

REFORM IN INDIAN AGRICULTURE PRIOR TO THE EARLY SIXTIES

Rural India Prior to the Reform: Objective Need for Agrarian Reform

Between 1946 and 1948 work began on the preparation of agrarian reforms for territory covering approximately half India's surface. The task ahead was to transform the obsolete, semi-feudal patterns of agriculture which had evolved under British colonial rule. Rural India before independence was dominated by the class of big, middle and petty landowners who as a rule were not themselves engaged in agriculture but leased their land often going in for share-cropping.

According to 1951 figures, 5,300,000 landowners hiring out land, together with the members of their families, constituted two per cent of the rural population while owning 70 per cent of the land under cultivation. This enormously high concentration of land in the hands of the landowning oligarchy did not in any way go hand in hand with any significant concentration of agricultural production. The predominance of semi-feudal patterns of agriculture on the eve of the agrarian reforms found expression in three main factors that are historically and economically interconnected: the predominance of landed estates; the prevalence of small and tiny peasant land-tenure agricultural production and the all-important role of trade and usury capital in commodity and money circulation in the countryside.

The enormous concentration of land in the hands of the landowning class is reflected in the material collected by the national sample survey specially carried out in rural India in 1953-1954. Table 1 gives figures illustrating land distribution.

Table 1

**CONCENTRATION OF LANDOWNERSHIP IN RURAL INDIA
1953-1954***

(65,600,000 rural holdings and 310 million acres of land fit for cultivation are taken as 100 per cent)

Group of holdings (per cent of total): a—in each case equals group of holdings with smallest plots; b—in each case stands for group of holdings with largest plots	Percentage of land cultivated by each group of holdings	Times size of group b plots exceeds size of group a plots
a—5 (0-5)	0.2	
b—5 (95-100)	34.2	170
a—10 (0-10)	0.4	
b—10 (90-100)	48.8	122
a—15 (0-15)	0.9	
b—15 (85-100)	58.6	65
a—20 (0-20)	1.5	
b—20 (80-100)	66.5	44
a—25 (0-25)	2.3	
b—25 (75-100)	72.5	31
a—30 (0-30)	3.1	
b—30 (70-100)	77.5	25
a—35 (0-35)	4.6	
b—35 (65-100)	81.0	17.6
a—40 (0-40)	6.2	
b—40 (60-100)	84.6	13.7
a—45 (0-45)	8.1	
b—45 (55-100)	87.5	10.8
a—50 (0-50)	10.5	
b—50 (50-100)	89.5	8.5

* See Sankhyā. *The Indian Journal of Statistics*, Calcutta, February 1958, pp. 55-58.

Table 1 shows that 5 per cent of the holdings belonging to the lowest group (i.e., the smallest holdings) accounted for an acreage 170 times smaller than 5 per cent of the holdings of the highest group. The concentration of land in the hands of the landowners was so great that even if, leaving to one side these two groups which present the greatest con-

trast in size of holdings, we turn to the medium-sized units in relation to which extremes are usually less in evidence, even then 50 per cent of the holdings making up the lowest group accounted for only 10.5 per cent while the other 50 per cent (the highest group) took up 89.5 per cent of the land fit for cultivation, or almost nine times as much.

In India land provides the main means of livelihood for the majority of the people. It is on the land that the bulk of the population is employed. Yet the above-mentioned survey shows that 14,500,000 peasant holdings, or 22 per cent of the total, actually owned no land at all; moreover while holdings of this type constituted 8 per cent of the total in North India, the figures for the South and West were 28.1 per cent and 31.2 per cent respectively.

In practical terms peasant holdings with plots of land of less than one acre should also be listed among the landless peasants and there were 16,300,000 such peasant holdings (or in other words, they accounted for 24.9 per cent of the total). Thus 30,800,000 peasant holdings (47 per cent) owned no or virtually no land.

Table 2

Proportion of Landless Holdings and Holdings of Less Than One Acre and the Share of Land They Account For*

(65,600,000 holdings = 100 per cent)

	Per cent of holdings	Per cent of land
India as a whole	46.89	1.38
North India	41.46	2.41
East India	49.54	2.92
South India	55.56	2.17
West India	43.59	0.48
Central India	40.38	0.28
Northwest India	44.08	0.55

* *Ibid.*, p. 59.

The social character of the concentration of landownership is determined by the social character of the mode of

production predominant in agriculture. Whereas the all-important feature of advanced capitalist relations in agriculture is the monopoly of large-scale capitalist production which is in keeping with a definite degree of concentration of bourgeois landownership, in pre-reform India the high concentration of landownership was by no means determined by developed large-scale agricultural production. The central factor in Indian agriculture was not the contradiction between the social, large-scale capitalist character of agricultural production and private forms of the appropriation typical of developed capitalism, but the contradiction between a private, small-scale semi-commodity peasant economy aspiring to free development of agricultural productive forces and the semi-feudal landowners' monopoly of landownership.

A variety of forms of peasant lease-holding, some with, some without legal protection and some with partial protection, was typical for pre-reform rural India. Payments for the land used to devour from one-half to two-thirds and sometimes even as much as three-quarters of the gross harvest. Rent in kind was as a rule more crippling than rent to be paid in money terms.

A specific feature of the system of landownership in India was the growth of an enormous stratum of parasitic landowners who did no more than hire out their estates. All over the country semi-feudal, private estates were breaking up and being purchased by representatives of the propertied classes in order that the latter might secure for themselves a constant source of unearned income at a time when colonial monopolies still dominated the economy and an anti-industrialisation policy was being systematically pursued.

Market sale of private-ownership rights to semi-feudal rent-collection was widely practised throughout almost the whole country for about a hundred and fifty years. This led to the gradual emergence of a whole pyramid of intermediate rent-collectors, each one step lower down than the one before and entitled to a correspondingly smaller share of rent from the peasants. Despite sometimes considerable differences in the rights and social conditions of these landowners at the various levels of intermediate rent-receiving, they were all representatives of one and the same class.

Being a product of the systematic campaign to obstruct capitalist development in Indian agriculture, this system of parasitic rent-collection had a highly negative effect on the whole economic evolution of India's agrarian structure and on the productivity and technical equipping of Indian agriculture. These factors constituted a major obstacle to large-scale farming based on the capitalist mode of production, and held back and distorted the class differentiation of the peasantry, condemning the bulk of the rural population to poverty, turning millions of bankrupt peasants into coolies and beggars.*

A distinctive feature of agriculture in colonial India was the chronic disparity between its results and the country's needs and the degree to which agriculture lagged behind India's industry. This situation led to an almost uninterrupted crisis of productive forces in the countryside. One of the particularly backward branches of agriculture which was at the same time one of decisive importance for the masses was rice-growing. The farming methods and implements used for growing rice and the yields had remained virtually unchanged since the time of Buddha according to Indian economists.

At the same time India's semi-feudal agriculture was to a considerable extent subordinated to demand on the domestic and world capitalist market.

The most constant and serious aspect of the crisis in India's agriculture was the relative over-population of rural areas which was on an unprecedented scale. It was a result of long years of foreign colonial rule, oppression resulting from methods and customs left over from the feudal past and the

* In 1928 the Royal Commission on Agriculture summed up the situation, in which the vast majority of the Indian peasants were exposed to barbarous exploitation and virtually tied to their holdings, in the following terms: "The crowding of the people on the land, the lack of alternative means of securing a living, the difficulty of finding any avenue of escape . . . combine to force the cultivator to grow food wherever he can and on whatever terms he can." In 1931 the Banking Enquiry Committee acknowledged the correctness of this assessment formulating it in these words: ". . . in India agriculture is . . . more a mode of living than a business" (*The Indian Central Banking Enquiry Committee*, Majority Report, Calcutta, 1931).

crippling conditions stemming from the nature of trading and moneylending practices. Long periods of stagnation and decline in major branches of arable farming and stock-breeding, financial ruin that struck at rural artisans, natural calamities of overwhelming proportions, a chain of bad harvests throughout areas inhabited by tens of millions, famine, the underdeveloped industry and transport system all helped to make the relative rural over-population India's most burning social problem.

In 1952-1953, i.e., five years after independence, a special national sample survey was conducted in order to assess levels of employment in rural areas.* The survey revealed that there were close on 140 million people of an employable age in the country's villages. Of these, 12 million were virtually unemployed, 30 million had work for less than five days a month, 39 million for less than ten and 53 million for less than fifteen days a month. Leaving aside the 12 million not employed in agriculture, with reference to the normal number of working days per year 20 million of the rural population worked less than an hour a day, 27 million between one and two hours and 45 million between two and four hours. This meant that some 100 million able-bodied members of the rural population were unable to find a suitable outlet for their capacities.

This striking reflection of rural over-population in the chronic unemployment affecting tens of millions had become an acute social problem: the lack of a solution for it meant that the ruling classes in India were constantly exposed to the danger of social unrest.

Concentration of land in the hands of the landowners which had deprived tens of millions of peasants of the right to work on the land was exacerbated by the concentration of trade capital and money in the hands of a smallish group of usurers and traders who exploited the peasants in the sphere of commodity and money circulation.

