reconstruction of any of the foregoing works or alterations therein or additions thereto as are not of the nature of ordinary repairs; but does not include such clearances, embankments, levellings, enclosures, temporary wells, water channels and other works as are commonly made by the tenants in the ordinary course of agriculture.

(Paragraphs 205 and 206)

76. Before a tenant carries out any improvements in the land, he should obtain the consent in writing of the landlord. Consent should be obtained by the tenant issuing a notice to the landlord asking the landlord to carry out the improvements specified or alternatively, to consent to the tenant carrying out the improvements.

The landlord shall be given time for a period of one month either to object to the improvements suggested, or to agree to the tenant carrying out the improvements, or to commence the works himself.

If no reply is received by the tenant within the period of one month stipulated above, or the execution of the works is not commenced by the landlord, the consent of the landlord shall be presumed and the tenant will be free to proceed with the works of improvements as specified in his notice to the landlord.

If the landlord objects to the improvement proposed by the tenant, the tenant may take the case to the appropriate authority on the ground that the consent has been unreasonably withheld, and if the said authority rules that the consent has, in fact, been unreasonably withheld, the tenant shall be free to carry out the works himself.

If the landlord, after the commencement of the work fails to complete it within a reasonable period, the tenant may approach the appropriate authority for a direction to the landlord to complete it within a stipulated period or for permission to complete it himself.

Provided in case of emergency, for example, protection of land from flood damages or erosion or other damage from water, the

tenant may carry out the necessary works to protect the land from imminent damages and the consent of the landlord shall be presumed for such improvements.

(Paragraph 207)

77. In cases where authorized improvements have been carried out by the tenant, he shall be entitled to be compensated for the value of the improvement by the landlord as may be fixed by mutual agreement, or in the case of disagreement as may be fixed by the appropriate authority.

In valuing the improvements, due regard shall be had also to the fact, where such be the case, that the rent payable by the tenant would not be enhanced during the currency of the lease.

(Paragraph 208)

78. If the landlord, either on his own motion or on receipt of a notice by the tenant, carries out any improvement which is likely in itself to enhance the produce on the land, or the value of the produce on the land, he shall be entitled to demand the enhancement of the rental suitably, but subject to the prescribed maxima, by agreement with the tenant, or if the tenant does not agree, by application to the prescribed authority.

(Paragraph 209)

79. If a tenancy is terminated on any of the prescribed grounds, the tenant shall be entitled for compensation for improvements already made by him with the consent of the landlord before the termination of the tenancy. Such compensation should be payable to the tenant before the expiry of the lease period; if it is not so paid the tenant may, if he so prefers, continue on the land as a tenant from year to year until the compensation is paid; the cost of the improvements shall, in any case, be a first charge on the land. The tenant should not be evicted until the compensation has been paid to him.

(Paragraph 210)

80. This scheme (paragraphs 75 to 78 above in this Chapter) will not apply to plantation areas.

(Paragraph 211)

81. The disputes arising under this scheme shall be adjudicated on by the Revenue Divisional Officer sitting as a Revenue Court, or by Special Courts constituted for the purpose—that is, the same authority as has been mentioned in paragraph 73 above in this Chapter.

(Paragraphs 202 and 212)

82. (*a*) In order to avoid too considerable a disturbance in the tenancy sector, a maximum limit should be fixed for personal cultivation by landlords.

(Paragraph 213)

(*b*) This maximum should not apply to landlords who have personally cultivated larger areas on the crucial date; in such cases they may continue to cultivate up to the extent under personal cultivation on the crucial date.

(Paragraph 214)

(*c*) The limit of personal cultivation shall be the extent of land bearing a total assessment not exceeding Rs. 250 (rupees two hundred and fifty). This shall be inclusive of land already under personal cultivation, if any.

(Paragraph 215)

(*d*) If after the crucial date, a landlord in the exempted category—vide (*b*) above—leases out more lands, his right to hold land for personal cultivation in excess of the maximum shall be curtailed to the extent of such leasing; however, if the area under personal cultivation goes below the maximum, his right to bring up the area under personal cultivation to the maximum limit fixed for the future shall remain unaffected.

(Paragraph 216)

(*e*) The right of each of the landlord's heirs to cultivate personally the proportionate share accruing to each would not be affected where it is in excess of the maximum.

(Paragraph 216)

(*f*) No special exemption or dispensation will be made in favour of undivided joint families in respect of the maximum limit fixed for personal cultivation.

(Paragraph 216)

(*g*) Where, on the application of the landlord, the Land Tribunal is satisfied that, in any particular case, tenants are not available on terms and conditions considered by it to be fair and equitable, having due regard to the local circumstances, the Tribunal may permit the landlord to bring the land under personal cultivation even if it be in excess of the maximum limit.

(Paragraph 217)

83. In order to ensure as wide a distribution as possible of opportunities for tenancy, and to see that there is no monopoly by bigger groups of people, there should be a maximum limit fixed for lands taken up by tenants for cultivation and this limit should be an extent of lands bearing a total assessment not exceeding Rs. 50 (rupees fifty).

(Paragraph 218)

84. Where the application of these maximum limits to the landlord or the tenant (paragraphs 80 to 82 of this Chapter) results in the severance from the holding of a small strip which cannot be profitably cultivated independently, the Land Tribunal may grant exemption from the operation of these restrictions, subject to such conditions as it may deem fit to prescribe.

(Paragraph 219)

85. (*a*) Where lands in private holdings which have not yet been cultivated, or which have remained continuously out of cultivation for a period of not less than five years, are proposed to be brought under cultivation by the landlords, a relaxation from these restrictions may be given in favour of the landholder by the Land Tribunal on an application made in his behalf.

(Paragraph 220)

(*b*) Similarly, where such lands are proposed to be brought under cultivation by a tenant, a relaxation from these restrictions may be given in favour of the tenant by the Land Tribunal on an application made in his behalf with the concurrence of the landholder.

(Paragraph 220)

86. (*a*) In cases where the limit of personal cultivation has been exceeded by the landlord, and the case is merely one where exemption has not been obtained from the Land Tribunal under the relevant provisions of this scheme, the landlord should be punishable with a fine; in other cases where the limit of personal cultivation has been exceeded the penalty shall be forfeiture without compensation of such excess over the permissible limit.

(*b*) In cases where the tenant exceeds the permissible limit of personal cultivation, the tenancy should be terminated in respect of such excess, and in addition he shall be liable to a fine.

(Paragraph 221)

87. Any scheme of planning and control of agriculture must include fixation of minimum prices for agricultural produce—

on that understanding the principle may be accepted that there should be planning and control of agricultural operations :

but, such control should be exercised not at the village level, but at the appropriate higher level, zonal, State or all-India level, as the case may be.

(Paragraph 222)

88. No attempt need be made to impose or enforce any test of good husbandry.

(Paragraph 223)

89. With reference to the Government Order in G.O. Ms. No. 122, Food and Agriculture (Food Production), dated 9th September 1950, and the provisions of the Madras Land Utilization Order, 1950, it is suggested that while the approach contemplated may meet with some degree of sucess in the case of lands ordinarily cultivated from year to year, but left fallow due to neglect or inefficiency, it may not meet the case of land left fallow for want of resources on the part of the landholder; it is recommended that in the latter type of case the Government should have power, as a last resort, to reclaim such lands and recover the costs of reclamation from the landholder as an arrear of land revenue.

(Paragraph 225)

90. No special measures are called for to control the conversion of land to non-agricultural use beyond the existing powers available under the local and municipal laws and other provisions for licensing, etc.

(Paragraph 227)

91. The Congress Agrarian Reforms Committee's recommendation that the relevant provisions of the Minimum Wages Act in respect of agricultural labour should be given effect to as early as possible is endorsed.

(Paragraph 231)

92. The following suggestions of the Congress Agrarian Reforms Committee in the matter of fixation of wages may be accepted—

"We recommend that the daily minimum wage of casual labourer (agriculture) should be so fixed as to provide his minimum daily requirements during the period of employment. Since there are many kinds of work needed for the cultivation of any crop, and in most places there are more than one crop, the minimum piece as well as time rates of wages to be paid should be carefully worked out. Even today wages are generally paid in kind consisting of certain quantities of local standard of the grain of the crop raised as well as some amount of food, clothing, housing, etc. Standardization of wages for each season in terms of different crops is necessary. Wages in kind should be so determined that the cash equivalent would be enough to meet the ordinary expenses of living of agricultural workers. Cash wages should also be fixed with regard to local costs of living as well as the general standard of living of the local workers. There should be suitable provisions for seasonal wage payments as well as payments of annual salaries.

"The Wages Board, keeping in view the local usage, should prescribe for different areas and different crops and for different pieces of work, standards of minimum efficiency of work. Minimum wages to agricultural labour should depend on the fulfilment by agricultural labour a standard of minimum efficiency laid down by the Wages Board, provided labour is given proper facilities of work. Wages would be paid in cash or kind with the option of the agricultural labourer to accept the payment entirely in kind or partly in kind and partly in cash or entirely in cash."

(Paragraph 233)

93. A rough and ready working principle to adopt in the fixation of wages would be to equate cash wages with the customary payment in kind according to the existing price levels, and then to add a small percentage for getting an approach to living standards. Any attempt to fix wages on an artificially high standard of minimum comfort for agricultural labour would break the agricultural economy.

(Paragraph 234)

94. Fixity of hours, standardization of holidays and the like, are alien to agricultural conditions in this country and should not be imported indiscriminately.

(Paragraph 235)

95. There should be equal pay for equal work for men and women. Where the existence of unequal pay is but the reflection of the fact that the actual work done is not, in many operations, equal, differentiation would be justified and may be allowed.

(Paragraph 236)

96. There need be no absolute prohibition on the employment of children; only their employment during school hours should be prohibited in areas where compulsory education is in force.

The educational authorities may so adjust the school hours as to leave the children free during the busy seasons or operations.

(Paragraph 237)

97. The Wages Board should consist of the same Tribunal as that set up to adjudicate on fair rents consisting of the Revenue Divisional Officer as Chairman, and representatives of landlords, of agricultural labourers and of tenants as members. This Tribunal should be empanelled as the appropriate committee under the Minimum Wages Act, 1948.

(Paragraph 238)

98. No Appellate Tribunals are necessary as co-ordination of policy throughout the State can be secured by the State Advisory Boards.

(Paragraph 239)

99. The Inspectorate contemplated under section 19 of the Minimum Wages Act should form part of the Harijan Welfare Department, the Rural Welfare Department being the administrative department in the Secretariat.

(Paragraph 240)

100. It is suggested that in the process of fixation of minimum wages for agricultural labourers, care should be taken to fix the minimum at what would constitute fair wages for agricultural labour which both parties, the employer and the employee, should accept.

(Paragraph 242)

101. Slightly different wages will have to be prescribed for casual labour, seasonal labour, annual labour and permanent farm servants.

(Paragraph 243)

102. Where perquisites are given they will have to be defined, and their cash equivalent fixed when making the necessary adjustments of wages in cash.

(Paragraph 244)

103. Wages should be fixed in advance of the agricultural season, and the matter should be published in every village.

(Paragraph 245)

104. The relief of indebtedness of agricultural labourers should be dealt with as part of the general programme to relieve all agricultural indebtedness; the question of giving them off season employment and facilities for credit should also form part of the general programme; as these questions are strictly outside the purview of the Committee, it is merely generally recommended that in all such schemes the agricultural labourer should receive prominent attention and preferential treatment.

(Paragraph 246)

105. Employment Exchanges on an elaborate scale are neither necessary nor likely to be helpful under the present conditions of agricultural labour.

(Paragraph 247)

106. If local investigation discloses the existence of large scale movement of labour, necessary steps should be taken to provide for concessional travel facilities for such migrant labour.

(Paragraph 248)

107. Housing of agricultural labour should receive the highest priority.

(Paragraphs 249 and 250)

108. Agricultural serfdom and forced labour of any kind should be prohibited in terms of Article 23 (1) of the Constitution of India by appropriate legislation.

(Paragrah 251)

109. The processes in connection with the assignment of land to political sufferers and ex-servicemen (G.O. Ms. No. 1523, Revenue, dated 11th June 1949) should be concluded in as short a time as possible, say, by 31st March 1951, so as to make lands freely available to landless labourers who should always be given first preference in any grants whether in isolated bits, or in large blocks, of land that might become available for cultivation.

(Paragraph 252)

110. (*a*) The formation of unions of agricultural labourers is essential and should be encouraged in order to ensure an appropriate atmosphere for the implementation of the policy of fair wages and proper conditions of work.

(Paragraph 253)

(*b*) The interests of tenants and labourers are generally conflicting and divergent. They should have separate organisations.

(Paragraph 254)

(*c*) Agricultural labour should be organized separately from urban labour, and the recommendation of the Congress Agrarian Reforms Committee in this regard, that they should be in the same organization, should not be accepted.

(Paragraph 255)

111. Attention is invited to the following passage in the dissenting minute to the Report of the Congress Agrarian Reforms Committee :—

"It is the imperative duty of State to so reorganize the social and economic relation between cultivators and agricultural workers as to make it unnecessary for either of them to contemplate with any sense of social justice, any resort to lock-outs or strikes and to proceed to assure cultivators remunerative prices and workers decent wages. If in spite of these precautions either lock-outs or strikes come to be organized, it should be the duty of the State to take necessary precautionary steps to ensure the continued agricultural operations in the countryside."