According to figures of the special sample survey conducted in 1951-1952 by the Reserve Bank of India, 69.2 per cent of peasant holdings were in debt to usurers. The total

* *Science and Culture*, Vol. 23, No. 8, Calcutta, February 1958, p. 403.

extent of these debts was estimated at between 12,000 and 15,000 million rupees. The burden of these debts was enormous for all, even the prosperous peasants. The above-mentioned survey records that, in 40 of the 75 districts of the country investigated, the debts incurred by the prosperous peasants amounted to 10 per cent of the market price of the land they owned, in 27 districts the corresponding figure was 30 per cent and in a further eight it was in excess of 30 per cent. In Sitapur (Uttar Pradesh state) this figure rocketed as high as 500 per cent and in Sirohi (Rajasthan state) it amounted to 378 per cent of the market price. The position of the less prosperous peasant strata was as follows: in 28 districts the peasants' debts amounted to approximately 10 per cent of their land's market price, in 16 districts it was between 10 and 30 per cent and in 31 other districts it exceeded 30 per cent. In the state of Uttar Pradesh the following figures were recorded: Ballia district—248 per cent, Sultanpur—1,414 per cent, Shahjahanpur—410 per cent, Agra—100 per cent, Naini Tal—82 per cent; and in the state of Rajasthan: Gurha district—105 per cent, Sirohi—2,886 per cent, etc. So it was by no means rare to find poor peasants whose debts to usurers exceeded the market value of their land 20 to 30 times over.

The largest debts to moneylenders (in proportion to income) were those of landless tenant-farmers and peasant farmers or protected tenants with plots of up to five acres, and agricultural labourers. Precisely these sections of the rural population which constituted the majority had to surrender between 40 to 90 per cent of their annual gross income to moneylenders. Moneylenders (of the professional, village trader or commissioner variety) enjoyed a monopoly status in commodity and money circulation and credit facilities in the Indian countryside. The state, co-operatives and commercial banks provided 3.3, 3.1 and 2.4 per cent respectively of agricultural credit or a total of 8.8 per cent, while moneylenders and traders provided 69.7 and 5.5 per cent respectively, thus accounting for a total of 75.2 per cent.

The Indian moneylender not only exploited the peasant holdings needing credit through the crippling terms provided, but, being at the same time engaged in trade and very often acting as intermediary for foreign or local purchasing and

marketing firms, was able with impunity to dictate terms to the Indian peasants in the market sphere as well, in their capacity as sellers of agricultural produce and purchasers of manufactured goods. The moneylender was therefore in a position to deprive the mass of the peasants of free access to district and town markets. Hand in hand with the purchasing monopoly firms the moneylenders would make the most of the enormous differences between prices in village and town markets, appropriating an average of between 20 and 50 per cent profits on agricultural produce and sometimes even more. The moneylenders would also conclude crippling credit contracts for the peasants' standing crop harvests, buying up the crop at low monopoly prices. According to the survey carried out by the Central Banking Enquiry Committee, in the 1930s the customary rate of interest on these loans ranged between 12 and 37.5 per cent and in some areas was as high as 75-360 per cent.

In the early fifties (i.e., already after independence) two-thirds of the transactions involving peasants were concluded in the villages themselves on the spot by village traders, moneylenders and commissioners of purchasing firms, who had control over money, transport and warehouses.*

Colonial rule in India together with the predomination of feudal practices in rural areas made it more or less impossible for a small-commodity peasant economy to develop and ruled out any large-scale transition to genuine capitalist development. Over a long period of a century or more agricultural development proceeded against a background of shameless and most successful profiteering on the part of small-scale predatory primitive capital.

A central factor in class relations in rural India has always been the question of landownership, and in particular the attitude of the state and various classes to the establishment and

* See *All-India Rural Credit Survey*, Vol. II, p. 22: in this context it is relevant to cite Marx's statement relating to the 1860s, when he pointed out that the products of the labour of the Indian peasant in the light of the taxes he had to pay "were sold without regard to price of production, they were sold at the price which the dealer offered, because the peasant perforce needed money without fail when taxes became due" (Karl Marx, *Capital*, Vol. 3, Moscow, 1971, p. 726).

consolidation of peasant landownership. National Congress leaders were well aware of this: in the report of the committee set up by the Congress party to implement agrarian reforms, it was pointed out that if the peasants owned no land they lacked the necessary stimulus to raise their productivity. Since they had no confidence that they would receive the full benefits from possible improvements, they therefore had no desire to improve the plots they cultivated. They knew that any such improvements would only result in increases in the rent they had to pay even if their lease-hold rights were protected. This meant that the crux of the problem was the inadequacy of tenants' rights and the need to replace leased holdings by peasant ownership.

Meanwhile the lack of any restrictions on the purchase and sale of land and its alienation meant that more and more peasants were joining the ranks of the landless and losing protected rights of permanent or hereditary lease-hold, as land was being concentrated in the hands of big and medium-scale semi-feudal landowners, who as a rule were not engaged in agriculture themselves.

The regular intervention in the affairs of the peasants practised by the colonial state introducing essentially predatory but highly flexible lease policies was aimed at adapting the peasant economy to suit the needs of the colonialists and the world market.

At the same time the introduction of disorder among the discontented peasantry, the disruption of its anti-feudal and anti-imperialist unity through the barriers of formally differentiated lease terms served in some measure as self-sufficient political grounds for the colonialists' land policy and lease-hold legislation.

The inadequacy of the so-called lease laws when weighed up against the actual economic relations in rural India was often brought out by the fact that one and the same individual would come forward in the capacity of intermediate rent-collector or hereditary lease-holder with one set of rights in one holding, and in another with different ones; sometimes at one and the same time a man would figure in the capacity of a peasant entitled to a permanent lease and that of a sub-tenant, even sub-sub-tenant receiving an appropriate share of the produce grown.

Throughout India there was a large number of peasants, who while formerly entitled to rights of ownership, i.e., to hold permanent leases, economically speaking were virtually reduced to the status of sub-tenants, lease-holders with no rights or share-croppers. Although there existed throughout India a formal distinction between tenant-farmers with and without rights of ownership, in practice this difference often did not exist. In fact in actual economic life they were regarded as tenant-farmers "at the landowner's will", although the vast majority of them had been working their plots of land for many years.

This meant that the actual socio-economic status of certain strata of the peasantry did not coincide with their legal rights as laid down by the law. As a rule the actual status of the bulk of the peasants was considerably lower than the norms stipulating their lease-hold rights.

The economic purpose behind this expropriation of the peasants' rights of ownership and lease-hold was gradually to reduce them to the status of tenant-farmers and share-croppers bereft of any rights whatever. The majority of the share-croppers (approximately 25 per cent of the peasants) possessed livestock, implements and labour power but had no land. The remainder possessed nothing or practically nothing other than their labour power. In the first place we are dealing with share-croppers of a pre-capitalist type and in the second with a direct transition to capitalism. The slow but increasingly obvious ousting of the first type by the second constituted the trend of the economic evolution of agriculture based on share-cropping. This trend went hand in hand with a still greater pauperisation of the share-croppers than their proletarianisation, but nevertheless this economic tendency was essentially capitalistic.

The bulk of the peasants rented land not in order to earn money or engage in capitalist enterprise, but were obliged to do so by hardship and hunger and this renting of land did not develop into capitalist farming practices on a mass scale. The latter tendency was only to be found among the prosperous upper echelons of the peasantry. These peasants not only engaged in moneylending before the agrarian reform was introduced and hired out part of their land at crippling rents but sometimes themselves rented land for purposes of

private enterprise. These prosperous peasants at one and the same time combined ruthless exploitation and crippling lease-holding with capitalist exploitation and capitalist lease-holding.

The extent and application of hired labour in agriculture presents a particularly interesting question for study. Figures on this subject are far from complete but according to data provided by the government commission investigating the status of agricultural labourers (1952) there were 17,659 thousand agricultural labourers' families in pre-reform India, which made up 30.4 per cent of the rural population.* In South India agricultural labourers' families accounted for 50.1 per cent of the rural population, in East India for 32.7 per cent and in Central India for 36.7 per cent. The largest numbers of hired agricultural labourers were to be found in these three areas—a total of 14,482,000 families or 82 per cent of the total number of such families.**

The vast majority of the hired labourers were day labourers. Agricultural labourers were usually "locals", peasants owning no or very little land and whose very existence required that they sell their labour power, not merely sporadically but on a regular basis. According to the data provided in the above-mentioned survey the peasants owning no or very little land were unable to feed their families and thus had to sell their labour power in order to buy food for themselves and their dependents. Although approximately 50 per cent of these agricultural labourers owned or leased tiny plots, they depended almost entirely on opportunities to hire themselves out for their living. The hardship of their position was made still worse by the fact that 85 per cent of these agricultural labourers were only able to find casual employment and a mere 15 per cent had regular employment. The majority of the agricultural labourers were obliged to go out and look for work every day in order to feed themselves and their families, to find work wherever they could, and hire themselves out for any kind of work on any terms. The average

* *Agricultural Labour. How They Work and Live*. Delhi, 1954, pp. 7, 8.

** *Ibid.*

number of days per year that these agricultural labourers were employed was 218 and the equivalent number for women workers—120; moreover, 92 per cent of this work was paid for on a time basis and only 56 per cent, in money. Of the total number of agricultural labourers' families 44.5 per cent were living in debt, a position to which they had been reduced by the urgent need to feed their families, and the average size of these debts was equal to 25 per cent of the whole family's annual income.*

There is no doubt as to the crippling character of these agricultural labourers' working conditions. The material position of the agricultural proletariat presents an equally grim picture. While the average annual per capita income in India in 1950-1951 was 264 rupees, the equivalent figure for the agricultural labourer's family taken as a whole was 104 rupees, and in South, West and Central India only 91 rupees.** Wages for the agricultural labourer amounted to 59 per cent of those earned by an industrial worker in West Bengal, 36 per cent in Bihar, 33 per cent in Madhya Pradesh, 54 per cent in Orissa, 56 per cent in Punjab and 24 per cent in Bombay.*** The agricultural labourers and their families, who in 1954 constituted 22.7 per cent of India's total population, accounted for only 8.3 per cent of the national income.

An analysis of the structure of the average income for the agricultural labourer shows that at the beginning of the fifties 64.2 per cent of his wages were gleaned by means of hiring himself out in agriculture and 11.9 per cent outside, meaning that a total of 76.1 per cent of his income was obtained by hiring himself out. Income from working the land in his own holding accounted for only 13.4 per cent and work of a non-agricultural character for 11.9 per cent; thus income from self-employment accounted for only a quarter of the annual total.****

This meant that not only the peasants' produce but also the labour power of millions of impoverished peasants was

* *Agricultural Labour...*, pp. 15, 72, 73.

** *Ibid.*, p. 30.

*** *Ibid.*, p. 30; *Report of the National Income Committee for 1954*, p. 45.

**** *Agricultural Labour...*, pp. 27-28.

becoming a commodity in India. By making the villages subject to the conditions obtaining on the world capitalist market the colonialists, with the help of the landowners, managed to turn what had once been a natural peasant economy into one which could only survive if the peasants sold the product of their labour. In the course of time a large section of the peasantry, now impoverished, found itself unable to live without selling its very capacity for work—its labour power. The decline and disappearance of village industries connected with agriculture, and the ubiquitous spread of a commodity-money economy in the countryside, the emergence of private, semi-feudal, semi-bourgeois patterns of landownership, the involvement of land in commodity circulation, the organisation of capitalist plantations, attempts at capitalist enterprise in agriculture on the part of the landowners, class stratification of the peasantry and the formation of a class of agricultural labourers were all factors pointing to the fact that capitalist relations were taking shape in India side by side and interwoven with practices left over from pre-capitalist patterns of the countryside.

Class contradictions in rural India were being reproduced on an extended basis over the decades. After the colonialists, whose bayonets upheld the reactionary agrarian system, had been driven out these contradictions came out in condensed form. It was no longer possible to merely suppress these contradictions or evade this or that solution for them. More and more often they provided the starting-point for the new stage of the peasantry's class struggle, that began with the advent of independence. On the eve of the reforms the Indian countryside was on the verge of agrarian revolution, that in places actually broke out. The class which had led the mass anti-imperialist, national liberation movement for independence and which had now come to power was not able to bring forth a programme for radical, anti-feudal agrarian change and take on itself the leadership of a mass peasant movement. It adopted all possible measures to paralyse and in places suppress an over-revolutionary peasant movement and then it embarked on a course of bourgeois agrarian reform.

General Terms of Agrarian Legislation

Before the agrarian reform was introduced 43 per cent of India's territory was in the hands of the zamindar landowners. These zamindars together with the feudal princes had provided the main social support for the colonial regime in India. For close on a hundred and fifty years they had provided a direct instrument of the colonial state when it came to the exorbitant taxation of the peasantry. Among the zamindars there were considerable numbers of small and medium-scale landowners, particularly in Uttar Pradesh, who owned comparatively small plots of land of several hundred or even dozens of acres.*

The Indian peasantry had long held the landowning class in hatred. For centuries the peasantry had been waging a struggle against the numerous representatives of the class of parasitic rent-collectors—the zamindars, jagirdars, inamdars, malguzars, mirasdars, etc.—a struggle that had by no means always been a passive one, as certain Indian historians would have us believe, but on the contrary most active and one that on frequent occasions did not shrink from the use of force. The ruling circles who came to power in 1947 had to take this phenomenon into consideration.

In 1950-1951 when the big landowners were being abolished, the incomes of the landowning class as a whole (including the rayat landowners, which constituted 3 per cent of the rural population, and in particular the incomes of the zamindars) amounted to 7,700 million rupees, or exceeded 2.5 times over the gross profits in the country's mining and manufacturing industries (3,100 million rupees).** The income

* Moreover it should be noted that 84.8 per cent of the zamindars in the state of Uttar Pradesh were very small landowners, and sometimes they were little more than privileged peasants, in so far as in 1945 they paid land taxes not exceeding 25 rupees each. In the Agra districts the zamindars were often no more than small peasants. This group of zamindars cannot be listed among the rent-collectors. At the same time 1.54 per cent of the zamindars who paid state land taxes of 250 rupees and upwards owned 83 per cent of all the state's land fit for cultivation. Their number included close on 800 big landowners who constituted less than 0.05 per cent of the total and yet owned 25 per cent of the state's land, i.e., almost ten million acres.

** *The Indian Economic Review*, No. 1, New Delhi, 1956, pp. 9-12.

amassed by this handful of parasitic landowners in 1950-1951 was equal to the total income of all agricultural labourers together with their families (7,600 million rupees for 17,600,000 families or close on 75 million people).*

Reactionary patterns of landownership, manifested in appropriation by the big landowners, traders and moneylenders of about one-third of the country's annual agricultural produce, assumed a still more acute form in independent India giving rise to growing difficulties for the country's overall economic development which urgently required a solution.

After the British had been driven from India there was no single force capable of preserving intact the old patterns in the countryside without risking the outbreak of agrarian revolution, a foretaste of which had been clearly provided by the agrarian unrest and large-scale peasant uprisings that had already broken out in many places. The semi-feudal parasitic rent-collectors, who had compromised themselves by collaborating with the imperialist rulers, were unable to go on being the socio-political mainstay of rural India. The new ruling class needed a new or restructured and broader source of support. On assuming power in a country where the poor peasants vastly outnumbered any other section of the population, and in the light of their active participation in the national liberation struggle, the Indian bourgeoisie would not have been in a position either to strengthen the state, or secure its own class domination within it, or embark on tackling the urgent problems in India's economic development without preserving and consolidating its leading influence in the countryside, particularly among the peasants, in the fundamentally new situation that obtained after independence. The bourgeoisie as a whole, despite the fact that certain of its more conservative and influential strata may not have wanted this, was unable to hold up agrarian reform any longer: this was not only because the bourgeoisie had promised the peasants reform even before it came to power, but also because the interests of extended capitalist reproduction, the extraction of profits and the expansion of the domestic market demanded that the long since rotten social order obtaining in the countryside be changed without delay.

* *Agricultural Labour...*, pp. 1, 53, 73.

In the situation that had taken shape it was clear that the question as to future forms of landownership and cultivation would for a long time be central in India's development and that the character and pace of the country's economic evolution would depend first and foremost on the type of solution found for the land problem. It also became increasingly clear that the land policy of the ruling class would not be aimed at any sweeping elimination of medieval practices in rural India in all aspects of the country's agrarian structure, but a gradual reformist implementation of such changes in the structure of the rural economy, which while being a compromise solution in relation to the interests of the landowners would at the same time lead to a certain degree of modernisation of the social structure of rural India and more rapid agricultural development; these changes would be introduced from above without the involvement of the broad masses of the peasantry.

In many documents published by the National Congress party it was pointed out on various occasions that most important was the carrying out of social reforms in the countryside and that these reforms would precede a transformation of agriculture.

The All-India Committee of the National Congress set up a special committee in 1947 headed by the prominent party functionary, Joseph Kumarappa. The committee insisted that all mediation between the peasants and the government in connection with land relations be ruled out. Further the committee suggested that a maximum size for landed estates be laid down and surpluses be taken away from landowners and handed over to rural co-operatives.

The main conclusions drawn up by the National Congress committee as a preliminary to the elaboration of the agrarian reforms can be summed up as follows:

1. No lasting improvements in agriculture are possible without all-embracing reforms of the country's system of landownership;

2. There is no place for intermediate landowners, and the land must belong to those who till it;

3. Given the diversity of conditions in the different parts of India and the complex nature of the agrarian question no single solution for the whole country can be adopted but the

main principles for land reform should be the following:

The rural economy must provide favourable opportunities for the development of the producer's personality;

There must be no exploitation of one class by another;

All steps must be taken to promote maximum efficiency of production;

Drafts for reforms must be realistic.

4. The need to stipulate three types of holdings was recognised: economic, basic and optimal.

Economic holdings: their size was to be assessed by agronomists for the various districts and they would base their calculations on the need to secure for the peasant a "reasonable standard of living" and full employment for the average peasant family possessing draught animals—a pair of bullocks. The basic holding was that of a smaller size than the economic unit as a result of the lack of necessary land resources in certain regions. The optimal holding could be larger than the economic one but not more than three times over.

For all peasant holdings of the basic type, i.e., those of the bulk of the peasantry, plans were to be drawn up for their reorganisation on a basis of "co-operative joint farming", so as to create units of land for cultivation on a par with the size of the optimal holding which, in the committee's opinion, would make it possible to get rid of small uneconomic holdings by means of voluntary co-operation in larger units.

Apart from these types of holdings the committee also recommended that reform projects should take into account the need to set up "family holdings", which in size could be bigger than basic holdings but smaller than economic ones and that this type of holding, since it would not really pay its way, should also be drawn into a system of co-operative agricultural production.

5. The committee was of the opinion that for the majority of the rural population the burden of debts to moneylenders had not decreased despite the relatively high prices for agricultural produce that had obtained during the war and after it; it therefore suggested compulsory measures to be enforced by specially organised tribunals to reduce the burden of debt "in the light of the peasant's solvency" and that the debts of agricultural labourers should be written off completely.

6. The committee urgently recommended that collective farming units should be organised on land newly made fit for cultivation "where agricultural labourers could be settled", i.e., the most wretched section of the rural population. In this connection it was pointed out that the committee believed that the settling of individuals on these lands being brought under cultivation should not be permitted under any circumstances. It was also stipulated that the existing system of land taxation, the extent of which was determined by the area of cultivated land, should be replaced by a progressive income tax, that would depend on the size of the income from agricultural production. Such were the formal recommendations put forward by the committee.