This Committee is entirely in agreement with these views.

(Paragraph 256)

112. The suggestion in the minute of dissent to the report of the Congress Agrarian Reforms Committee that Government should collect membership dues of the agricultural labour unions should not be accepted.

(Paragraph 257)

113. (*a*) The preponderence of office-bearers of agricultural unions should be from the ranks of agricultural labourers and membership of the primary unions should not extend to more than one village.

(*b*) These unions should not be affiliated to any political parties, but they should be free to affiliate to other such, or similar unions, or to the zonal or state federation, or other central organization.

(Paragraph 258)

114. The scheme of recommendations under this group of problems (paragraphs 91 to 113 of this Chapter) will be applicable to plantation areas also generally except where the problems concerned are proposed to be dealt with by separate enactments specially intended for those areas.

(Paragraph 259)

115. Plantation areas mean those hilltracts in which mainly crops like tea, coffee, cardamom, cinchona, etc., are grown on a plantation scale, i.e., in larger units by investing a considerable amount of capital and resources. Reference is only to those tracts and not to crops of the same group when they are raised outside those tracts.

(Paragraph 259)

116. The Congress Agrarian Reforms Committee's recommendation that all agricultural operations should be under the management and control of the village community in the manner envisaged by them is not acceptable.

(Paragraphs 261 to 267)

117. We are definitely against the creation of a body like the Land Commission envisaged by the Congress Agrarian Reforms Committee and of regional authorities under it; but where *ad hoc* advisory, or other Committees or Boards are necessary for any specific subject they may be set up; only, they should carry on their work in relation to the Government or its departmental agencies.

(Paragraph 287)

118. Nevertheless, it is considered that Advisory Boards should be set up on a statutory basis both at the District and the State levels, to give advice on matters relating to the agrarian economy, and to secure co-ordination of the work in the various departments. The State Government or the relevant authorities, when they do not accept the recommendations of the Advisory Boards, should record their reasons.

These Advisory Boards, which may be called the District Agricultural Councils at the district level, should consist of the Collector of the district, all Members of the Legislature in the district, President of the District Board, prominent individuals in the district (to represent unrepresented interests) nominated by the Government on the recommendations of the Collector, and District heads of departments concerned with rural problems such as the District Agricultural Officer, the Deputy Registrar of Co-operative Societies, the District Veterinary Officer, the Cottage Industries Officer, if any, the District Forest Officer, the District Health Officer, and the District Industries Officer, if any. The Collector should be the President of the Council.

At the State level it should consist of the corresponding heads of departments including Revenue, one Member of the Legislature from each district to represent the district elected by the Legislature, three persons to be nominated by the Government, and the Economic Adviser to Government.

(Paragraph 288)

119. There is no need for the creation of a Rural Economic Service as contemplated by the Congress Agrarian Reforms Committee.

(Paragraph 291)

120. A Land Tribunal should be constituted for each Revenue Division with the Revenue Divisional Officer as the Chairman and with the representatives of agricultural labourers, of landlords and of tenants, as members. The following would be the functions of the Land Tribunal :—

(i) Adjudication of fair rents and connected matters but excluding suits for recovery of rent;

(ii) to advise on minimum wages under the Minimum Wages Act. (For this purpose these Tribunals should be incorporated as the appropriate committees under the Minimum Wages Act, 1948 (Union Act XI of 1948);

(iii) grant of exemption in cases of exchange of land for purposes of consolidation, treating them not as cases of sale which would curtail the permissible extent of maximum holding;

(iv) grant of exemption from the restrictions relating to maximum holding where companies and similar associations or individuals, propose to purchase undeveloped lands in private holdings;

(v) dealing with cases of violation of the provisions relating to maximum holdings, ordering forfeiture of the land which is in excess, and disposing of the land;

(vi) grant of exemption from the provision prohibiting the alienation of land to non-cultivators to enable them to purchase undeveloped lands in private holdings;

(vii) dealing with cases of purchase of land by non-cultivators, ordering forfeiture of the land and disposing of the land;

(viii) dealing with cases where intending cultivators take lands on the prescribed certificate and default later on, ordering forfeiture of the land and disposing of them;

(ix) giving exemption to the landholders from the limit of personal cultivation in cases where no tenants are available;

(x) giving exemption to landholders or tenants from the limits of personal cultivation, when the working of the provisions would involve the hardship of severance of strips which cannot be independently cultivated;

(xi) giving exemption to landholders and tenants from the limits of personal cultivation when undeveloped land is proposed to be taken up.

(xii) giving permission to religious and charitable institutions to take up personal cultivation when tenants are not available;

(xiii) dealing with cases where landlords and tenants have exceeded the limits of personal cultivation.

(Paragraph 294)

121. Except in respect of the functions of Wages Boards where the Land Tribunal would be within the framework of the Minimum Wages Act, an appeal against the decision of this Tribunal shall usually lie to the Collector of the district. The Board of Revenue shall be vested with revisionary jurisdiction over the decision of the Collectors in the same manner as the Collector's orders and actions in Revenue matters are subject to review and revision by the Board of Revenue.

(Paragraph 295)

122. In view of the recommendation that there is no need for a Land Commission the question of a separate fund for it suggested by the Congress Agrarian Reforms Committee does not arise.

Even otherwise, funds should be administered through the existing departments of the Government and funds allotted for the Land Commission, if any, only as a department of Government.

(Paragraph 296)

123. Such reforms as have been proposed can be administered through the existing agencies with such additions as may be required, for example, Land Tribunals. The appointment of a separate Agrarian Reforms Commissioner is not considered necessary.

(Paragraph 297)

124. (*a*) Our recommendations in Chapter VIII—Problems of Tenancy—Sections 1 to 8 (paragraphs 122 to 212 of the report) will not apply to the area under the Malabar Tenancy Act as that Act carries its own scheme for the regulation of the relationship between the janmi, kanamdar, verumpattamdar, etc., as between one another.

(*b*) Subject to the above, all other recommendations would be generally applicable to the area under the Malabar Tenancy Act.

(Paragraphs 298 to 303)

125. Our recommendations would generally be applicable to the South Kanara district, except those areas which may be brought under the purview of the Malabar Tenancy Act, subject to slight modifications in the matter of maximum limit of holding in the case of persons who are entitled to " Kumaki " rights, and in the matter of moolgenis, vayadagenis and chalgenis in this district.

(Paragraphs 304 to 311)

126. (*a*) The estate areas will fall broadly into three categories—

(i) Firstly, the estate or zamindari areas which have been taken over under the scheme of abolition of zamindaris;

(ii) secondly, the areas to which the scheme of abolition of zamindaris is applicable but the estates have not yet been taken over; and

(iii) thirdly, the areas to which the scheme of abolition of the zamindaris will not apply.

(*b*) In the areas falling under the first category, all our recommendations would apply, the person held entitled to the ryotwari patta being treated as the counterpart of the ryotwari pattadar (or landholder) under our scheme, the interim assessment fixed for the interim period pending ryotwari settlement, being

taken as the counterpart of the assessment under our scheme, and the person, if any, to whom the land is leased out, being treated as the counterpart of the tenant under our scheme.

(*c*) For the second category of cases, the position will be the same as for the first category after the estates are taken over but not until then; until then their position will be the same as for the third category—which is set out below.

(*d*) In the third category of cases, our scheme regulating the relationship between the landlord and tenant in Chapter VIII—Sections 1 to 8, will not be applicable at all. But our other recommendations will be generally applicable to the entire area; and where the recommendations have specific reference to the ryotwari pattadar or to the assessment, the occupancy ryot should be treated as the counterpart of the ryotwari pattadar, and the rent payable should be treated as the counterpart of the assessment.

(Paragraphs 312 to 318, 320 and 321)

(*e*) In the case of minor inams, enfranchised minor inams will be in the same position as the ryotwari holding and the owner will be the landholder. In the case of unenfranchised minor inams the inamdar should be treated as the landholder under our scheme. In both these cases the person, if any, to whom such landholder has leased out the land should be treated as the tenant.

(Paragraph 319)

(*f*) Besides what has been stated above in (*e*), wherever possible all our other recommendations may be made applicable to minor inams also.

(Paragraph 322)

M. V. SUBRAMANIAN—8-12-50.
***Chairman.***

Subject to a note of dissent.
B. RAMACHANDRA REDDI—8-12-50.

Subject to a minute of dissent.
G. SANKARAN NAIR—8-12-50.

Subject to a note.
N. RANGA REDDI—8-12-50.

Subject to a minute of dissent.
K. M. DESIKAR—8-12-50.

Subject to a note of dissent.
V. I. MUNISHWAMI PILLAI—8-12-50.
C. SUBRAMANIAM—8-12-50.

S. R. KAIWAR—8-12-50.
***Secretary.***

# NOTES OF DISSENT AND MINUTES OF DISSENT.

## NOTE OF DISSENT BY SRI B. RAMACHANDRA REDDI.

I am unable to agree with my colleagues in the Committee on some of the adjustments suggested in the report between the landowner and the tenant. The report of the Special Officer on Land Tenures, the opinions and the evidence given to the Committee by the representatives of several associations and our own practical knowledge of public affairs and of the conditions in the State, do not suggest any continuous existence on a large or uniform scale, discontent between the landowner and the tenant. There might be stray cases of disturbance reported from the advanced districts like Tanjore. There was no evidence from the Telugu districts that the relations between the landowner and tenant were highly strained. It was generally remarked by witnesses that the so-called discontent was due to Communists or pro-communist propaganda to which fillip was given by the publication of the Congress Agrarian Reforms Committee report and the anticipation of its implementation. The conception that pressure on land is uniform, universal and sustaining, does not seem to be correct. Until recently, as long as the price levels of agricultural produce were not high, pressure on land was not noticeable at all. In fact, lands granted free or at a nominal cost to scheduled classes, landless labourers and Ex-service men some years back were sold away, as staying on the land was not paying. The so-called pressure on land is only a temporary phase brought in by stringent food controls, higher price levels and inadequate rationing of foodstuffs creating hunger for land and zeal for production, money motive also being supreme. After a period of exciting race for land, depression, stagnation, and non-utilization of land for food production are bound to come in.

2. The other factors that would eventually reduce the pressure on land are : (i) Industry and trade that attract and absorb more labour and divert some from land; (ii) growing prospect of employment in towns ensuring continuous labour and wages and higher wages too; (iii) growth of education and reluctance of the educated to handle the plough; and (iv) availability of land and resources which have to be necessarily developed rapidly to secure more food for the country.

3. The tenants and labourers express greater anxiety to secure land ownership, rather than better terms in tenancy. Further the existing terms of tenancy are neither uniform nor hard to call for a uniform reform in that sector. The pressure on land, if any, is usually noticeable in the thickly populated delta and urban areas of the State. In most of the non-delta areas not served with any local industrial activities, and in places where there is no assured rainfall thereby making dependability on land

uncertain, the prevalent system is " Crop sharing " which provides sufficient protection to the tenants, while the risk is shared by the owner and the tenant. Further, the conception that all landowners are rich and big and all tenants are poor and small is not correct. Any decisions based on that conception are obviously wrong. At present it looks as if it is the landowner that needs protection and not the tenant so much. There are tenants who are much better off than the small owners who cannot cultivate or stay on their lands for various economic and social reasons. There is no evidence of alarm by large-scale evictions, or by suits for recovery of rents or evictions. Any reform which would adversely affect the small owner is bound to fail and bring in its train a lot of discontent that would aggravate the disturbed atmosphere in the State.

4. The only solution, and a lasting one, to solve the pressure on land if any and an agrarian discontent is a more rapid agriculturization of the vast unoccupied land duly provided with irrigation facilities and the settlement of the unemployed and the landless immediately on such lands. If necessary, the State should make up its mind to spend large sums of money for such a purpose, even at the cost of postponing other activities temporarily. As the area under cultivation remains undeveloped and unextended and as the population increases at the present rapid pace, the question of pressure on land would be hereafter facing the State periodically and at every stage more seriously than before. Without such an outlook on the future, any tinkering with the present arrangements would give only a very temporary relief and pave the way for such problems hereafter to occur more frequently.

5. In that view, any interference with the natural evolution of the Tenancy system depending on the principle of demand and supply, would only cause discontent and bitterness in the mind of the owner without ensuring contentment and happiness to the cultivating tenant. The very fact that the remedies suggested varied at short intervals, is indicative of the uncertainty that the solution can sustain for some decent period. In the matter of fixation of fair rents, the material supplied and arguments advanced by the Special Officer read with those of the Curator do not justify any interference with the existing conditions. The rates advocated by the Revenue Board are not less arbitrary. Those suggested by this Committee are not better reasoned out. The comparative rates suggested by them for paddy fair rents are as follows :—

| | *Under good sources of irrigation.* | *Under ordinary sources of irrigation— second class.* | *Ordinary dry lands.* | *Irrigation by baling or from irrigation channels requring constant repairs.* | *Other crops.* |
|---|---|---|---|---|---|
| | PER CENT. | PER CENT. | PER CENT. | PER CENT. | PER CENT. |
| S.O.L.T. .. | 55 | 50 | 50 | 33-1/3 | .. |
| Revenue Board.. | 50 | 45 | 45 | 28-1/3 | .. |
| Committee .. | 45 | 40 | 40 | .. | 40 |

These recommendations only indicate the desire to tilt the balance on the side of the tenant who is not necessarily a labourer and who is very often not mainly an agricultural labourer.

6. The fair rent thus suggested is not fair. Reduction suggested is not based on any scientific method. Arbitrariness is clearly indicated. The tenants to whom such large concessions are sought to be granted are said to be of four types broadly; and (*a*), (*b*) and (*d*) of them need not be treated with such generosity at the expense of the class of owners, especially the small owners:—

(*a*) Pattadar tenants.

(*b*) The village artisans and traders.

(*c*) The class of landless labour.

(*d*) Speculative middle men who take out large areas on lease.

NOTE.—Though a maximum has been fixed on the extents of land to be taken on lease, it can easily be circumvented, by creating benami leases in favour of friends and relatives.

7. Apart from other arguments, it is a matter of common knowledge that all the categories of tenants noted above do not actually depend upon the land taken on lease; that they take to tenancy as a subsidiary occupation; that the time and labour spent by them on the land on lease are short and small, not justifying a higher share; that lands given on lease do get impoverished in fertility whether they are for one year or five years, and so, to that extent the owner loses the land value which he has to replenish at some cost; that no proof is forthcoming that tenants have toiled more and produced more to justify further concessions in their favour, and that in a majority of cases the lease is in kind which has also gone up in price.

8. " The Radical Change in Recent Years " in the conception of fair rent is not so much influenced by the change in agricultural economy, as it is by boisterous propaganda in favour of the tenant who is wrongly identified with the ordinary labourer as against the *mute* owner of the soil. Change or reform should be justified by economic factors and merits and not by propaganda only. Otherwise it will bring in grief to the administration that yields to mere volume of the voice.

9. The view of the Committee is that " *catch crop* " on wet lands should go to the tenant. In recent years agricultural produce of any kind has acquired an enhanced value. As such, catch crops like indigo, grams, pillipesara, etc., have also acquired a very high value. As the production of such catch crop does not entail much labour and expense to the tenant, it is but reasonable that a catch crop should be treated on a par with second crop and should be shared by the tenant and the owner equally.

10. Limitation of personal cultivation by landowners in their own holdings amounts to an uncharitable dispensation of certain valuable rights of ownership in favour of the tenant who has only leasehold rights and no sustained or valuable interest in the land.

This decision smacks of expropriation without compensation, and restriction in the exercise of the owners' rights of use and free enjoyment of his own property. The further decision (paragraph 221) that the landowner who exceeds the limit of personal cultivation in his own land should be punished with " fine " or " forfeiture without compensation " of such excess over the permissible limit, makes owner's cup of poignancy overflow.

11. While I am in entire agreement with the policy of putting down serfdom of labour in any manner, I wish to point out the danger of deciding that advances of paddy to the casual labour in the off season or unemployment season should be considered as an offence under " serfdom ". This decision will only aggravate the food situation in the labour circles in the rural areas, where rationing of food grains is denied, and when the possibility of purchasing in the market at the controlled rate is obscure. Legislation to prevent the practice of advancing paddy to labour would either end in deaths of the poor by starvation or in a " dead letter ".

12. The prevention of subdivision and fragmentation of holdings :—

This topic is fully discussed in Chapter II of the report, paragraphs 95 to 104. The difficulties in tackling the problem satisfactorily have been vividly pointed out. But the Committee decided to prevent by legislation the evils of fragmentation and subdivision despite local opposition. Therefore, the Madras Economic Holdings Bill of 1948 was commended for legislation. But the complicated measures embodied in the Bill are not easy to be administered successfully. The machinery and procedure suggested are too heavy to be workable and to be helpful in the useful administration of the Act. It will violently affect the private rights under the existing Hindu and Muhammadan laws. The remedy suggested may not only not cure the existing diseases, but will certainly create new and incurable diseases like discontent, corruption, dislocation of agricultural economy, unemployment and social insecurity. The only useful curative is the provision of more land for cultivation with adequate irrigation facilities that would attract and encourage the migration of holders of insufficient fragments. That is equally the remedy against further subdivision.

13. While examining the computation of the maximum holding that can be held by an owner for agricultural purposes, the Committee has decided (paragraph 45) that the prescribed maximum includes the land fit only for non-agricultural purposes, e.g., lands exclusively useful for mining, forestry, house-sites, industrial development, etc. This principle may have to be applied to the computation of maximum leaseholds also. If so, the prospect of miners, etc., taking lands on lease for obtaining minerals will have to be abandoned.

14. The trend of the reforms expected and suggested was to ensure the possession, occupation and utilization of the maximum

extent of cultivable land for agricultural purposes and for the production of agricultural produce by the agriculturist, the cultivator, the peasant proprietor, or the tenant. But the suggestion contained in this paragraph goes beyond the expectations by refusing the possession of non-agricultural land for non-agricultural purposes. The possession of such non-agricultural land should not be thought to be an encroachment on the legitimate share of the agriculturist in the state land. Such non-agricultural lands can be exploited only by capitalists in the best interests of the State. To deny such a privilege to the capitalist, while it does not help an agriculturist, amounts to the keeping by the state of such valuable resources of the State undeveloped eternally. It is, therefore, desirable that the prescribed maximum should exclude the non-agricultural land.

15. A few other minor matters deserve notice. Compulsion in co-operation, limitations prescribed on the owner's right to take back his land for personal cultivation, penalties for even personally cultivating his own land over the prescribed maximum, restrictions on and penalties for alienations, method of disposal of the land acquired by a cultivator over the prescribed maximum, fixation of the crucial date—these would aversely affect not only the progress of production in the State but also the freedom of the individual in a free State governed under the new constitution.

B. RAMACHANDRA REDDI—19-12-1950.

## DISSENTING NOTE BY SRI V. I. MUNISHWAMI PILLAI, MEMBER, LAND REVENUE REFORMS COMMITTEE.

As the Ninth Session of the Land Revenue Reforms Committee to revise the reports happened to sit on the days when the Legislative Assembly was also in sessions it was not possible for me to be with the Committee throughout. So it has become necessary for me to add a few matters along with the dissenting notes.

1. Though peasant proprietorship is well suited for the State, the institution of 'tenancy' between the landlord and actual worker in the land is perpetuating the intermediary, a system which must be put an end to immediately or within a time-limit of five years.

2. Either by acquiring or owning land no individual can be allowed to possess more than ten acres of wet or twenty acres of dry land or fifty acres of dry land in Rayalaseema.

3. Instituting enquiry to find out what should be the 'economic holding' will mean laborious task and time involved will be a lengthy one. Any changes contemplated after the enquiry may hamper the progress in relationship between the land-owner and those who are toiling in the land and responsible for immediate

production of food-crops. I am of opinion that if an enquiry is contemplated by the Government it must be instituted as early as possible to arrive at what should be the economic holding.

4. The scheme of prohibition of subdivision and consolidation of holdings must necessarily be proceeded with without much delay.

5. Since the report contemplates the retention of the 'tenancy,' it is absolutely necessary that the occupancy right must be conceded, without which, I feel, the position of the tenant will become precarious.

SUMMARY OF RECOMMENDATIONS.

6. *Paragraph* 73.—An appeal over the decision of the Revenue Divisional Officer shall be with the Special Tribunal and not with the Collector or the Board of Revenue.

7. *Paragraph* 74.—Leasing of lands held by the religious and charitable institutions and big landlords need not be auctioned but leased to agricultural labourers residing within a radius of ten miles of the land proposed to be leased on a fair rental.

8. *Paragraph* 75.—*Add* as " (f) "—

" Tree-planting and thus creating wind belts."

9. *Paragraph* 82 (*c*).—I do not agree with the suggested extent of land " as limit of personal cultivation ", i.e., extent of land bearing a total assessment of Rs. 250 per individual. I have indicated in paragraph 2 above what an individual should own.

10. *Paragraph* 83.—Excess over this maximum should not be allowed but the land available must be leased to agricultural labourer, especially to Harijans.

11. *Paragraph* 92.—In cases where parts or whole wages are paid in kind by way of food, the food given must be wholesome and substantial and not merely " kanji water " as the landlord likes.

12. *Paragraph* 93.—*Delete* the words—

" Any attempt to fix wages on an artificially high standards of minimum comfort for agricultural labour far above the present level would break the agricultural economy."

In my experience nowhere the agricultural labourers are enjoying the minimum comfort and it will be inhuman to restrict higher standard of wages to make a man live as a man.

13. *Paragraph* 94.—In paragraph 92 of the " summary of recommendation " it is said " minimum wages to agricultural labour should depend on the fulfilment by agricultural labour a standard of minimum efficiency laid down by the Wages Board."

In view of this it is highly necessary to fix hours of work, standardization of holidays and the like. No labourer of any category, more so, the agricultural labourer can be asked to overwork. The international labour laws of treating labourers as human beings must ruthlessly be observed.

14. *Paragraph* 96.—No children below the age of ten should be employed for any sort of work.

15. *Paragraph* 102.—The cash equivalent fixed must be in writing.

16. *Paragraph* 106.—The cost incurred must be borne by the landlord or the State Government.

17. *Paragraph* 109.—This must apply to all the districts in the State.

18. *Paragraph* 110 (*c*)—Agricultural labour in urban and rural areas should be organized separately from urban labour engaged in works other than agriculture.

19. *Paragraph* 113 (*a*).—This must apply to each village provided its labour population is more than 500.

20. *Paragraph* 115.—For the purpose of this report, the plantation area must be defined further. The extent of plantation area, for exemption from the general scheme, must be fixed. Even one or two acres assigned by Government at an enhanced land assessment for purposes of cultivation of plantation products come under "Plantation area." Without an area of minium 50 acres of tea or coffee, under bearing, no factory for making tea or curing coffee can be erected. Only plantations of over 50 acres must come for exemptions sought to be given and the rest must come under the general scheme. If there is doubt in the economic working of 50 acres extent in any place, the decision of the Tribunal, contemplated in this report, must be final.

21. *Paragraph* 118.—Nomination to these Advisory Boards must be by the Government at their own initiative or on the recommendations of the Collector.

22. ***Paragraph* 121.**—The Government shall be the revisionary authority over the decision of the Collector and not the Board of Revenue.

23. *Paragraph* 123.—A separate Agrarian Reform Commissioner may be appointed for a period of three years to see if the reforms got up as the result of the deliberations of the Land Revenue Reforms Committee are working satisfactorily.

V. I. MUNISHWAMI PILLAI—18-12-50.

## MINUTE OF DISSENT BY SRI K. M. DESIKAR, M.L.C.

*Captalist Farming, State Farming and Collective Farming.*

*Paragraphs* 15 *to* 26.—I am unable to agree with the assumptions and statements made in these paragraphs in regard to capitalist farming. It seems to me that the definition of capitalist farming is unreal, because, as is acknowledged, even in the Congress Agrarian Reforms Committee report, it does not exist in this country except in the plantation areas. It is therefore unnecessary to create a bogey, and then demolish it. It might be mentioned that there is a justification for dealing with

this subject, because it finds a place in the questionnaire; but there could not be a sufficient justification for dealing with facts, which are non-existing for the time being. The half-hearted concession to the capitalist farming in paragraph 18 is again based on certain misconceptions. It seems that where no peasant proprietorship or tenancy exists, then only capitalist farming could be brought into being. Again there is a mention in paragraph 19 whether capitalist farming should not be tried in the ultimate resort in certain specified areas. I do not see how the mention of colonization in paragraph 19 fits into the picture. My own view is that with the incubus of the Congress Agrarian Reforms Committee report, and the confusion that it has created in the minds of the people concerned, we are dealing with a number of terms like capitalist farming, collective farming, State farming, etc., terms which are not mutually exclusive, but which considerably overlap without any precise definition of what they mean, or what we want them to mean. In fact the suggestion made by me at one stage of the proceedings that certain topics required further investigation, collection of more data and consultation of expert opinion thereon was in reality meant to avoid the confusion into which the report has got involved, in dealing with the chapter on capitalist, State and collective farming.