Even before investigating the report of Joseph Kumarappa's committee for agrarian reform, in December 1948 the Jaipur meeting of the National Congress adopted the proposals put forward by a special committee for the economic programme which had been formed in April 1948 under Nehru, to do away with the zamindar system. However, this committee's proposals evoked unexpected protests on the part of the provincial committee for abolition of the zamindar system in the United Provinces (now the state of Uttar Pradesh) which were the very hotbed of intermediate landowning practices in the country. As a result a new commission for agrarian reform was set up by the National Congress to study the material sent in from Uttar Pradesh and to define land reform policy in more precise terms. In June 1949 the commission's report was submitted to the National Congress but no decisions were taken. Right up until 1953 the numerous official statements and resolutions published provided no more than a general outline of the necessary land policy, but no concrete steps were taken by central state organs to implement any such policy on a nation-wide scale. Local legislation formally abolishing titles for semi-feudal landownership was meanwhile introduced in such states as Uttar Pradesh, West Bengal, Bihar and Rajasthan. In some of these states resolutions were also issued stipulating the maximum size of land-holdings. However up until 1953 no definite decision to confiscate land surpluses and make them over to the peasantry had been taken in any state, although this question was central to the whole issue of agrarian re-

form: would the peasants with no or little land and the agricultural labourers receive any land or not?

The National Congress election manifesto of 1951 virtually avoided the question and again put forward a programme for co-operative rural development. It was pointed out that rural development should take the form of co-operation of agriculture so as to turn whole villages or parts of them into units administered by co-operatives. It was not until almost two years after the elections, in 1953, that the National Congress All-India Committee adopted a special resolution calling upon the state governments to conduct a census of all land-holdings and also to lay down the maximum size for these, in order as far as possible to redistribute land surpluses among the peasants and agricultural labourers.

The question of land and the peasants' right to it was becoming a more and more urgent problem. It could not be ignored any more, however long and evasive was discussion of it in all manner of legislative and administrative organs.

The need to limit the monopoly of landownership enjoyed by the established landowning class and surmount the latter's resistance to reforms obliged the People's Chamber in parliament in 1955 to adopt a special amendment to the constitution to the effect that the scale of compensation to be paid by the state for property confiscated from the landowners should be assessed not in the courts but administratively. This step officially put an end to the persistent sabotage of the landowners who had been submitting complaints to all legal bodies concerning the abolition of their titles, thus putting off for years on end the implementation of the resolution on the elimination of landownership by the big landlords in the states where this was the dominant practice (Uttar Pradesh, Bihar, etc.).

Implementation of the Agrarian Legislation in the States of the Indian Union

The agrarian legislation enforced in the various states of the Indian Union has a very long history. Although it varied considerably from one state to the next its essence can be summarised as follows:

a) the abolition of leasing out of land by intermediaries as practised by the absentee landlords (such as the zamindars) through the buying out of the latter's rights;

b) the regulation of relations between landowner and tenant by establishing a normal and fixed rent and providing the tenant with a guaranteed long lease with simultaneous retention by the landowner of the right not to lease out holdings of limited size for so-called personal cultivation; the establishment of direct tax and other relations between tenant and the local state apparatus with regard to the use of that land to which intermediary landowners lose their rights;

c) gradual transformation of tenants into owners of holdings;

d) redistribution of land through stipulation of a maximum size for existing holdings and those subsequently acquired, the buying up of land surpluses, resettlement of landless peasants and agricultural labourers on these lands; increases in the size of peasant holdings that were ineffective, i.e., that did not bring in an income;

e) the consolidation of small scattered and parcelled out peasant plots in compact holdings and the adoption of measures to avert any further spread of strip-farming and the parcelling out of land to such an extent as to render them unprofitable;

f) the organisation of peasant holdings on a co-operative basis to promote joint land cultivation and increase the size of farming units.

In August 1946 a zamindar abolition committee was set up in the state of Uttar Pradesh which two years later submitted to the government a special report on the question. After a further year (in June 1949) the Uttar Pradesh government put before the local legislative assembly a draft bill for the elimination of intermediate landowners. It was ratified in 1951, i.e., eighteen months after first being submitted to the assembly.

In the state of Bihar in which landownership was completely in the hands of absentee landlords, a law to abolish this type of landownership was also ratified in 1950. The landowners appealed to the state's High Court. The central government put before the Central Legislative

Assembly a draft for a constitutional amendment making the Bihar law constitutionally valid. Yet the Bihar landowners responded to this decision of the country's highest legislative body by lodging an appeal with the High Court of India. When, two years after the ratification of the original law, the Bihar government attempted to apply the law in practice, the Bihar landowners categorically refused to hand over their land-surveys to the authorities by way of "passive resistance" and then started individually to submit appeals to the High Courts of the state and the republic.

A law on alienation of estates was passed in West Bengal in 1953. It provided for the abolition of zamindars' rights of landownership with compensation. From April 1955 landowners would only be able to keep 25 acres of agricultural land and 15 acres of other land. For small-scale landowners (whose net revenues did not exceed 2,000 rupees a year) compensation was fixed at between 12 and 20 times the total of the annual rent they collected, for medium-scale landowners (whose net income was in the area of 15,000 rupees) at between six and ten times the total of the annual rent collected and for the large-scale landowners (with net income of 80 thousand rupees and upwards) between two and three times the total of the annual rent collected. In the state of Uttar Pradesh compensation to be paid to the landowners was fixed at a rate of between three and twenty times the total of the annual rent collected. The laws providing for the abolition of the landlords' rights and the compensation to be paid to them formally proclaimed the principle of immunity for the tenant-farmer and the landowners' disability to drive out the tenant, with the exception of those cases when it was legally established that the tenant was making improper use of the land, not using it or making it unfit for use in violation of the law and the lease contract and when the landowner was intending himself to farm the land that he had formerly hired out.

The laws pertaining to land reform passed in the various states were excessively complex, detailed and sometimes confused. This applied in particular to the laws concerning rights of tenure. These were a result of the variety

of forms of taxation that had existed in the country and also the blatantly casuistic legislation in this field under the colonial regime; other factors complicating rights of tenure were caste and religious barriers within the peasantry and the peasants' rights and traditions of inheritance. The most significant legislative changes in connection with the agrarian question that were introduced after 1947 were numerous amendments to earlier laws making the latter open to a variety of legal interpretations, frequently of a contradictory nature. No opportunities were provided for organised control by the peasants over the implementation of the agrarian laws passed in the various states. The practical implementation of the laws was the responsibility of the state apparatus in the individual states, which in many respects was merely that inherited from the colonial past and often of a corrupt nature concerned above all with the protection of the interests of the privileged classes.

The fact that the agrarian reforms were implemented in such a way meant that the landowners in all the states made the most of the authorities' tardiness and their not being subject to any central control, and succeeded in dividing up their estates and formally selling up their large estates to relatives and friends. The class struggle between the landowners and the peasants after the land reforms had been announced took a variety of forms: bribery of rural officials, falsification of census data and land-survey registers, intimidation of tenants to make them "voluntarily" renounce their rights of tenure and leave their rented holdings, efforts on the part of the landowners to register tenants with permanent or protected rights of tenure as domestic servants or hired labourers so as to be able to evict them in the future, and finally the actual eviction of millions of tenant-farmers.

In Rajasthan according to the law passed in 1952 jagirdar landowners had left at their disposal a stipulated minimum of land for their "own cultivation" (30 acres of irrigated land and 90 acres of non-irrigated land). Under the guise of a transfer by the landowners themselves to their own cultivation, tens of thousands of tenant-farmers were driven from the land regardless of their rights. The

jagirdars terrorised the peasants, set up bands of mercenaries to murder peasants and the leaders of the peasant movement.

Dogged resistance on the part of the landowners, organised terrorism against the peasants and their organisations were common features for between five and seven years in the states of Madhya Bharat, Uttar Pradesh and Mysore. In some parts of Tamilnad mirasdar landowners waged a desperate campaign against the agrarian legislation for several years. In the Tanjore district special armed police had to be brought in to keep "order" between landowners and prosperous peasants or mirasdars, on the one hand, and pannayals—domestic servants and sharecroppers, on the other.*

Big landowners throughout the country and those with medium-sized estates in most cases had no permanent production link with the agricultural process. They paid land tax to the state and either themselves or through intermediaries collected rent from the lease-holding peasants on the next step down the ladder from themselves, rent which exceeded the land tax they paid the state many times over.** This was the fundamental pattern of their parasitic existence, their class privilege. The landowners openly opposed the peasants and used all possible means to keep as much land and as many privileges in their grasp as possible. At first they tried to block the adoption of agrarian legislation, disadvantageous to their interests, in the individual states and, when this did not succeed, they then tried to obstruct its implementation using procrastination and sabotage tactics. The landowners started redistributing their forces, disguising the concentration of their landownership, fictitiously dividing their estates and evicting intractable peasants.

B. K. Madan, chief advisor to the Reserve Bank of India, stated at the nineteenth annual conference of the Indian rural economics society that the "Land to the tiller" goal

* Daniel Thorner, *The Agrarian Prospect in India*, Delhi, 1956, p. 37.

** The zamindars of Bengal were paying the state 10 million rupees a year in taxes, while annually obtaining from the peasants 125 million rupees.

had been "substantially compromised by the large-scale evictions of tenants for resumption of land for 'personal cultivation'".* He went on to point out that the members of the rural population, enjoying full political and economic rights and privileges, had obstructed every practical possibility for implementing the reforms, so that no improvements of any significance had been made in the position of the weakest sections of the rural population. When summing up the failures of the agrarian reform, B. K. Madan drew attention to the fact that the "farmer's passion for his own bit of earth in our country"*** had not been satisfied.