2. In regard to collective farming, the report in paragraph 23 condemns it without an examination of collective farming *vis-a-vis* co-operative farming. The evidence tendered before the Committee makes it very clear that no co-operative farming would be successful without an element of compulsion somewhere in it; and in dealing with the large number of uneconomic holdings, it is very difficult to say whether an element of compulsion would be wholly unjustifiable. It is here that the question of absentee land-owners also comes in. When I asked for deferring decision of this point, I had in mind the fact that, with Article 31 of the Constitution dealing with property, whether difficulties would arise in regard to dealing with absentee land-owners. The report in paragraph 23 states "Here too as there is no question of revolutionary methods, individual ownership will have to be terminated by payment of compensation which would mean a colossal cost." I take it what is sought to be conveyed by this sentence is, that as there is going to be no revolution which would mean abrogation of the Constitution and Article 31 of the Constitution will cease to operate, the question of absentee land-owners now existing should not be dealt with. It is, therefore, a very real difficulty; and the question of this class of land-owners cannot be summarily disposed of at this juncture. It is very vague and a somewhat inchoate idea that is mentioned in paragraph 25 of some type of organization taking over of lands on lease and working the lands on collective principles, which, if properly developed, might provide a solution for dealing with the question of absentee landlordism. After further investigation and expert guidance, it seems to me that a solution can be

found on these lines for those problems. In paragraph 25, it is stated that what is envisaged is that a collective organization should be set up, and should work the lands on collective farming principles; and later on the same paragraph states " Nevertheless we recommend where the community of a village comes forward to organize collective farming by taking the land on lease, and cultivating the land and sharing the produce according to collective principles, the State should endeavour to encourage them." What I would have liked the Committee to examine, if it had been taken up at later stage, is a proposal on these lines that wherever in a village a co-operative society is formed for purposes of cultivation by owners of two-thirds of the land in the village, who personally cultivate their land, such a society can be empowered statutorily to compel the owners of the remaining third to come into the society, besides being empowered to take over on lease all the lands of owners who are absentees. In any event, the idea is that it would be managed by local land-owners, who have their own lands included, without their ownership being in any way affected; and, therefore, all the local talent and experience will be available for the society. If this idea is further developed, it might probably bypass Article 31 of the Constitution, in that nobody will be deprived of his ownership in land. In fact, it might even help towards a better agricultural economy, and would eliminate the class of lessees now existing, who are middlemen unconnected with the economy of the village, but merely try to get in wherever they could get leases on advantageous terms, and extract from the land as much as possible.

I am, therefore, of the view, that the question should be examined on these lines. Until more data is collected in regard to the extent of absentee landlordism, the average holdings of such a class, and the type of land owned by them, I should defer making any specific recommendations.

### Maximum Holdings, Economic Holdings, Units of Profitable Cultivation.

*Paragraphs* 40 *to* 43.—It does not appear, that after stating categorically in paragraph 40 the Committee does not consider a maximum limit of holdings possible, pagragraphs 41/43 follow logically. In view of the overwhelming reasons in the foregoing paragraphs against fixing any maximum limit or at any rate, pleading insufficient data for that purpose, it is surprising the report could categorically prohibit acquisition of lands in future by any person carrying an assessment of over Rs. 250. As limitation of the acreage in respect of mines should be made on a consideration of the relative economic factors in regard to working of such mines, it would be advisable to leave this matter in the hands of the Government rather than to make any specific recommendations. Paragraph 47 seems to be unnecessary. It is obvious on the face of it, co-operative societies should not be barred from acquiring any

amount of land that they possibly do. I am afraid that paragraphs 52 to 61 deal with a type of discussion which is tautological, particularly in view of the findings in paragraph 61. The contents of paragraph 62 denotes some confusion, because of the enactments in other States contain terms, like units of profitable cultivation as against the conception of an economic holding. A discussion of the difference between such terms is, I am afraid, infructuous. The idea of profit either denotes a surplus or indicates utilization of land by the rentier class; and since the category is almost ruled out, so far as the future is concerned, I am unable to understand the reason for recommending a return of 3 per cent on total investment, and for the suggestion that pilot enquiries in selected areas should be inaugurated.

*Chapter IV—Restriction on alienation* begins with a definition of a cultivator which is recommended on the ground, that it is more liberal than that proposed by the Congress Agrarian Reforms Committee report, and also the definition contained in the Bombay Act. The definition in two places, viz., in paragraph 66 and in paragraph 69 permits of a non-resident being a cultivator falling under category (iii) who cultivates " by servants on wages payable in cash or in kind but not in crop share ". This would exempt absentee landlords, who do not lease their lands, but employ managers for purposes of cultivation.

The argument in paragraph 83 in regard to prevention of lands in future at least, from passing into the hands of those who are not cultivators in the manner in which it is suggested, requires modification. It is a matter that is open to question, whether in view of article 19 of the Constitution there could be a prohibition of anybody from setting up as a cultivator in the manner suggested. What would probably be more in consonance with the spirit of the Constitution could be, a prohibition of a person from continuing as a land-owner, if he does not fulfil the condition under clause (iii) of the definition of a cultivator within a period of time. It would undoubtedly require a machinery for investigation. But if it is a choice between making a person who intends to acquire lands with a view to setting up as a cultivator, going to a Collector for getting permit or alternatively make executive authority find out whether purchasers acquiring land have fulfilled the prescribed qualification within a period, I should personally prefer the latter.

In regard to Chapter V on absentee landlordism, I asked for an adjournment of this question so as to enable the Committee to examine the problem at greater length. I would at once agree, that I do not possess the courage and optimism to take a negative view without a detailed examination of the question, as apparently the report has done. I feel, however, that this is a problem which has to be dealt with and solved. Even if the doubtful definition of cultivator and the even more doubtful embargo on the purchase of land operate, the large areas of land now under the ownership of absentee landlords will remain untouched for all practical purposes.

The report cannot dismiss the matter as being comparatively insignificant. The report might have dealt with this **matter** in the manner proposed in my minute in paragraph 2 or in any other manner; but I am firmly of the view that the subject calls for a positive decision after further enquiry and fuller consideration.

### Co-operative Farming.

I had already indicated that no co-operative farming is possible without some form of compulsion. In the classification outlined in paragraph 106, in effect items 1 and 4 have no relevance to the issue of co-operative farming. The question is whether item 2 or 3 should be encouraged. The views expressed by the experts have been very indefinite, as evidently there has been no case of co-operative farming in which a whole village as a unit has come together for purposes of farming as this would have entailed some more sort of compulsion. The problem was discussed by the Committee on Co-operation appointed by the Government of Madras in 1939. But no definite recommendations were made thereon. It seems as I have already indicated before, there is no use trying to fight shy of the fact that if there is to be co-operative farming, it will have to be on a collective basis. For purposes of clarity, I would try to repeat here what I have said in the foregoing paragraphs, viz., that in villages or units where people who actually cultivate their lands aggregating to 66 per cent of the land in the village excluding the lands in the possession of absentee landlords are willing to come together, they may be encouraged to form a co-operative society, and given the necessary authority to compel those remaining outside to come in. The report seems to be of opinion that where there are big landlords who hold reasonably big units and are cultivating them, they could not be brought in a co-operative society. No scheme of this type of cultivation is possible unless the whole village comes together and the benefit of the experience of the bigger landlords are made available to the society on the basis of personal interest. It, therefore, seems to me that if at all co-operative farming is to be tried, there should be only one type of co-operative system, which should be on collectivised basis, and everybody in a village, therefore, will have to come into it. The problem again wants more careful examination and investigation than has been undertaken by the Committee in preparing the report.

### Problem of Tenancy.

The report does not contain any specific recommendations in respect of tenancy and fixity of tenure. The tenants happen to come into being because of the two classes of landlords. One is the absentee landlord and the other is the landlord, though not an absentee, who possesses such a large extent of land, that he is unable to cultivate all of it himself or is far too lazy to devote any attention to personal cultivation of lands. The third alternative

is where the holding is uneconomic, and the owner cannot therefore set up personal cultivation. In the absence of any specific data, it is impossible to say exactly how many of the tenants come under each category of landlords. Even the report has based its conclusion on assumptions like those in paragraph 139 without any specific data supporting such assumptions. The absence of such data has also not permitted their taking definite decisions with regard to the problem of tenancy, as there is one school of thought in the Committee, which feels that people who are now tenants should be given occupancy rights straightaway in respect of the lands for which they are tenants, while there is another school who is prepared to concede protection against eviction to tenants in occupation of lands for a period of six years. In fact, the second suggestion, viz., giving protection to tenants, who have been in occupation for six years would mean, that landlords who have been considerate and allowed tenants to continue should be penalized. I favoured the suggestion at one time, because the Bombay Act has after some investigation fixed this period. It would also be an additional ground for supporting this view, if it is based on the ground that the tenant who has been in occupation for fairly long time, has taken interest in the lands, increased its fertility and has spent initiative and labour on its improvement, naturally should be allowed to benefit by these factors. At the same time, it seems to me now, in view of the rather nebulous recommendations under Chapter VIII, that it would be best to give protection to all tenants who are now in occupation of the lands or have been evicted within a period of, say three years, before the appointment of the Committee, subject to an arbitration tribunal deciding on the merits of such cases where the landlords or the tenants would choose to disagree. This might perhaps provide a fairer basis rather than an arbitrary fixation of the duration of the tenancy as a qualifying factor. I think in this particular aspect the report has failed to give a positive lead, and I, therefore, press the suggestion, that *ad hoc* protection against eviction should be given to all tenants now in occupation, with retrospective effect as suggested by me.

K. M. DESIKAR.

## NOTE FROM SRI N. RANGA REDDI, MEMBER, LAND REVENUE REFORMS COMMITTEE.

I have signed the report subject to a note.

I feel strongly that there is a need for the creation of Rural Economic Service to tackle questions relating to a peasant, outside the purview of the present services. An expression of a view like this is bound to evoke the hostility of the permanent civil service. As it is, some of the ameliorative schemes and also schemes for the equitable distribution of foodgrains to peasants put forward by

the Madras Government, have not been fully implemented. To give a concrete instance the Government of Madras accepted the responsibility for providing rice to ryots who are accustomed to eat rice but grow only millets in their lands. But as this would not fit into the scheme of rationing as prepared by the Civil Service before the Congress Ministry took office, a number of obstacles were raised for its implementation and even now it remains a dead letter. The difficulty is that unless the scheme is acceptable to Civil Service it is not likely to be implemented. Lloyd George when he wanted to push through his health insurance scheme in 1924 he did not rely on the existing Civil Service and he by-passed it to a very great extent for pushing through his scheme. As mentioned in paragraph 60 of the report of the Congress Agrarian Reforms Committee "*There must be a band of men who can share the joys and sorrows of the small man in his surroundings of poverty, illiteracy and ill-health. Their motto would be service. Their determination steadfast. Their patience measureless.*" It is no use concealing the fact that most of the officials who come in contact with the villagers have not got the above outlook. The recruitment for Rural Economic Service should not be by the usual channel of Public Service Commission. It is no doubt true that the new system might lend itself to abuse; if the idea is to push through the special schemes quickly, it is not likely that undesirable persons will be recruited.

N. RANGA REDDI—20-12-50.

## DISSENTING MINUTE OF SRI G. SANKARAN NAIR.

I regret I have to dissent strongly from the views expressed on most of the fundamental issues in the First Report of the Land Revenue Reforms Committee. My difference with the Committee (when I use the word 'Committee" in this minute, I mean the majority who disagreed with me on those issues) is not merely a difference in reactions, but a difference even in the angle of vision. Having been a worker in the cause of tenants for the last twenty-eight years, I have got used to looking at agrarian questions from a particular viewpoint. To my mind, therefore, the constitution of the Land Revenue Reforms Committee by Government would be purposeless if our proposals do not conduce to the enlargement of the rights of the cultivator or the moral and material betterment of his lot. The Committee did not seem to have any such mental approach in regard to the issues before them. Otherwise, I should think their mode of inquiry would have been very different. They would then have liked to visit important agrarian centres in the State and tried to learn first hand the conditions of poor agriculturists. They would not have also opposed the taking of oral evidence, as they did at one stage, but would have thought it necessary to ascertain by direct personal contact, the reactions of villagers to our proposals of reform. They would

not have further left to the Collectors of districts the choice of persons to whom the questionnaire had to be sent and got as witnesses an overwhelming majority of landlords and landlords' associations. But for these handicaps that the Committee created for themselves, perhaps no occasion would have arisen for me to write a separate minute.

2. *Collective farming.*—To begin with, the Committee say they are opposed to recommending collective farming as a State policy. Of the many solutions that have so far been evolved for the problem of agrarian ills, I have no doubt the nationalization of land with its natural corollary of collective farming is easily the most sound and equitable. As in the case of the introduction of peasant proprietorship, there is no question here of robbing Peter to pay Paul. Under this arrangement, either all people benefit equally or put up with hardships equally in the pursuit of the common weal.

3. A very common argument that is advanced against collective farming is that the ordinary peasant's attachment to his land is so deep-rooted that he would not be prepared to surrender it to the community. To-day, it may be so. But, we of this generation have known and realized that education and propaganda can effect revolutionary changes in the mentality of people. Long centuries of foreign subjection, particularly under British rule, had engendered in the minds of our people a slavish outlook which was so deep-rooted as to develop into a second nature. Twenty-five years of intensive propaganda started under the auspices of Mahatma Gandhi and the Indian National Congress did not only change this outlook considerably, but produced a momentum that ultimately brought about the freedom of this country. Another remarkable instance in point is the marvellous change that has come over the Hindu outlook on untouchability, thanks again to Gandhiji and the Congress. If a non-official body like the Congress could, by surmounting the Himalayan obstacles thrown in its way by a powerful alien Government, produce such wonderful results in the course of a generation, a very much more powerful agency like a National Government, if only they are bold and imaginative enough to take up the matter in right earnest and work according to a definite plan, can certainly bring about the requisite atmosphere to start collectivism on a State wide scale in even less than a decade. When once the atmosphere has thus been created, the question of compensation would not arise as the pooling of the resources of the community would then become a voluntary act.

4. The objection of the Congress Agrarian Reforms Committee that collectivism can " hardly provide the atmosphere in which the personality of the individual can grow and develop " does not deserve serious notice. It is only an euphemistic way of saying that the profit-motive of the individual should be fostered at the expense of the very much higher ideal of mutual co-operation for the benefit of the community. The idea of communally owned lands is not foreign to our traditions and we still find relics of

that system in different parts of the country. Moreover, we are a nation that claim to be spiritual in our outlook. Sometimes, we even arrogate to ourselves the role of teachers in spirituality for the the rest of the world. And, yet, if we cannot muster sufficient idealism to shed selfish instincts in shaping the future pattern of our agrarian economy, we shall not only be untrue to our past, but even to ourselves.

5. It is curious to find there is a section of opinion among us that thinks collectivism should be tabooed because it smacks of Soviet Russia. In the first place, it is not correct to say that collectivism exists only in Soviet Russia. As a matter of fact, the most successful results in collective farming have been achieved in a capitalistic country like Palestine and the standard of life among the farmers there may be said to be as high as that of the most advanced countries in the world. It is also significant a British bureaucrat, Sir Malcolm Darling, is not in the least nervous to suggest that India must give a trial to collective farming. Further, the National Planning Committee presided over by Sri Jawaharlal Nehru strongly recommends collective farming for this country on the ground " that agriculture can be conducted more scientifically and efficiently, waste avoided, and production increased ". Even granting for the sake of argument, collectivism is a purely Russian institution, to condemn it solely for that reason would be a kind of bigotry unworthy of a cultured mind. Whatever may be the political ideologies that have grown round the doctrine of communism, one cannot help saying that Soviet Russia has produced many social institutions which deserve to be copied by progressive communities throughout the world. So it seems sufficiently plain, to use the words of Prof. Cole, that " the best hope for Indian agriculture does lie in extensive measures of collectivisation more or less on Russian lines so as to substitute what will be in effect inclusive of rural co-operative societies embracing entire villages for the forms of peasant cultivation at present in use."

6. *Peasant proprietorship.*—If, for any reason, the Government feel diffident to launch forthwith a scheme of collective farming, the next best thing they ought to do is to take immediate steps for introducing peasant proprietorship in the State as an intermediate measure. For, on no account can we have any kind of truck with landlordism, whatever its variety may be. Landlordism is a relic of the feudal ages and it relegates the majority of the agricultural population to a state of economic inferiority and moral subservience. As such, the State has a duty to see that the system is not allowed to continue for a moment longer than is absolutely necessary.

7. Peasant proprietorship implies the coincidence of ownership and cultivation in the same person. In other words, it means the removal of all intermediaries between the State and the actual cultivator. As such, a changeover from landlordism to peasant proprietorship cannot be brought about overnight, and it can be worked out only in the course of a few years by an intelligent and

carefully thought-out plan. This plan must provide for certain inevitable exceptions, it must not cause any violent disturbance of the agrarian equilibrium and it must effect the transformation within the minimum period of time. "As many as possible should receive the maximum gratification and the minimum of frustration" from such a plan.

8. The Committee have accepted peasant proprietorship as the pattern of agrarian economy for this State. But, this acceptance does not seem to be anything more than an academic approval; for, the Committee have not made any serious attempt to work out a constructive plan to implement their ideal. Here, we will examine what the chief requirements of such a constructive plan should be, and how far the committee's recommendations have satisfied those requirements. A scheme of peasant proprietorship will have to tackle two issues. The first is how to prevent future intermediaries and the second is what to do with existing intermediaries. To prevent intermediaries from coming into the land in future, two things have to be done. One is the prohibition of future leases and the other is the banning of the alienation of land to non-cultivators. The Committee have not thought it fit to prohibit future leases. On the other hand, they are disposed to tolerate leases even hereafter and are opposed only to the creation of sub-leases in future. This means that the moorings of the Committee are still in landlordism despite their intellectual preference for peasant proprietorship. Even in a comparatively backward State like Hyderabad, where the feudalism of the middle ages is still practically intact, the Government had the courage to stop future leases by the Land Act passed in this year. And, yet, we in advanced Madras are still hesitating to abolish landlordism! Here it is some consolation to find that the Committee have recommended a ban on the alienation of land to non-cultivators though one would wish the exemptions provided by the Committee could have been fewer in number.

9. While prohibiting future leases, some exceptions to the rule will necessarily have to be made. The Congress Agrarian Reforms Committee have provided for three exceptions in the case of widows, orphans and disabled persons. The approach to this question made in the recent Hyderabad legislation seems to be more scientific. That legislation has substituted 'females' for 'widows', 'minors' for 'orphans', and has explained a 'disabled person' as one who is permanently incapable of cultivating land by reason of any physical or mental infirmity. To these three classes of persons, two more have been added, persons serving in the Naval, Military or Air Force of India, and persons who are temporarily prevented by any sufficient cause from cultivating land. Of course, the Land Tribunal is the authority to grant these exemptions. We may very well adopt the Hyderabad provisions in our scheme of peasant proprietorship. The Committee had not to consider this question since there was no problem before them of bannning future leases.

10. So then, we have found that, in regard to the implementation of the first part of the scheme of peasant proprietorship, namely, the prevention of future intermediaries in land, the Committee have only been partially successful. And in regard to the second part, that is, the solution of the problem of existing intermediaries, the Committee have definitely failed. I shall explain how.

11. The existing intermediaries can be eliminated only in one of two ways. Either the landlords may be liquidated on payment of some compensation and the cultivators may be made the owners; or, the landlords may be allowed to evict tenants and resume all their lands for personal cultivation. In a socialistic society, either course of action could be taken without any great harm being done to anybody; for, in such a society, every member is assured the minimum necessities of life by Government. But, in a capitalistic society like that of ours, a step like the one mentioned is fraught with disastrous consequences and would upset social and economic conditions considerably. Here, therefore, we have to proceed cautiously and that is perhaps why one of the witnesses who appeared before us, a representative of a Village Officers' Association wisely reminded us that, ' unless the State guarantees employment to one and all throughout the State, any agrarian reform aimed at would create unrest in the State and throw into confusion the agricultural life and economy.' The warning is not out of place when we remember that the population involved in the solution of this problem is a third of the entire agricultural community.

12. Here two safe courses are open to us to eliminate a certain percentage of the existing intermediaries. The first course is to allow the landlord a very limited right to resume lands for his personal cultivation. The Committee have allowed the landlord to resume for his personal cultivation lands bearing an assessment of Rs. 250. The extent of the land allowed is rather too much and it may sometimes have the effect of depriving the tenant of his entire holding. The second and more effective course is to fix the maximum size of an agricultural holding to be owned by an individual so that lands beyond the maximum may be released for purchase by others who do not own landed property. The Committee are definitely against this reform except with regard to future holdings—perhaps they think—" After me, the deluge ".

13. *Maximum holding.*—The chief argument advanced by the Committee against the imposition of a ceiling on land is that only a comparatively small number of landless persons could be accommodated as a result of this step. In other words, only a comparatively small area of land would be released for prospective owner cultivators. At the same time, they do not give us any idea of what they mean by a reasonable area or a reasonable number. The Committee makes a number of calculations to prove their statement. According to one calculation, on the basis that

lands paying an assessment of Rs. 100 should represent the maximum holding and that an economic holding should be 5 acres wet and 10 acres of dry land, three lakhs of economic holdings could be created. On the basis of an assessment of Rs. 250 with the same extent of land for an economic holding, one and a half lakhs of holdings could be carved out. Adopting a higher unit for an economic holding, 10 acres of wet and 20 acres of dry land and again on the basis of Rs. 250 assessment, seventy-five thousand economic holdings could be formed. With the same unit for an economic holding and on the basis of Rs. 500 assessment about 45,000 holdings could be constituted. Putting the maximum as low as Rs. 250 assessment and then distributing the excess not in economic holdings, but in plots of one acre wet and two acres dry, about seven and a half lakhs of landless persons could be provided for. Each one of these figures is ample justification for me to wield the expropriatory axe forthwith. If, as the result of any arrangement it is found only half a dozen families can be settled in life and their conditions made happier and brighter, the State should not hesitate to carry out that arrangement. What to say then of these glorious chances for lakhs and lakhs of families!

14. It is surprising to find that the Committee should consider these extents of land as not sufficient enough to fix a maximum for existing holdings. And this alleged insufficiency is good argument for them to continue the present monopoly in land! They do not trouble themselves to find out any other alternative solution. Faced with almost the same difficulty, it is significant that Prof. Driver came to a very different conclusion. The learned Professor says that "as the total land available is much less than necessary for a proper distribution in the form of prosperous individualistic peasant farms, complete abolition of private property in land and institution of co-operative collective farming are the only panacea for all the rural, in fact, the country's ills." How I wish the Committee also came to the same conclusion!

15. The imposition of a ceiling on land is also opposed for the reason that it would be inequitable to do it in the agricultural sector alone when the industrial and other sectors are not touched at all. This is an extremely fallacious argument. Much as I would like the maximum to be fixed in all sectors, I must say that land stands on a very different footing from other kinds of property. For, unlike other kinds of property, land is a very limited commodity and is highly essential for human sustenance exactly as air and water are. The State should therefore break the monopoly in land before it breaks other monopolies. Moreover, when we fix a maximum holding in land, there is no idea at all of reducing the wealth of the landowner. We only say that he may have his wealth in the form of land up to a certain limit and convert the rest of it into money. For, there is no proposal to take away anybody's land without paying adequate compensation. One fails to understand where the inequity in this arrangement lies.

16. The plea that the expropriation of lands above the maximum limit would cost the Government about seventy-five crores of rupees and so, the Government would find it an impossible financial proposition is somewhat forceful. But, even this difficulty is not insurmountable. The Government, instead of undertaking any direct financial responsibility in this matter, can ask the landlord to choose the best among his lands which would carry an assessment of Rs. 250 (as per the proposal of the Committee) and declare that his other lands would be open for sale to cultivators up to a prescribed extent. Many persons will certainly be able to avail themselves of this advantage and as for those who cannot find out the money, co-operative societies or land mortgage banks may be directed to give loans on easy instalments of repayment.

17. The fact that, in very many countries of the world such as Japan, Bulgaria, Czechoslovakia, Poland, Rumania, Hungary and the Soviet Zone of Germany, maximum holdings have been fixed and the results have, so far, been successful must certainly embolden us to try the experiment in our State too. If not for the whole of the State, at least for my own district, I pleaded, a maximum holding may be fixed. My reasons were that in Malabar, there was much greater monopoly in land than in other parts of the State and it would be easier for the tenant in Malabar to purchase the landlord's interest as, unlike the East Coast, the improvements in land belonged entirely to the tenant. The Committee were not prepared to make an exception of Malabar even.

18. *Occupancy right.*—Even if all these reforms are carried out, a certain percentage of existing intermediaries will remain and to that extent, therefore, a sector of landlordism will linger. And if a ceiling is not going to be imposed in regard to present holdings, this sector is bound to cover the majority of the agricultural population. In any case, for the reasons given in paragraph eleven, this sector has to be recognized during the period of transition and it requires a different kind of treatment too. Our main concern here should be to protect the tenants as much as possible from the evils of landlordism. And it can be done only by giving him a fixity of tenure and providing for the payment of fair rents and compensation for improvements. The Committee have recommended fair rents and compensation for improvements, but have stoutly opposed the granting of any fixity of tenure or occupancy right to the tenant. It does not require arguments to show that, in a system of landlordism, the most fundamental protection the tenant requires is fixity of tenure. If, at every step, the tenant has to live in fear of eviction, not only would his manhood be sapped, but, the land also would deteriorate. For, even a child knows that, under present social conditions, nothing acts so much as an incentive to human endeavour as the feeling that one could enjoy the fruits of one's own labour. It is essential, therefore, for the moral and material improvement of the tenant,

he should not be disturbed from his holding as long as he discharges his obligations under the contract. That is why as the Travancore-Cochin Land Reform Committee, in their Report published a few weeks ago said " Progressive countries everywhere have invested the cultivating tenants with fixity of tenure. It would be wrong to say that there is not at the present time a single country in the world which believes that, by itself, the creation of such a tenant's right would be the landlord's wrong." And yet, the Committee believes so!

19. The Congress Agrarian Reforms Committee proposed to give occupancy rights to tenants who had been on the land for six years and more and this proposal has been accepted by more than one Congress Government in recent land legislations. Such a proposal may create complications with regard to tenants who may not have been on the land for the specified period of six years. The better course, therefore, would be to give fixity to all tenants who have been on the land on a crucial date or who may be let into the land as tenants thereafter. That was what was done in Malabar under the Tenancy Act of 1930 and the results have been very successful. No good landlord has suffered by that Act and the tenants were benefited immensely. A proposal to give fixity on the lines of the Malabar Act (with the difference that the rights of the tenant will only be heritable but not alienable) was placed by me before the Committee only to be rejected by them. The maximum fixity they thought fit to give the tenant was for a period of five years instead of the one year he now has! One wonders how this will improve matters except it be that evictions can take place only after quinquenniums and instead of making permanent improvements in the land, the tenant can only make improvements which will bear fruit within five years.