Local authorities in the various states of the Indian Union, while observing the law on the surface, in practice left the landowners ample scope for concentrating landownership in their own hands as before. What appeared as a radical slogan, "Land to the tiller", the harbinger of a new era in agrarian relations, was exploited to the full in those states where large estates dominated patterns of landownership.

A major problem facing the reformers was how to define in legal terms a "tiller of the soil". After endless debate spread over several years the following formula was drawn up, to the satisfaction of the landowners, providing for the abolition of the zamindars in the state of Uttar Pradesh: a person who permanently or occasionally hires agricultural labourers for manual work should also be regarded as a tiller of the soil, providing finance for agriculture, supervising it and taking risks. This abstruse definition of a "tiller of the soil" made it possible for all landowners to disguise the parasitic character of their landowning rights and, when their land surpluses subject to confiscation were revealed, to put themselves over in the fictitious role of "rural master". In order to qualify as "tiller of the soil", all the zamindar had to do was to evict tenants without rights or formally turn them into agricultural labourers allegedly working on their employer's own estate. By adopting similar tactics in relation to many

* *Reserve Bank of India Bulletin*, Bombay, December 1957, p. 1184.

** *Ibid.*, p. 1186.

tenants on land outside their own individual estate, landowners were able to declare other lands from which tenants had been evicted as their own individual estates in their efforts to reduce to a minimum the land actually leased and owned by the peasants, an extension of which had been declared the goal of the reform.

The semi-feudal land monopoly of the zamindar landowners was legally abolished. The term "zamindar", which for centuries had been anathema to the peasant, disappeared from the language of agrarian relations. There were no longer any "intermediaries" between the state and the peasant and the peasant no longer paid any rent to the zamindar. Instead he paid a land tax to the state. However, although the hiring out of land for rent was no longer permitted by law, the former zamindars having obtained the status of "rural master" and now officially termed "bhumidars" started renting out the land they still owned on a share-cropping basis and obtaining compensation payments for the relinquishment of the parasitic landowning rights they had enjoyed as zamindars. At the same time they also started to engage in private enterprise.

The main condition stipulated for the abolition of semi-feudal landownership was compensation in the form of cash or state bonds. After laws providing for the abolition of the zamindars had been passed in the legislative organs of the Indian states, one of the main problems still outstanding was the extent of the compensation to be paid to the former landowners, the procedure and terms of payment, all of which had to be fixed, and then the intermediary landowners still had to be replaced by a new state taxation body.

The compensation payments for landowners were estimated at approximately 6,250 million rupees (of which 3,890 million rupees were compensation as such, 860 million were taken up by subsidies for the reorganisation of former small landed estates and 1,500 million was paid out in the form of interest). Of the total sum allocated for compensation payments, landowners from the state of Bihar received 2,400 million rupees, those from Uttar Pradesh 1,780 million, those from West Bengal 590 million and those from Rajasthan

300 million rupees. This meant that 5,130 million rupees or 83 per cent of the total went to four states where the old patterns of landownership had been most firmly entrenched. Approximately 60 per cent of that compensation money was paid out to the big landowners.

The source of money for the landowners' compensation was the land tax levied on the peasants, the total of which was equivalent to that of the rents formerly collected by the landowners. This meant that the abolition of the zamindar system did not result in any reduction of the payments the peasants had to make. They were paying out the same amount of money and sometimes even more than before, but as land tax instead of rent. This land tax, since it provided the source of compensation money for the landowners, in practice provided the basis for the continued parasitic existence of the landowning class. Despite the reform this class had not been done away with. The landowners, although deprived of their right to collect rent, nevertheless continued to suck thousands of millions of rupees from the impoverished peasantry in the form of compensation money and would be able to do so for years if not tens of years to come in keeping with the existing laws, provided the latter were not changed. Daniel Thorner pointed out that "all through the years the burden of maintaining these landlords had fallen upon the peasants", and they were now being asked to bear the expense of eliminating this burden. "If, indeed, the zamindars were parasitic, the question can be asked as to whether they were entitled to any compensation at all."^{*}

The inconsistent and in some respects anti-peasant character of the new agrarian laws came to the fore as methods and ways for abolishing the intermediary land-

^{*} Daniel Thorner, *The Agrarian Prospect in India*, p. 24. In connection with landowners' compensation the well-known Indian economists P. A. Wadia and K. T. Merchant write: "If Gandhi could without compunction contemplate, as late as 1942, the possibility of confiscation of Zamindari property, it is difficult to understand why the followers of Gandhi who are now in power ... should be so scrupulous in this matter of giving adequate compensation to those who may well be regarded as social parasites." (P. A. Wadia and K. T. Merchant, *Our Economic Problem*, Bombay, 1954, p. 339.)

owners were selected: not only did the laws passed by the various states make it possible for the landowners to evict millions of peasants,^{*} retain and even expand their former estates rather than oblige them to hand any land over to the peasants, but in addition these laws provided for the placing of enormous financial burdens on the peasantry to provide compensation money for the parasitic landowning class. This meant that the agrarian laws possessed anti-democratic features although, as pointed out by one of the prominent Indian agrarian specialists, Bhovani Sen, the abolition of the zamindars was undoubtedly an important step forward on the road to progress. A reform that was essentially progressive when viewed in a historical perspective was implemented at the expense of the popular masses while the privileges of the outlived semi-feudal parasitic classes were retained.

In some states, such as West Bengal for instance, the bonds received by the landowners were recognised as inalienable which meant that their holders had no legal right to sell them and thus bonds could not become the object of any commercial dealings. In other states like Bihar, Uttar Pradesh and Rajasthan, where large-scale landownership had been particularly widespread and the landowners' influence had been most powerful within the legislative organs, the latter granted the landowners the right to alienate their bonds and to re-sell them to other parties. This created a situation in which landowners could legally capitalise their essentially semi-feudal revenue in the form of compensation payments, obtained by the landowners from the peasants via the state. This not only meant that over a period of 40 years in Bihar and Uttar Pradesh, 20 years in West Bengal and 15 years in Rajasthan the former owners of land, worked by over 150 million

^{*} "...Even the Prime Minister of India was at long last constrained to declare that 'it is a crime to evict peasants'; nevertheless, the majority of the states have not even passed legislation banning evictions. Even where anti-eviction laws have been passed as a result of peasants' struggles, peasants who have already been evicted have not been restored to the land, neither are the laws properly enforced." (*Communist Party and Problems of National Reconstruction*, New Delhi, 1955, p. 7.)

peasants, had secured for themselves a steady source of parasitic revenue, but also that they had obtained the right to glean further profits from these fixed payments by selling their government bonds on the open market whenever they saw fit. Obviously when this aspect of the compensation legislation is submitted to scrutiny it becomes quite obvious that India's ruling circles were anxious either to encourage the landowners to use their compensation revenue to engage in large-scale agricultural investment, or when they were clearly incapable of such undertakings to sell their right to receipt of compensation from the peasants to representatives of the new bourgeois strata who were playing a growing role in the countryside. Before the reform the Indian statutory landowners had made a practice of selling their rights to collect rent from the peasants to anyone who had the money—as a share in the semi-feudal exploitation of the peasantry. After the reform, when the old patterns of landownership had been abolished in the above-mentioned districts, landowners were able to sell their right to compensation payments from the peasants to any ready buyer. Yet, whereas in the past the landowners had not aspired to setting up an entrepreneur economy but merely bled the tenant peasants dry, demanding as large semi-feudal land rents as possible, and strove to strengthen their proprietary and legal rights and class position in the system of landowner exploitation of the peasantry, now all agrarian legislation and the rural conditions resulting from it were designed to encourage those entitled to compensation payments either to capitalise these in agricultural production or to sell their right to this compensation money to those capable of becoming a capitalist landowner or simply a farmer-entrepreneur of the rich farmer-capitalist type.

Although the abolition of the zamindar system of landownership had not led to the abolition of the landowning class in the north of the country where it was prevalent, and still less in India as a whole, it served significantly to accelerate the emergence of capitalist elements in all socio-economic strata of rural India.

In a resolution summing up the prospects and results of the agrarian policy in October 1958, a plenary meeting of

the Communist Party of India's National Council called attention to the fact that the general aim and direction of this policy "is to promote capitalist relations in agriculture and to generate, foster and develop a class of substantial land-holders—capitalist landlords and rich peasants—who, with state aid and support, can develop agriculture on modern capitalist lines...".*

Assertions were to be encountered alleging that as a result of the agrarian reform that was being introduced the situation in rural India did not change at all and everything was as before. This interpretation is incorrect and clearly fails to take into account the changes at work in the Indian countryside. Those who failed to take into account the bourgeois character of the reform insisted that the agrarian legislation passed since the war has been aimed exclusively at defending, consolidating and preserving intact the landowners' feudal and semi-feudal interests.

The agrarian reform in effect did not accomplish the pivotal objective of the bourgeois-democratic revolution—it did not transfer land to the peasants and thus, since no redistribution of land took place, did not abolish once and for all either every form of semi-feudal exploitation of the peasantry, or, consequently, the landowning class as a whole. The economic power of the most hated figure in rural India—the moneylender—also remained unchallenged.

Nevertheless landowners all over India were compelled to relinquish part of their former holdings to the state in return for compensation (with the exception of Jammu and Kashmir where no compensation was provided). This meant that the sway of the privileged landowner had been made a thing of the past. Capitalist farms run by the landowners were not confiscated and landowners not engaging in agriculture were allowed to retain the estates immediately adjacent to their homes but they no longer had the right to rent out such land. These measures served to do away with the old system of landownership in Central and

* *Some Aspects of the Agrarian Question*, Resolution adopted by the National Council, Communist Party of India, October 8-13, 1958, New Delhi, 1958, p. 9.

North India, led to a reduction in the number of landowners, served to check semi-feudal exploitation and introduced land taxes to be paid directly to the state by the peasants thereby severely curtailing the sphere of semi-feudal conditions of land-tenure imposed on the peasant by the landowner.

The introduction of the direct land taxes payable by the peasants served to disrupt the pyramid stratum of intermediate rent-collectors who had formerly come between state and producer. Relying on their compensation payments and state loans, some of the former rent-collectors were able to start organising large-scale capitalist farms.

The abolition of the semi-feudal zamindar class and the intermediate stratum of rent-collectors, which however did not strip the landowners of the land adjacent to their homes and guaranteed them substantial compensation payments, on the one hand, made possible streamlining and expansion of private bourgeois landownership, and on the other, served to promote capitalist agriculture and accelerate the stratification of the peasantry.

The agrarian reform dealt serious blows at the feudal practices still to be encountered in India and as a result these practices were "up-dated", i.e., brought in line with the increasingly capitalistic socio-economic relations that to a growing extent were being shaped by commodity-money, bourgeois relations. "All this has had repercussions... unleashing certain new social forces and creating new problems which have to be properly assessed and understood."*

It is quite clear that the overall evolution of the Indian economy since the last war, particularly as regards industrial development, the enormous growth of capital investment, the expansion of the transport services, commodity turnover, the enlarged budget allocations for construction in the state sector of industry, the programme for communal development and other schemes in rural areas, large-scale irrigation and hydrotechnical projects for agriculture, inflationary finance policy and the large increase in money

* *Some Aspects of the Agrarian Question*. . . , p. 2.

circulation, banking and usury capital, is constantly encouraging and accelerating the development of capitalist relations in rural India.

The agrarian reform introduced in areas where large-scale landed estates dominated the rural scene, should be analysed not as an isolated phenomenon but in the light of the whole course of the Indian economy's independent development. Only then is it possible to arrive at a correct assessment of the series of legislative measures serving to intensify capitalist exploitation in agriculture. However, as pointed out in the resolution published by the National Council of the Communist Party of India, in that part of the country where the system of landownership was reformed, semi-feudal patterns of rural life remained very strong, which meant that "...the substantial land-holders who dominate village economy indulge both in capitalist and semi-feudal forms of exploitation".* Some capitalist landowners started farming on capitalist lines, and although the total extent of land taken up by these farms was far from great, nevertheless "...there has appeared on the scene in these areas a class of big land-holders who own a considerable portion of the total lands which are cultivated through wage-labour..."**

Thus the most significant objective result of the reform in the system of landownership was that feudal practices had ceased to dominate rural India as a whole and also those areas where large-scale landownership had been particularly prevalent.

India's First Five-Year Plan made provision for a restriction in land rents throughout the country. Such rents were not to exceed between a quarter and a fifth of the harvest. However this recommendation that was incorporated into the plan was not introduced in practice. Rent restrictions were by no means uniform in the various states and regions of India and in some no restrictions at all were even announced.

* *Ibid.*, p. 6.

** *Ibid.*, p. 5.

In the state of Assam and in several districts of Mysore, Orissa, Rajasthan, Hyderabad, Himachal Pradesh and in Delhi province the maximum rent was fixed at a quarter of the harvest; in the state of Bombay and most districts of Rajasthan at one-sixth, in Kerala at a rate of between a quarter and a sixth of the rice harvest and a rate of between a third and a twentieth of the harvest of other crops. In the remaining states maximum rents were fixed at a third of the harvest or over. In Andhra, Jammu and Kashmir, for example, rents of up to fifty per cent of the harvest were legal; one-third was the legal maximum in Punjab and certain districts of Mysore, in Bihar it was seven-twentieths, in Tanjore sixty per cent, along the Malabar coast fifty per cent and in West Bengal between forty and fifty per cent of the harvest.

However the size of rents was not the central issue when it came to legislation covering land-tenure. It is clear from many sources, including the official ones, that the laws concerning rent stipulations were as a rule not enforced. Naturally (this Indian economists themselves admit) laws stipulating rent levels can only be effective if there are real guarantees for tenants' right to the land they are renting. The following examples suffice to show the extent to which the by far most satisfactory laws to protect the peasants' rights to the land they leased were enforced.

*The territory of the former state of Hyderabad.** In 1950 the Hyderabad Tenants and Agricultural Lands Act was introduced which officially secured tenant-farmers' rights for a period of five years, allowing for an extension of existing leases after that for a further period of five years. Provided the land was worked satisfactorily and rent payments were in order, landowners were not allowed to evict their tenants. The law defined the category of "protected tenant" possessing permanent and hereditary rights. However, if landowners decided to start engaging in farming themselves, whatever conditions obtained they were in a position to deprive tenants of their land. Although the tenant possessed the

* This section is dealing with agrarian reforms introduced in Hyderabad prior to the reorganisation of India's administrative divisions in 1956.

formal right to buy the land he was renting from the landlord, the latter used to refuse him that right if he himself wished to increase the size of his own holding.

The introduction of such a land Act did not serve to regulate relations between tenant-farmers and landowners. The Hyderabad state government declared the eviction of tenant-farmers illegal after March 21, 1952. Several hundred eviction orders were declared null and void. Plots they had formerly leased were restored to more than 5,000 tenant-farmers. However this did not result in substantial changes in the position of the peasants. The state government set up a special land commission to investigate the main problems in agriculture.

Landowners refused to recognise and observe "protected" tenants' rights. They used to auction their property to pay their debts. In the commission's report it was confirmed that "protected" tenants in practice accounted for only an insignificant proportion of the state's tenant-farmers. In practice their position was determined not so much by laws passed by the state government, as by the market situation, the increased demand for land as a result of rural over-population, the "balance of power" in the villages between landowners and peasants, and the arbitrariness of the local administration.

In Hyderabad the eviction of "protected" tenants assumed catastrophic proportions; according to figures drawn up by the Kisan Sabha, by 1955 approximately 57 per cent of the "protected" tenants had been evicted, which meant that 59 per cent of the total area held by such tenants had been "released" on the grounds that the landowners themselves were intending to work their own farms.* Another detail of interest in this connection is that according to official figures 77 per cent of the evicted tenants allegedly relinquished their rights to their holdings voluntarily. In the Kisan Sabha report it is stated that the Hyderabad government itself assumed that this "voluntary" relinquishment of rights of land-tenure might well not be voluntary after all.

Madras. After the general elections of 1952 and serious

* *Some Aspects of the Agrarian Question...*, p. 7; *Fourteenth Annual Session of the All-India Kisan Sabha Report*, New Delhi, 1956, p. 4.

disturbances in the Tanjore district, which provided over a third of the state's whole rice harvest, the Tanjore Tenants and Pannayals Protection Act was drawn up to enforce rights of tenure. The Act provided for distribution of the harvest between tenant and landowner on the basis of a 5:2 ratio and prohibited eviction of tenants except in those cases when decisions concerning eviction were adopted by a special land court. This Act obliged the landowner to pay labourers—or pannayals—according to the number of days worked. The Madras legislative assembly incorporated this Act into the state's code of laws.

The basic principles underlying this Act also provided the basis for the act introducing fixed rents. However eviction of tenants still continued. The mirasdar landowners indulged in intimidation tactics and organised a campaign against the new land legislation which continued for a number of years. New laws protecting tenants' rights were introduced in 1955 and 1956. Officially these prohibited eviction of tenants and fixed tenants' and landowners' shares of the harvest at a 6:4 ratio. The new laws also stipulated that landowners should restore within the year holdings to tenants evicted throughout the state after 1953, with the exception of the Tanjore and Malabar districts that were particularly critical in this respect. It is revealing to note that tenants evicted from plots of less than 6.6 acres of irrigated land and 20 acres of non-irrigated land did not have to have their holdings restored to them according to the new laws. Despite all these new state laws the landowners first of all cleared their land of small-scale tenant-farmers and then obtained legal ratification for their thereby enlarged estates.

Bombay. The Bombay Tenancy Act of 1948 was regarded in India as a model for all other states. It stipulated three types of tenancy.

Permanent tenancy for tenant-farmers with immutable rights and privileges which could only be revoked by a court of law in cases of non-payment of rent. There was a total of approximately 350,000 holdings of this type.

Protected tenancy for tenant-farmers who over a period of six years or more had been working their particular holdings. They were entitled to acquire the land they rented as their own property and also to transfer their rights of

tenancy to their heirs on similar conditions. However this type of tenant could still be evicted as soon as the landowner might decide to start farming himself (if he possessed less than 50 acres of land under cultivation) and start laying claim to the tenant's holding, even if the purposes for which he planned to use it were not connected with agriculture. Approximately one and a half million holdings came under this heading.

Ordinary tenancy for tenant-farmers with rights to permanent tenure over a period of ten years, which could then be extended for a further ten years. The insufficient protection provided for this type of tenure too was reflected in the fact that the landowner could confiscate land for his own private development at any moment in the course of the above period. The total number of holdings worked by tenant-farmers of this kind was approximately 700,000.

In addition there were still lower down the scale large numbers of share-croppers, tenants bereft of any rights and landless agricultural labourers.

A special survey conducted by the Gokhale Institute of Politics and Economics in 1953 (the findings of which were published in 1957) defined the true results of the agrarian legislation introduced in the state of Bombay in the following words: "For all practical purposes the Act did not exist."^{*}

In 1949-1953 50 per cent of the tenant-farmers in an area selected for a special survey (covering 105 villages) in the state of Bombay retained their former rights of tenure, 20 per cent leased their holdings on a new basis, 27 per cent were deprived of their holdings by their landlords who confiscated them after the tenants' alleged "voluntary relinquishment" of their rights, and 3 per cent bought up the land they had been renting which became their own property.