20. As far as one could see, the main argument of the Committee against the granting of occupancy right is " the incongruity of having a number of something like petty zamindars dotted all over the State when zamindaris stand abolished ". This argument has no substance behind it. After having deliberately allowed zamindari conditions to be created, it does not lie in the mouth of the landlord to say that he must escape its liabilities. If the Committee really wanted to do away with the new " chota zamindars ", they ought to have recommended their liquidation instead of imposing them on tenants. The Committee will remember that no one is interested in the perpetuation of these intermediaries and if their immediate liquidation is not asked for and they are suffered to exist, it is only as a concession and for preventing sudden social and economic changes during the period of transition. The argument that the grant of an occupancy right would penalise the good and the bad landlord alike is only a kind of sentimentalism. If we are convinced that a particular reform is essential in public interests, such sentimentalism should not be allowed to influence us. When once the Government of India

decided that Indian Princes should go in the interests of political unity and national consolidation, they very rightly did not trouble themselves to distinguish between good and bad Princes.

21. The Election manifesto of the Congress unequivocally declared that every effort should be made to eliminate the intermediary in land. The Faizpur Congress held as early as December 1936 passed a resolution that " fixity of tenure with heritable rights along with the right to build houses and plant trees should be provided for all tenants ". The Congress Economic Planning Sub-Committee relating to agrarian reform definitely laid down recently that " provision should be made for fixity of tenure to the tiller ". And I am pained to find the Land Revenue Reforms Committee that consists of a majority of Congressmen have voted down the proposal to confer at least a fixity of tenure on the tenant, let alone the elimination of the intermediary.

22. More than the incongruity referred to by the Committee while opposing occupancy right, I am disturbed by the incongruity that the recommendations of the Committee are going to create in the State. Whatever may be the differences between the land tenures obtaining in Malabar and the East Coast in other respects, there is absolutely no difference between the incidence of simple lease in the two areas. And in Malabar, the simple lessee or the cultivating verumpattamdar was granted a qualified fixity of tenure by the Act of 1930. Fifteen years later, in 1945, by an Amendment Act, evictions for bona fide purposes of cultivation were restricted to cases where the landlord had no other means of livelihood. And the Malabar Tenancy Bill that is now before the Legislature seeks to prevent evictions altogether after a period of five years. While this is the case in Malabar, the simple tenant in the other twenty-four districts would, according to the recommendations of the Committee, not only not get the protection which his compeer in Malabar got twenty years ago, but would get much less, a period of five years. In the same manner, the Committee recommend that the landlord can resume for personal cultivation lands bearing an annual assessment of Rs. 250. The law in Malabar, on the other hand, does not allow any such limit of cultivation and it is quite possible, as things stand at present, the landlord may not be able to resume any lands at all. The Congress Government rules over the two areas and Congress ideology in agrarian matters does not contemplate any such differentiation.

23. Here, I may be excused a disgression of a rather personal character. For a period of ten years, from the year 1923 to 1933, I was a full-time public worker, and eight of these ten years, I devoted to the Malabar Tenancy Act, and the remaining two years, to the Madras Marumakkathayam Act. During these ten years, I cultivated the personal acquaintance of every member who passed through the Legislative Council for the sake of enlisting support to the two measures referred to. With the result that the causes that I represented had always an overwhelming support in the Legislative Council. This was particularly useful in

the case of the Malabar Tenancy Bill; for, the then Government was definitely hostile to tenants and exhausted all their resources to obstruct the measure, if not to destroy it. Though the Government did succeed in delaying the measure for some time, ultimately, we won all along the line and this is practically due to the consistent support we got from the East Coast members. I cannot think of these gentlemen except in terms of gratitude for their invaluable services to our cause. But, one curious circumstance, I cannot help mentioning and that is, almost without exception, every East Coast member showered his sympathy then on the simple lessee, the cultivating verumpattamdar even at the expense of the middle-class tenants, the kanamdars. And to-day, I find the identical class of people vehemently opposing any kind of protection being given to the simple lessees under them. Can it be that the present generation have deteriorated or the previous generation were generous, because their own pockets were not touched?

24. Whatever it may be, I would make a personal appeal to the landlords and the Government to take note of the present situation and heed the writing on the wall. As early as the 9th of October 1914, one of the shrewdest of Madras civilians, the late Sir Alexander Cardew, testified in an official note to the very miserable and distressing condition of the tenantry in the Madras State. The Britisher that he was, he did not want to give them any relief by legislation because he said " there was no articulate demand from the tenant class for interference as they were not conscious of their position " and therefore he would allow " the present state of quiescence " to continue until " the day came when the tenants would wake up and demand their rights ". I have no doubt that day has come; for landlord witnesses who appeared before us said that many of them could not safely live in their villages and had therefore transferred their residences to towns for fear of personal violence from tenants. What more is required to drive home to all of us the seriousness of the situation?

25. I would therefore respectfully suggest to Government that, in view of the sharp differences in the Committee and the strong trends of public opinion in the State, they may be pleased to publish our Report without any delay and immediately thereafter, convene a Round Table Conference representative of the different interests in land. The Government may place the Report and their considered views before this Conference for discussion and after knowing the reactions of the Conference, frame their final proposals for legislation.

26. Before concluding I should like to place on record my appreciation of the valuable services rendered to the Committee by both the Chairman and the Secretary. Whatever our differences inside the Committee may be, we have always worked as a ' Happy Family ' and this is in no small measure due to the unfailing courtesy and efficient help we received from the Chairman as also to the tireless work done by the Secretary. I believe the entire non-official wing of the Committee would join me in this

tribute to the two officers. I cannot also remember except with a feeling of thankfulness, the silent and arduous work done by the office staff.

G. SANKARAN NAIR—25-12-50.

(Camp) Madras.

## SUMMARY OF PROPOSALS.

The nationalization of land with its natural corollary of collective farming should be the goal of our agrarian policy.

If, for any reason, immediate steps cannot be taken to this end, peasant proprietorship may be introduced as an interim measure. This can be done only as the result of careful planning extending over a few years.

Peasant proprietorship involves the prevention of future intermediaries in land and also the elimination of existing intermediaries. To prevent future intermediaries, future leases will have to be prohibited and a ban will have to be imposed on the alienation of land to non-cultivators. The Committee have imposed the latter ban. But, leases also will have to be prohibited in future.

In prohibiting future leases, certain exceptions will have to be made. They are in the case of females, minors, disabled persons, persons serving in the Air, Military or Naval forces, and persons temporarily prevented by any sufficient cause from cultivating the land.

To eliminate existing intermediaries, landlords may be allowed to resume lands for personal cultivation up to a certain extent and a ceiling should be imposed on the size of agricultural holdings. The Committee have recommended the first course though the limit is rather too high. With regard to the imposition of the ceiling, the Committee are prepared to do it only with regard to future holdings. That would not do. Existing holdings also should be included in the reform.

In spite of all these reforms, a sector of landlordism will still remain. That sector has to be recognized in the period of transition, and the tenant in that sector must be protected from the evils of landlordism. Fixity of tenure and provision for fair rents and compensation for improvements are essential for giving this protection. The Committee have provided for fair rents and compensation for improvements. Occupancy right is more important and that should be provided for in the new legislation.

G. SANKARAN NAIR—25-12-50.

# APPENDICES

## APPENDIX I

**(Vide paragraph 1 of the report.)**

Extract from G.O. Ms. No. 1376 (Confdl.), Revenue, dated the 9th May 1950.

[Land Revenue Reforms Committee—Constitution—Ordered.]

The Government of Madras have been considering the question of improvement and reform in respect of the method of assessment of land revenue in ryotwari areas, the system of land revenue administration, the tenure of holding of ryotwari land, and the conditions of cultivating tenants and agricultural labourers. Before arriving at conclusion, they have decided to appoint a Committee to advise them on the problems involved.

2. They accordingly set up the following Committee:—

*Chairman*—Sri M. V. Subramanian, I.C.S.

*Members*—

Sri B. Ramachandra Reddi, Buchireddipalem.
Sri N. Ranga Reddi, M.L.C.
Sri Alluri Satyanarayana Raju, M.L.A.
Sri C. Subramaniam, M.P., Coimbatore.
Sri Manathunainatha Desigar, M.L.C.
Sri V. I. Munishwamy Pillai, M.L.A.
Sri G. Sankaran Nair, B.A., B.L., Ottapalam.

*Secretary*—Sri S. R. Kaiwar, I.C.S.

3. The Committee is requested to consider the following questions and make recommendations on them to Government:—

(*a*) Whether the present system of land revenue assessment should be maintained and periodical resettlement resumed, and if so what the currency of the settlement should be, or whether resettlements should be abandoned permanently;

(*b*) if resettlements are abandoned, whether modifications of the existing assessments would be necessary in order to standardize them at an appropriate level and to secure uniformity of assessments as between the various districts of the State;

(*c*) whether it is desirable and practicable to assess any class of inams now held at favourable rates, at the full rates payable for similar lands in the neighbourhood;

(*d*) whether instead of making assessments unalterable a sliding scale of assessment should be introduced varying every year according to the price-levels and the financial position of the Government;

(*e*) whether an element of progression should be introduced in the system of assessment by exemption of petty holdings, by a graduated scale of assessment based on the extents of holdings, by means of an agricultural income-tax in addition to the assessment, by means of a tax on commercial or more valuable crops, or by any other suitable method;

(*f*) whether the present system of assessment should be completely replaced by an agricultural income-tax, or a low basic land tax irrespective of the quality of the land along with a scheme of taxation

of agricultural income, or a tax on sales of agricultural produce, or a tax levied as a percentage of rental value or of capital value, or any other suitable tax;

(*g*) in the event of the replacement of the present system of land revenue assessments by any such alternative methods, what arrangements should be made to secure for local boards the kind of income they are now deriving by way of land-cess and education-cess which are now being levied and collected on their behalf as surcharge on land revenue assessment;

(*h*) on an examination of the incidence of water-cess, what the relative merits are of a system of fixed water-rate and a system of differential water-rate and which is more suitable to the conditions of this State having regard to the interests both of the landholder and the public revenues;

(*i*) whether, having regard both to efficiency and economy, any changes are called for in the machinery of land revenue administration, and, in particular, whether it is necessary to retain the Board of Revenue and whether it is necessary to keep village establishments in their present form; and, if these village establishments are necessary, whether they should continue to be hereditary, and whether the hereditary system should be extended to the areas where it is not now in operation;

(*j*) whether any simplification is possible in the present system of village and taluk accounts;

(*k*) whether and in what manner the Government should intervene to fix maximum holdings, form economic holdings, eliminate non-cultivating and non-resident pattadars, prohibit alienation of land to non-cultivators, confer occupancy rights on tenants under ryotwari pattadars, secure fair rents and fixity of tenure for such tenants, and ensure fair wages and proper conditions of work for agricultural labourers; such of these problems as pertain specially to the tenures in Malabar and to the relationship between landholders and tenants there, need not, however, be gone into by the Committee as another Committee has reported already on those problems, and the Government are now engaged in the preparation of necessary legislation on the subject; and

(*l*) whether it is desirable to have a comprehensive Land Revenue Code embodying the law relating to land assessment and connected matters and, if so, what items should be included in the Code.

4. The Committee may also make recommendations on any other points connected with, or arising out of, the specific questions set out in paragraph 3, or generally germane to the purpose indicated in paragraph 1.

5. It is expected that the reports and recorded discussions available in the offices of Government and of the Board of Revenue will furnish ample material for the Committee's deliberations on the various questions which it has to consider. The Committee will, in particular, take into consideration the reports prepared by Sri N. Raghavendra Rao as Special Officer, and the Report of the Congress Agrarian Reforms Committee. On any points on which information is required, the Committee may send for reports or particulars from the Government or the Board of Revenue. The Committee will, therefore, ordinarily sit at Madras.

6. It is open to the Committee, however, to elicit the views of associations or individuals on any questions wherever it may consider it necessary, in such manner as it may consider suitable, and for that purpose, also to hold its sittings outside Madras in such places as it might deem convenient.

7. The Committee is requested to send preliminary report in the first instance, at as early a date as it may find conveniently possible, on the issues raised in sub-paragraph (*k*) of paragraph 3 above and to send its final report covering all the other points on or before the 30th September 1950.

## APPENDIX II.

(Vide paragraph 104 of the report.)

### The Madras Economic Holdings Bill.

*Preamble.*

Whereas, for the improvement of agriculture and the economic prosperity of the people engaged in agriculture in this Province, it is expedient to determine and declare an economic holding to prevent fragmentation of agricultural holdings and to provide for the consolidation of agricultural holdings; It is hereby enacted as follows:—

*Chapter I—Preliminary.*

1. This Act may be called " The Madras Economic Holdings Act, 1948 ".

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

(1) " Consolidation of holdings " means the substitution of a compact block for a number of scattered fragments, by re-distribution and exchange of holdings or portions of holdings in a village or group of villages, so as to reduce the number of holdings therein.

(2) " Consolidation Officer " means the Revenue Divisional Officer or an officer appointed under section 15 to perform all or any of the functions of a Consolidation Officer under this Act.