By 1957 in the state of Bombay the total area held by "protected" tenants had been reduced by 50 per cent, a state of affairs which the legislation had in fact promoted, although officially it had been introduced to protect tenants.

^{*} *Working of Bombay Tenancy Act 1948*, Report of Investigation, Poona, 1957, p. 187.

According to the Bombay Tenancy Act, "it is further provided that if a tenant fails to exercise his right of purchase by April 1957, he shall become liable to ejection".* This meant that in that particular state even small-scale peasant holdings could be taken over by the landowners as the latter endeavoured to put an end to the peasants' parcelling of land and use it instead for their own capitalistic enterprises.

To sum up:

In those states where legislation was adopted which guaranteed tenant-farmers' rights to their holdings, relations between tenant and landowner assumed one of three forms.

1. Tenants were assured a guarantee for their rights of tenure, while landowners were forbidden to take over the land they had leased out for their own personal use;

2. Landowners retained the right to take over tenants' holdings so as to cultivate the land themselves, on condition that they left the tenant part of his former holding, so that he might continue to make a living;

3. Tenants were deprived of the right to retain even a minimal holding and landowners could take over all or part of their land as they wished.

In the state of Uttar Pradesh and in Delhi province relations of the first type established themselves.

In the states of Assam, Bombay, Punjab, Rajasthan and Himachal Pradesh relations of the second type became the accepted pattern.

In Assam a landowner was able to take over a tenant's holding on the pretext that he was going to develop it himself; the maximum size of such holdings could be as much as 33 acres, on condition that the tenant-farmer or share-cropper retained a holding of not less than 3.3 acres.

In the state of Bombay landowners had the right to take over from tenants between 12 and 48 acres provided the tenants were left with holdings not less than half the size of their original ones.

In Punjab landowners were legally entitled to take over 30 standard acres from any tenant provided the tenant was left with a holding of at least five standard acres.

* *Review of the First Five Year Plan*, Delhi, May 1957, p. 322.

In the state of Rajasthan landowners were entitled to take over all land from any tenant over and above that part of his holding which brought in 1,200 rupees a year. The tenant had no rights to any land over and above that which brought in such a revenue.

In Himachal Pradesh a landowner was not entitled to take from a tenant-farmer more than five acres and the tenants had the right to retain as their leased holding three-quarters of the land they worked.

In the states of Jammu and Kashmir, West Bengal and also in the territory of the former state of Hyderabad, relations of the third type grew up.

In Hyderabad territory a landowner had the right to take over land with an acreage three times that of his family estate (i.e., from 12 to 180 acres). Meanwhile the tenant-farmer had the right to retain a holding equal to a third of his family estate (i.e., from one to 20 acres), or half his original plot if it came to less.

In West Bengal any landowner possessing less than 7.5 acres could take over from a tenant-farmer all the land leased out to him; landowners with estates of more than 7.5 acres were entitled to take over two-thirds of the land they leased out. The maximum number of acres a landowner could take over from a tenant-farmer was fixed at 25. In West Bengal a substantial number of tenant-farmers and share-croppers, so-called bargadars, were evicted on the grounds that the land they had been renting was taken over by the landowners concerned in order that the latter might develop it themselves. These tactics brought countless disasters and untold privation to the bargadars and their families, who in the majority of cases were reduced as a result of this treatment to the status of landless agricultural labourers deprived of any protected rights or regular sources of income.

Kerala was the only state where the share-cropper was legally placed on the same footing as the tenant-farmer if he had been working his current holding for over five years, even if the landowner's plot was under the set limit. Legislation adopted in Kerala in 1957 stipulated the landowner's right to take over 15 acres of a tenant's rice fields that could be harvested twice annually or an equivalent acre-

age whenever he chose. Landowners with large estates were not entitled to demand any land back from their tenants.

In Andhra Pradesh, Bombay, Madhya Pradesh, Mysore and Manipur temporary, and even more unsatisfactory legislation, providing for the protection of tenancy rights, was introduced. The same applied to the states of Orissa and Madras where landowners' rights to take over their tenants' land were subject to certain restrictions.

These laws relating to the peasants' rights of tenure, however many amendments were introduced into them allegedly so as to improve conditions for the tenant, were basically designed to preserve and consolidate the landowners' rights to a) take over land subject to any kind of peasant tenure in order to engage in their own development projects and b) to realise land on an unlimited scale for their own private gain. Herein lay the core of the ruling classes' policy when it came to peasants' rights of tenure.

The Punjab Kisan Sabha report stated in a memorandum on land reforms that it was very difficult for tenants to rent land for cultivation, since the powerful landowners were resorting more and more frequently to private enterprise and in such conditions petty landowners were reluctant to lease out their property, and moreover although land rents in Punjab and Pepsu were lowered and could not exceed a third of the harvest, rights of tenure were not protected and tenants as a rule were not able to benefit from the law providing for lower rates of rent.

In 1954 findings extremely important from an economic point of view were published by the All-India Rural Credit Survey after a sample investigation of 127,343 peasant holdings in 600 villages in 75 different areas of the country. According to Professor M. L. Dantwalla, a leading expert in the Indian rural economy and member of the committee for land reform, the survey made it quite clear that the legislation introduced to secure firm rights of tenure for the peasants and to stipulate moderate levels of rent had not achieved anything: "It was estimated that there had been more evictions during the last ten years than in the previous 100 years."*

* See: *The Hindustan Times*, New Delhi, August 21, 1956.

Although the legislation providing for protection of tenants' rights was undeniably in the interests of the bourgeoisie and landowning class and its actual implementation was officially acknowledged as unsatisfactory from the point of view of the tenant peasants, this does not by any means imply that it did not produce fairly substantial changes in the tenants' formal and legal status. The conditions of tenancy in the various states were unified to a considerable extent and levels of rent came down. The majority were granted rights of tenure for fixed periods, except in those cases when landowners were entitled to take over land for their own personal cultivation.

The ruling class, in collaboration with the landowners, succeeded in reforming the old system of landownership (viz. the revocation of the zamindars' rights in return for compensation) and making over to the state 87 per cent of the land formerly owned by the zamindars in the state of Uttar Pradesh and 84 per cent of the land formerly owned by them in the state of Bihar. Despite alienation of land even on this enormous scale, the landowners succeeded in retaining almost all their estate lands which after the agrarian reforms accounted for 7,000,000 acres in the state of Uttar Pradesh, 3,900,000 acres in Madhya Pradesh and 3,500,000 acres in the state of Bihar. Only 14.55 per cent of Indian landowners owning a total of 30.77 per cent of the land fit for cultivation leased out land to the peasants.

The political significance of the reform lay in the fact that after the transfer to the state of a considerable part of the land in those districts, where formerly traditional patterns of large-scale landownership had dominated, such land was not redistributed among the landless peasants; instead legislation was designed in such a way as to facilitate the expansion of only those holdings leased by the prosperous and partly middle, i.e., most influential, sections of the peasantry, while reducing direct relations of tenure between landowners and the backward mass of the peasantry to the minimum possible. The ruling classes thus aimed at rendering harmless the anti-feudal unity of the peasantry and keeping down the class struggle in rural areas.

The agrarian reform did nothing to ease the burning issue of the landless peasants or those with insufficient

holdings while the goal set by the ruling circles was by no means fully attained.

The class struggle in rural India, which had been less intense due to the implementation of the reform from which the peasants had hoped for more land, continues to have an objective foundation, in view of the fact that the peasants' hopes have not been fulfilled.

The following table illustrates which sections of the rural population continue to lease out land after the reform and on what scale.

Table 3

Leasing Out Land According to Group of Holdings*

Area of holding (acres)	Total number of holdings ('000)	Total area owned (acres)	Percentage of holdings	
			Leasing out land	Not leasing out land
0	14,444	—	—	100
0.01-0.99	16,346	4,275	9.42	90.58
1.00-2.49	9,408	15,277	18.27	81.73
2.50-4.99	8,975	32,404	21.89	78.11
5.00-7.49	5,361	32,807	22.01	77.99
7.50-9.99	3,092	26,743	23.74	76.26
10.00-14.99	3,359	40,816	28.58	71.42
15.00-19.99	1,744	30,290	25.46	74.54
20.00-24.99	942	21,026	28.34	71.66
25.00-29.99	703	19,279	25.32	74.68
30.00-49.99	1,032	38,602	36.63	63.37
50.00 and above	553	48,331	43.94	56.06
	65,659	309,850	14.55	85.45

* National Sample Survey, pp. 55-58.

The bulk of the land, as the figures in Table 3 show, was leased out by prosperous peasants and the more powerful landowners. These sectors concentrated in their own hands the country's land resources, as before. The reform did not deprive them of their wealth and their economic

and political power over the rest of the peasantry which this wealth gave them, although it redistributed this wealth in the interests of the prosperous peasants and the flourishing capitalist landlord. It is worth noting that between 50 and 70 per cent of the land owned by the entrepreneur peasant elements and landowner upper strata in the countryside by this period was not being leased out but developed by its owners.

Thus while previously students of the agrarian question in India had justly maintained that semi-feudal patterns of tenure had dominated in the production relations existing between landowners and the peasants, now such an interpretation of the situation was plainly inadequate. It did not take into consideration all the complexities of the Indian situation as a whole and in particular that of the south of the country where capitalist development of rural areas was far advanced.