(3) " Holding " means a parcel or parcels of lands held by an owner.

(4) " Owner " includes an owner in severality or in common or joint ownership, and also a person possessing occupancy rights.

(5) " Economic holding " means an area fixed by the Provincial Government under section 6 as the minimum area necessary for profitable cultivation in any particular locality.

(6) " Fragment " means a plot of land which is less than an economic holding.

(7) " Prescribed " means prescribed by rules made under this Act.

(8) " Transfer " means sale, gift or any other transaction by which permanent ownership or right to possession is transferred and includes an usufructuary mortgage and a lease.

*Chapter II—Economic Holdings.*

3. The provisions of this chapter shall apply only to such localities as the local Government may, from time to time, by notification in the official gazette specify:

Provided that a part only of a village shall not be included in any such locality.

4. In any locality specified by the Provincial Government under section 3 hereinafter referred to as the specified locality, the Provincial Government may, after such enquiry and propaganda as it may consider fit, provisionally settle for any class and form of land, the extent which can be cultivated profitably, as a separate unit.

5. The Provincial Government shall cause the minimum extent referred to in section 4 to be notified in the District Gazette or in such other manner as may be prescribed, and invite objections thereto within two months of such notice.

6. (1) The Provincial Government shall, after considering the objections, if any, received within that period, and after such further enquiry as it may think fit, fix the minimum extent of land with reference to each class and taram of land, in the specified locality, which can be cultivated profitably as a separate unit.

(2) The Provincial Government may at any time revise an economic holding in any specified locality.

(3) The area fixed by the Provincial Government under section 1 and where it has been revised by the Provincial Government under sub-section (2), the area as revised shall be the economic holding for the specified locality.

7. In making a revision under sub-section 2 of section 6, the procedure laid down in sections 4, 5 and sub-section (1) of section 6 shall be followed as far as possible.

8. The Provincial Government shall, by publication in the District Gazette, and in such other manner as may be prescribed, give notice to the public of an economic holding as fixed under sub-section (1) of section 6 or revised under sub-section (2) of section 6.

9. Sections 10 to 15 shall apply to any locality, in which an economic holding has been fixed under section 6 and published under section 8.

10. Where, by transfer, decree, succession or otherwise, two or more persons are entitled to shares in an undivided property, and such property has to be divided among them, such partition shall be effected, so as not to create a fragment, and every partition effected contrary to this provision shall be void.

11. If, in effecting a partition of property among several sharers, it is found, that a sharer is entitled to a specific extent and cannot be given that extent without creating a fragment, he shall be compensated in money for the fragment.

12. (1) If, in effecting a partition, it is found that there is not enough land to provide economic holdings to all the co-sharers, the co-sharers may agree among themselves as to which among them

should be provided with economic holdings and which should be compensated in money. In the absence of any such agreement the

19. If no scheme is submitted along with an application under section 17, the Consolidation Officer shall, after such enquiry as he may think fit, himself prepare a draft scheme for the consolidation of holdings in the village, publish it in the prescribed manner, hear objections thereto and shall make such modifications in the scheme as he may think fit. Thereupon he shall submit his final draft scheme to the District Collector for confirmation.

20. If in the re-distribution of lands in any scheme any owner is allotted land of less market value than his original holding, the consolidation Officer may provide in the scheme for payment to him of compensation for such deficiency. He may also fix the assessment including water-rate if any payable in respect of each reconstituted holding.

21. The draft scheme submitted by the Consolidation Officer to the District Collector shall be published in the prescribed manner in the village or villages concerned.

22. Within thirty days of such publication, any person likely to be affected by such scheme may represent to the District Collector, his objections if any to the scheme.

23. The District Collector shall consider all the objections received by him, and shall after such further enquiry if any as he may think fit, either confirm it with or without modifications or refuse to confirm it.

24. The final scheme as confirmed by the District Collector shall be published in the District Gazette and also in such other manner as may be prescribed, and such scheme shall take effect from the beginning of the next agricultural year, following such publication and be binding on all the owners of land in the villages.

25. The owners affected by the scheme shall, with effect from such date, be entitled to and take possession of the respective holdings allotted to them in the re-distribution.

26. The Consolidation Officer, shall, if necessary, by warrant, put them in possession of the holdings to which they have become entitled; provided that no owner shall be entitled to possession of a holding allotted to him in the re-distribution unless he has previously deposited in the prescribed manner the compensation, if any, payable by him under the scheme:

Provided further that if any owner fails to make such deposit, the Consolidation Officer may sell his holding in auction and pay the purchase money realized to the owner or such other persons as may be found to possess an interest in the land.

27. The Consolidation Officer shall grant to every owner to whom a holding has been allotted in pursuance of a scheme of consolidation, a certificate in the prescribed form, duly registered under the Indian Registration Act, 1908, and no further instrument shall be necessary to effect any transfer involved in the scheme of consolidation.

28. Subject to any general or special order of the Government in this behalf, the costs of carrying out the scheme of consolidation shall be assessed in the prescribed manner and be recoverable from the owners, whose lands are affected thereby, in such proportion as may be fixed by the Consolidation Officer. The salary of the Consolidation Officer shall not be included in such costs.

29. Every person to whom a holding has been allotted in pursuance of a scheme of consolidation, shall have the same rights in such holding as he had in his original holding.

30. (1) If the original holding of an owner included in a scheme of consolidation was burdened with a lease, mortgage, debt or other encumbrance, such lease, mortgage, debt or other encumbrance shall be transferred therefrom, and attach itself to the holding allotted to him under the scheme, or to such part of it as the Consolidation Officer may determine, and the lessee, mortgagee, creditor or other encumbrancer as the case may be, shall exercise his rights accordingly.

(2) If the holding to which a lease, mortgage, debt or other encumbrance is transferred under sub-section (1) is of less market value than the original holding from which it is transferred, the lessee, mortgagee, creditor or other encumbrancer, as the case may be, shall be entitled to the payment of such compensation by the owner, as the Consolidation Officer may determine.

(3) The Consolidation Officer shall put any lessee, mortgagee, or other encumbrancer entitled to possession, into the possession of the holding to which his lease, mortgage, or other encumbrance has been transferred under sub-section (1).

31. During the pendency of consolidation proceedings under this chapter, all proceedings, judicial or otherwise, for partition of lands in the area concerned and all proceedings for transfer of registry in the revenue accounts shall be stayed and kept in abeyance.

*Chapter IV—General.*

32. The Provincial Government, may, at any time, for the purpose of satisfying itself as to the legality or propriety of any order passed by any officer under this Act call for and examine the records of any case pending before or disposed of by such officer and may pass such orders thereon as it thinks fit, provided that no orders adverse to any person shall be passed without giving him notice and an opportunity for representing his objections.

33. No civil court shall entertain any suit application or other proceedings in respect of any matter which the Provincial Government or any officer is by this Act empowered to decide, determine or dispose of.

34. No suit or other legal proceeding shall be entertained against the Government or any public servant or any person duly authorized by either, in respect of anything done or purporting to be done in good faith under the provisions of this Act.

35. Any amount payable to Government as costs under section 28 shall be recoverable as an arrear of Land Revenue.

36. Notwithstanding anything contained in the Land Improvements Loans Act, 1883, or the Agriculturists' Loans Act, 1884, a loan may be granted to any owner of land by the Government for the purpose of carrying out any of the purposes of this Act.

37. No registration or stamp-fee shall be levied from the parties concerned for mutation of names in the Revenue accounts or for the

issue of certificates under section 27 for transfers involved in any scheme of consolidation of holdings under this Act; nor shall any fee or costs be levied for the fixing of boundary marks consequent on such redistribution.

38. If any difficulty arises in giving effect to any of the provisions of this Act, the Provincial Government may solve the difficulty and pass such orders as it thinks fit.

39. (1) The Provincial Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality or the foregoing power, the Provincial Government may make rules—

(i) for the manner of giving public notice or publishing notices under this Act;

(ii) providing for the particulars to be contained in an application made under section 17;

(iii) providing for the procedure to be followed by the Consolidation Officer in dealing with an application for consolidation of holdings or in the examination or preparation of a draft scheme;

(iv) for determining the market value of holdings or lands brought under any scheme of consolidation;

(v) for regulating the assessment of costs under section 28;

(vi) for the manner of eviction of persons under section 26;

(vii) for the form of the certificate to be granted under section 27;

(viii) for the fixing of the assessment including water-rate, if any, payable in respect of each reconstituted holding;

(ix) generally for the guidance of the Consolidation Officers in proceedings under this Act.

(3) All rules made under this Act shall be subject to the condition of previous publication.



## APPENDIX III.

(Vide paragraph 3 of the report.)

### List of Individuals and Associations who sent in Written Memorandum.

*Part I—Individuals.*

1 Sri G. Subramaniam, B.A., B.L., Nandalur.
2 ,, A. S. Kuppuswami Ayyar, Tirunelveli.
3 ,, W. R. Balasundaram, Vellore.
4 ,, K. Chockalingam, Sirkali.
5 ,, Kodur Venkatarama Sastri, Bellary.
6 ,, Narahari Setty, Anjaneyalu Nayudu, Budampadu village, Guntur.
7 ,, Ch. S. R. Ch. V. P. Murthy Raju, West Godavari and Desika Subbiah.
8 ,, B. P. Sesha Reddi, Kurnool.
9 ,, N. C. Ramalinga Reddiar, Naranamangalam, Tiruchirappalli.
10 ,, V. G. Ramachandran, Advocate, Tirukoilur.
11 ,, M. Hanumantha Rao, Kadiri.

12 Sri K. B. Jinaraja Hegde, Mangalore.
13 ,, K. B. Gopal Rao, Kadiri.
14 ,, S. Ramamurthi Ayyar of Kunnam, Sirkali.
15 ,, M. B. Rangaswami Reddiar, Tiruvannamalai.
16 ,, A. Lakshminarayana Rao, Retired Superintending Engineer, Erodipeta, Guntur.
17 ,, Y. Gadilingana Gowd, Yemmiganur.
18 ,, C. Bala Menon, Kollengode.
19 ,, N. Ganapathi Pillai, Chidambaram.
20 ,, P. B. Ranganatha Punja, Mangalore.
21 ,, L. Soundararajiengar, Kuppam.
22 ,, P. Ramanujulu Nayudu, Kurnool.
23 ,, N. S. Kolandaswami Pillai, Tiruchirappalli.
24 ,, Mudikondan V. Mahadeva Ayyar.
25 ,, Gothpati Brahmiah, Krishna.
26 ,, A. Vedaratnam, M.L.A., Tanjore.
27 ,, A. Appavoo Thevar, Tanjore district.
28 ,, K. S. Ramaswami, Kodavasal.
29 ,, S. L. Narasiah, Vizianagaram.
30 ,, R. M. Palat, South Malabar.
31 ,, E. C. W. B. Zacharias, Madras.
32 ,, D. Manjayya Hegde, M.L.C., South Kanara.
33 ,, V. Raghunatha Reddi, Chittoor.
34 ,, A. Veeriya Vandayar, Tanjore.
35 ,, K. V. Srinivasa Ayyangar, Marudur, Tiruchirappalli.
36 ,, A. Ramanadhan, Vijayavada.
37 ,, A. Kondappa, Anantapur.
38 ,, B. T. Seshadri Achariar, North Arcot district
39 ,, K. Ramayya, B.A., Gudivada.
40 ,, G. Rangiah Nayudu, Madras.
41 ,, V. Venkatasubbiah, Nellore.
42 ,, A. Srinivasa Ayyangar, Tanjore.
43 ,, V. Vajjiravelu Monigar, Salem.
44 ,, D. Sitaramiah, Guntur.
45 ,, H. L. Kamath, South Kanara.
46 ,, A. Chidambara Nadar, Vellore.
47 ,, V. Murahari Rao, Hyderabad.
48 ,, M. Chayyappa.
49 ,, K. J. Balal, Udipi.
50 ,, R. Srinivasan.
51 ,, O. P. Ramaswami Reddiyar, Omandur.
52 ,, Javvadi Lakshmayya.
53 ,, K. C. Manavedan Raja, South Malabar.
54 ,, Gannabattulla Ranga Rao.
55 ,, S. K. Vinaitheertha Pillai, Kallakurichi taluk.
56 ,, R. Kasinatha Dorai, Ramanathapuram.
57 ,, K. V. Suryanarayana Ayyar, Kozhikode.
58 ,, M. S. Palaniappa Mudaliyar, Coimbatore.
59 ,, K. Venkataswami Nayudu, Coimbatore.
60 ,, Gudipati Suryanarayana, Krishna.
61 ,, D. Munikanniah, Madras.
62 ,, M. Manickam, Arpakkam, Shyali.
63 ,, N. Somasundaram, Sirkali.
64 ,, A. A. Muthuswami Raja.
65 ,, Bulusu Ganga Rayudu.
66 ,, N. S. Sivasubramanian, Nerur, Karur.

67 Sri P. Venkatarama Ayyar, Kumbakonam.
68 ,, R. Kandaswami Mooppanar, Kumbakonam.
69 ,, G. Vagheesan, Pinnalur, Chidambaram.
70 Janab Mahammad Gulam Mohideen Sahib Bahadur, Vijayavada.
71 Sri V. C. Palaniswami Gounder, Coimbatore.
72 ,, Bailur Vasudeva Rao.
73 ,, R. Rami Reddi, Dhone taluk, Kurnool district.
74 ,, D. Venkatarama Reddi, Nellore.
75 ,, T. V. Kuppuswami Reddiyar, Nellore
76 ,, C. Ramaswami Mudaliyar, Cheyyur, Chingleput.
77 ,, N. Somasundara Ayyar, Vellore.
78 ,, K. Venkatappayya Nayudu, Srikakulam, North Visakhapatnam.
79 ,, K. V. K. Prasada Rao, Srikakulam.
80 ,, G. Rajagopal Pillai, Tiruchirappalli.
81 ,, S. Rangaswami Pillai, Vriddhachalam.
82 ,, Yedthere Manjaya Setty, Coondapur.
83 ,, Sitaram, Vinayasram, Guntur.
84 ,, M. Varatharajulu, Bobbili.
85 ,, K. Narasimha Rao, Chidambaram.
86 ,, S. Padmanabha Sarma, Mylapore, Madras.
87 ,, K. Unnikrishna Menon, Edapal, Malabar.
88 ,, D. Hanumantha Rao, Guntur.
89 ,, D. L. Narayana, Guntur.
90 ,, C. S. Srinivasa Mudaliyar, Sirkali.
91 Janab S. S. M. Syed Ibrahim Sahib Bahadur, Ramanathapuram.
92 Sri P. Balasubramania Reddi, Ponneri taluk.
93 ,, K. E. Sundaram Mudaliyar, Ponneri.
94 ,, O. Chengam Pillai, Vallur, Ponneri.
95 ,, S. K. Govindaraja Nayagar, Madras.
96 ,, C. N. Evalappa Mudaliyar, Poonamallee.
97 ,, J. Lakshmiah Nayudu, Penugonda, West Godavari district.
98 ,, E. V. Ramasundaram Pillai.
99 ,, K. C. Ramakrishnan, Madras.
100 ,, H. V. Adappa, Mangalore.
101 ,, N. Venkataswami Nayudu, Annur.
102 ,, M. V. Ramachandra Nayudu, Mettupalayam
103 ,, V. Damodaraswami Nayudu, Athipalayam, Coimbatore district.
104 ,, T. T. S. Thippiah, Dhaliyur.
105 ,, R. Ramakrishna, M.L.C., Coimbatore.
106 ,, K. P. Thyagaraja Dhikshidar, Coimbatore.
107 Janab M. G. Muhammad Ali Marakayar, South Arcot.
108 Sri R. P. Nagabhushanam, Anantapu
109 ,, I. K. Subramania Pillai and T. A. Muthukumaraswami Pillai, Tenkasi.
110 ,, Rajamannar Chinnam, Kovvur, West Godavari.
111 ,, N. Venkatarama Naidu, Managing Editor, Zamin Ryot, Nellore.
112 ,, R. Ramachar, Mayavaram.
113 ,, S. Srinivasachari, Cuddapah.
114 ,, P. T. Gopalan Nayar.
115 ,, L. C. Pais, Mangalore.
116 ,, K. Krishnaswami, Mukundanur, Tanjore
117 ,, P. S. Venkatasubbier, Tiruchirappalli.
118 ,, K. Venkatarama Sastri, Bellary.
119 ,, Ch. Balakrishna Sastri, Masulipatnam.

120 Sri V. Srisuryanarayanamurthi, Eluru taluk.
121 ,, S. P. Ramanatha Reddiyar, Kannamangalam.
122 ,, M. Rama Rao, Dharmavaram, Anantapur.
123 ,, P. K. Menon, Nilambur.
124 The Pulamai Pannai, Coimbatore.
125 Janab T. S. Abdul Razack, Sandaipet, Tirukkoilur Post.
126 Sri G. Srinivasa Raghavachari, Madurai.
127 ,, S. Nanjundayya, Kollegal.
128 ,, P. T. Subbiah Pillai, Tirunelveli.
129 ,, K. Sriramulu, Nellore.
130 ,, S. L. Chari, Tiruvadi, Tanjore.
131 ,, E. Sankaran Unni, Palghat.
132 The *Sreemathi*.
133 Sri M. A. Aye Gounder, Kasipalayam, Gobichettipalayam, Coimbatore.
134 ,, M. Srinivasa Ayyangar, Advocate, Chingleput.
135 ,, R. Vijayaraghavalu Nayudu, Yenangudi, Nannilam, Tanjore
136 ,, A. V. Desikachar, Srirangam.
137 ,, M. R. Punja, Mulki, South Kanara.
138 ,, M. N. Suvarna, Mangalore.
139 ,, K. Narasimha Ayyangar, Kumbakonam.
140 ,, S. P. Natesa Ayyar, Edayiruppu village, Tanjore district.
141 ,, P. G. Karuthirumal, Nanjaipuliyampatti, Bhavani.
142 ,, M. Arumuga Gounder, Pollachi.
143 ,, Kasturi Audinarayana, Guntur.
144 ,, N. Bhaskara Reddi, Chittoor.
145 ,, Venkateswara Sastri, Tondiarpet, Madras.
146 ,, P. Subbiah Pillai, Ramarathapuram.
147 ,, M. Venkataswami Reddiyar, Cuddalore.
148 ,, O. Viswanatha Rao, Nellore.
149 ,, S. V. Venkatacharyulu, Kakinada.
150 ,, Desi Kuppu Rao, Nandyal.
151 ,, Sourirajan, Pulivalam, Tiruvarur.
152 ,, M. Giriappa, Mangalore.
153 ,, A. V. Ramaswami, Anamalai, Coimbatore.
154 ,, R. Parthasarathi Ayyangar, Pollachi.
155 ,, D. Venkataramayya, Krishna district.
156 ,, S. Venkatesa Ayyar, Kolingivadi, Dharapuram.
157 ,, K. Govindarajulu Nayudu, Mayuram.
158 ,, V. Natarajan, Karaikudi.
159 ,, T. K. Venkataraman, Madras.
160 ,, R. Suryanarayana Rao, M.L.C., Madras.
161 ,, M. Venkataramayya, Repalli taluk, Guntur.
162 ,, N. R. Samiappa Mudaliyar, Nedumbalam.
163 ,, Ch. B. Sarma, Razole.
164 ,, Swami A. S. Sahajananda, M.L.A., Chidambaram.
165 ,, T. Subramaniam, Cuddapah.
166 ,, M. A. Balasubramaniam, Madukkarai.
167 ,, K. M. Manthapathi, Kodumudi.
168 ,, J. P. Sequiera, The Herahally Farm, South Kanara.
169 ,, S. Subbaraya Mudaliyar, Sirkali.
170 ,, R. J. Pereira, Mangalore.
171 ,, Appathurai Servaikarar, Neikuppai.
172 ,, A. Jagannadha Rao, Tuni.
173 ,, C. A. Dhairyam, Madras.
174 ,, S. C. Balakrishnan, M.L.A., Palani.
175 ,, A. Sivalingiah, Kollegal, Coimbatore.

176 Sri M. S. Siddiah, Kollegal.
177 ,, K. S. Ramaswami Gounder, Tiruppur.
178 ,, C. Rajagopal, Kollegal, Coimbatore.
179 ,, C. K. Subramania Gounder, Gobichettipalayam.
180 ,, T. M. Sembuseeli Gounder, Tiruppur, Bhavani taluk.
181 ,, K. P. V. Giri, Gobichettipalayam.
182 ,, R. S. Subramania Ayyar, Gobichettipalayam.
183 Janab S. M. Muhamad Khan, Satyamangalam.
184 Sri T. Shanmugam Pillai, Chingleput.
185 ,, G. V. Nageswara Ayyar, Gobichettipalayam.
186 ,, M. A. Andamuthu Gounder, Apparchimarmadam, Erode taluk, Coimbatore district.
187 ,, G. Krishnamurthi, Prodattur.
188 ,, T. Narasa Reddi, Jammalamadugu.
189 ,, S. Hussain Reddi, Badvel, Cuddapah.
190 ,, Y. Venkatasubba Reddi, Pullampet, Cuddapah.
191 ,, V. Chidanandam, Cuddapah.
192 ,, Lakkaraju Subba Rao, Kakinada.

*Part II—Associations.*

*1 The Salem District Agriculturists' Association, Salem.
2 The South Indian Federation of Agricultural Workers Union, Madras.
*3 The Madras Chamber of Agriculture, Madras.
4 The Sivagiri United Agriculturists' Association, Sankarankoil taluk, Tirunelveli district.
5 The Karnataka Malnad Development Society, Mangalore, South Kanara.
*6 The South Kanara Landholders' Association, Mangalore, South Kanara.
*7 The Tirupattur Taluk Agriculturists' Association, Vaniambadi, North Arcot district.
*8 The Jai Hind Tanjore District Labour Sangham, Kothangudi, Peralam Post, Tanjore district.
*9 The Udipi Taluk Ryot Sanga, Udipi, South Kanara.
10 The Taluk Ryot Congress, Bhimavaram, East Godavari.
*11 The Tanjore District Agriculturists' Association, Mayuram.
*12 The Tiruchirappalli District Agricultural Association, Bikshandarkoil P.O.
13 The Udipi Taluk Landowners' Association, Udipi, South Kanara.
*14 The Nilgiris Vivasaya Corporation, Limited, Ootacamund, The Nilgiris.
*15 The Tirunelveli District Ryotwari Landowners' Association, Tirunelveli.
16 The Malabar Landholders' Association, Chalapuram Post, Kozhikode.
*17 The Madras Provincial Agricultural Association, Coimbatore.

* Associations that sent representatives to give oral evidence before the Committee.

18 The Mayavaram Taluk Village Arupathi Mirasdars' Committee, Mayuram.

19 The Arni Taluk Vyvasayigal Sangham, Arni, North Arcot district.

*20 Sriramasamudram Canal Mirasdars' Association, Thottiam Post, Musiri taluk, Tiruchirappalli district.

21 The Sathiatope Anicut Mirasdars' Association, Porto Novo, Chidambaram.

*22 The Mirasdars' of Kumbakonam, Kumbakonam.

*23 The Kodavasal Agricultural Association, Kodavasal, Tanjore.

24 The Kavali Taluk Agriculturists' Association, Kavali, Nellore district.

*25 The Central Potato Growers' Association, Byanji, Kattabettu P.O., The Nilgiris.

*26 The Sivagiri Vyvasaya Sangham, Sivagiri.

*27 The Kulittalai Taluk Landowners' Association, Kulittalai.

*28 The Agriculturai Labourers' Association, Panthanallur Post, Kumbakonam.

29 The District Kisan Congress, Kasaragod, South Kanara.

*30 The South Kanara and Coorg Areca Growers' Union, Puttur, South Kanara.

*31 The South Indian Sugarcane Growers' Association, Madras.

*32 Sree Rayalaseema Village Officers' Association, Yerur Post via Guntakal.

*33 The Udumalpet Taluk Vyvasaya Sangham, Udumalpet.

*34 The Alamuru Co-operative Rural Bank, Alamuru, East Godavari.

*35 The United Planters' Association of Southern India, Coonoor, The Nilgiris.

36 The Perungudi Welfare Association, Perungudi, Velacheri P.O., Chingleput district.

37 The Puliangudi Vyvasaya Sangham, Sankaranayanarkoil taluk, Tirunelveli district.

*38 The Landholders' Association, Tadapalli Channel, Gobichettipalayam.

39 The Cuddapah Agricultural Development Corporation, Limited, Narasapur.

40 The Tirunelveli District Association, Vannarpet, Tirunelveli.

*41 The Musiri Taluk Landowners' Association, Musiri, Tiruchirappalli district.

42 The Madura District Agricultural Association, Sandaipettai, Madurai.

*43 The Coimbatore District Agricultural Association, Gnanambika Mills Post, Coimbatore.

*44 The Tiruchirappalli District Mirasdars' Association, Teppakulam, Tiruchirappalli.

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* Associations that sent representatives to give oral evidence before the Committee.

*45 The South Arcot District Agriculturists' Association, Cuddalore.

*46 The Chidambaram Taluk Mirasdars' Sangham, Chidambaram.

*47 The Tamilnad Congress Committee, Department of Social and Economic Studies, Madras.

*48 The Ryotwari Pattadars' Association of Natham and Pulipakkam villages, Chingleput.

*49 The Pallachi Taluk Agricultural Association, Pollachi.

*50 The Malabar Kisan Congress, Naniyoor, Parassinikadavu P.O., Malabar.

51 The East Godavari District Association, Kakinada.

*52 The Dusi Mamandur Tank Ayacut Pattadars' Association, Mamandur, North Arcot district.

*53 The Madras Provincial Agricultural Labour Federation, Vellore, North Arcot district.

54 The Taluk Agricultural Association, Karur, Tiruchirappalli district.

55 The Peddapur Sugarcane Growers' Co-operative Society, Peddapuram.

56 The Madras State Village Officers' Federation, Pappanapattu, Chintamani Post, South Arcot district.

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* Associations that sent representatives to give oral evidence before the Committee.