"In regions like Andhra, Punjab, Berar, Kavery belt and Coimbatore district of Tamilnad, some districts of Gujarat, Maharashtra and Mysore, the capitalist landlord is a much more powerful element in rural life. He possesses big farms consisting of the best lands, he is the employer of a large number of agricultural labourers and uses more modern methods of production; he is also a moneylender, supplying a good part of the credit needs of cultivators and resorts to hoarding and black-marketing in food grains. He is often closely connected with agro-industries such as rice and oil mills, sugar mills, etc. He is also closely connected with the ruling classes and the administrative machinery."*

Yet this assessment of the situation obtaining in the villages of southern India does not mean that feudal practices had disappeared entirely in the area: "The fact of the matter is that even in these regions, share-cropping, subletting on excessive rents and various other types of semi-feudal exactions are still quite prevalent, although the dominant tendency among the bigger landowners is to resort more and more to cultivation through wage-labour."**

So while old forms of semi-feudal exploitation had not

* *Some Aspects of the Agrarian Question...*, p. 6.

** *Ibid.*, p. 7.

disappeared in India, after the reform they had become more subject to the influence of commodity, money and capitalist relations, and were being made use of for accumulation by the rural capitalist elements whose position had been strengthened. Capitalist enterprise in rural India, the development of which had intensified in the course of the reform period, was to be found side by side with obsolescent, semi-feudal forms of exploitation of the peasantry and this situation is to continue for a good time to come as well.

In 1955 in accordance with a directive from the central government a survey of land-holdings was carried out so as to establish the area under personal cultivation or leased out by its owners. Answers to the survey questionnaires were to be sent in by the "patwars" or village elders who were advised to base their answers on findings gleaned from surveys made on the spot or at least on those of the village land-surveys. Instructions for the conduct of the land census were drawn up in most vague terms which made it possible for the rural upper crust and administrators to list privately owned land worked by share-croppers or tenants devoid of any rights as landowners' personal property. Attitudes to the idea of this land census varied considerably from state to state. The ruling circles in all states were well aware that it was aimed at singling out land surpluses which were not being used by landowners themselves and which could if the worst came to the worst be distributed among the peasants. All this left an imprint on the results of this most significant and only state survey, that was conducted in the spring of 1955 before work began on stipulation of norms for the maximum size of land-holdings. Table 4 is a summary table for several Indian states with regard to the two most prosperous categories of landowners, owning between 45 and 60 acres and upwards, who came closest of all to the landowners of a semi-feudal type. These figures show that the share of land developed by landowners themselves, even if allowances are made for the deliberate and ill-intentioned exaggerations designed to conceal the actual state of affairs regarding the leasing out of land, had become most substantial and this testifies to the far-reaching process of capitalisa-

tion of landed estates which a mere twenty to thirty years ago had hardly started to make itself felt at all in connection with large-scale agriculture.

Table 4

Distribution and Size of Holdings Leased Out by Big Landowners and Used by Them for Their Personal Cultivation* ('000)

State	Grades of holdings (in acres)							
	45-60 acres				Above 60 acres			
	Total land owned by given group of landowners	Total land used for personal cultivation	Per cent of holding		Total land owned by given group of landowners	Total land used for personal cultivation	Per cent of holding	
Personal cultivation			Leased out	Personal cultivation			Leased out	
Andhra	1,005	868	86	14	3,074	2,199	72	28
Bombay	3,327	2,875	87	13	7,710	5,889	77	23
Mysore	412	362	88	12	1,805	864	80	20
Madras	1,399	1,159	83	17	6,194	4,284	69	31
Madhya Pradesh	2,159	1,907	88	12	7,617	5,705	75	25
Punjab	757	485	64	36	2,301	990	43	57

* The Second Five Year Plan, New Delhi, 1956, pp. 213-16, 218.

The land census showed that on an average between 75 and 80 per cent of the land belonging to big landowners was used for purposes of their so-called personal cultivation while between 20 and 25 per cent was leased out. In the thirties—to judge by the findings of the survey conducted by the British Royal Commission on Agriculture (1928) and by the Central Banking Enquiry Committee (1932)—large-scale capitalist enterprise in estates owned by landowners, traders, moneylenders or prosperous peasants was extremely rare, whereas now the situation was quite different. The slow process by which the rural economy was being transformed along bourgeois lines, a process that brought so much hardship to the peasants, found expression

in the crystallisation of the stratum of capitalist landlords, capitalist landowners from among traders and money-lenders and the emergence of an influential prosperous top stratum of the peasantry; this process meant that in the long run as a result of the reform it was precisely these capitalist strata who in some places had already come to hold sway in the villages and elsewhere would do so eventually.

It is a common occurrence for agrarian researchers when basing their research on the conditions obtaining in modern India to be unable to ignore the issue of central importance as regards both the production and social aspects of this question—namely, the correlation between the number and size of the large landed *estates* and the number and size of the large *farms*. Certain bourgeois researchers deliberately go out of their way to avoid this correlation substituting one issue for the other. They maintain that the establishment of the maximum size of holdings inevitably leads to the establishment of the maximum size of farms, as a result of which limits for maximum holdings will hinder the development of large-scale farming, although it is common knowledge that it is possible to go in for large-scale capitalist farming on comparatively small land-holdings, just as it is possible to own large landed estates without going in for large-scale capitalist farming, as indeed was the practice in India. An essential difference regarding opportunities for engaging in large-scale farming in the period of imperialist rule in India and at present consists in the following: the British imperialists, when making timid attempts to bourgeoisify the Indian semi-feudal landowners, did not score any real success since the colonial monopoly of the imperialists ruled out any chance of success in this undertaking; while now, with the Indian bourgeoisie in power, prospects for progress in this direction, stimulated by the war-time and post-war economic conditions and the agrarian reforms, were quite different.

The declared goal of the agrarian reform was to confer property rights on tenant-farmers and thus turn them into owners of the holdings they had been renting.

Purchases by tenants of land they rented could only take place when the land concerned was of a kind that land-

owners could not take back from their tenants on the basis of the right granted landowners everywhere to claim back land they sought to use for purposes of personal cultivation. This restriction itself was a major one which hardly facilitated implementation of the goal of the agrarian reform. However there also existed additional restrictions. In Hyderabad, for example, only protected tenants had the right to buy any land and in Madhya Pradesh only permanent tenants. In Punjab only such persons who had been renting their holdings for an uninterrupted period of at least six years (the landowners could not claim them back) were entitled to buy land. In some states tenant-farmers were entitled to buy their rented holdings as they thought fit and at any time. However the laws concerning land purchases, passed in the state of Bombay and the former state of Madhya Bharat, contained a reservation to the effect that this right could only be made use of in the course of a fixed period laid down by law. Otherwise tenants could be evicted. This measure was aimed at tenants with small holdings.

In Kerala tenant-farmers were advised to purchase their holdings by a fixed date, otherwise they would remain tenant-farmers.

In Punjab, Rajasthan, Himachal Pradesh and the former states of Hyderabad, Madhya Bharat and Vindhya Pradesh tenants were formally granted the preferential right to purchase land. However, numerous reservations written into the laws passed in these states narrowed the opportunities for ordinary tenants to become owners of land.

For quite obvious reasons tenants renting small holdings were not in a position to make use of their right to purchase land. The purchase prices were multiples of the rents or land taxes previously fixed for the holdings in question. Just rents, to which much space was devoted in legislative documents and which it was planned to introduce in the Second Five-Year Plan, did not as yet exist. The land prices stipulated in the laws passed by a number of states were exorbitant.

Land-purchasing prices were set up according to the following rates: in Madhya Pradesh at 7-10 times the land rent; in Uttar Pradesh at 10 times the land rent and in

Hyderabad at between 6 and 15 times the land rent; in Rajasthan the rate was 10 times the land rent (for non-irrigated land); in Ajmer at 12 times the tenant's net income. In four states rights of ownership over formerly rented holdings were priced according to multiples of the land tax for the holdings concerned: in the state of Bombay at 20-200 times the annual tax, in Delhi province at 4-40 times and in Himachal Pradesh at 48 times. In all these states (with the exception of Madhya Pradesh) land could be paid for on a long-term basis over a period of between five and fifteen years.

The richer peasants—those owning trade or usury capital or possessing permanent and hereditary rights of tenure—often purchased their land with the help of state subsidies. In West Bengal, Bihar and Uttar Pradesh—areas where traditional patterns of large-scale landownership predominated—a mere 15-20 per cent of the peasants purchased land. Nevertheless, the practice for peasants to become owners of land was definitely on the increase and serving to accelerate class stratification in rural India.

After the abolition of feudal and semi-feudal rights of landownership, particularly those enjoyed by big absentee landlords, not only did the formation of a class of big and medium landowners of a bourgeois type from among the traditional landowners accelerate, but also that of a new rural bourgeoisie consisting of prosperous peasants anxious to make the most of the new legislation concerning tenants' rights to purchase their holdings. This process of accelerated capitalist development is most complex and contradictory in the sense that, while in the process of bourgeoisification landowners made every effort to profit from the vestiges of their former rights through share-cropping and lending out money or grain, etc., so as to increase their income, the new rural bourgeoisie taking shape within the peasantry was also endeavouring to indulge in both types of exploitation of the toiling peasants, the capitalist and the semi-feudal type. Between these two social strata—the former semi-feudal landowners becoming capitalist landowners, and the prosperous peasants becoming capitalist entrepreneurs—there now existed, despite deep-rooted contradictions, certain shared class interests on a number of impor-

tant issues pointing to a new alignment of class forces in rural India (the fixing of a "ceiling" for landed estates, the gratuitous distribution of non-cultivated land, the granting to tenants of rights of ownership, the use of funds allocated for communal development, the utilisation of food stocks, etc.).

Demands that the maximum size of land-holdings be stipulated by law were first put forward in 1945 by the all-India peasants' union. The pressure for this demand to be met grew stronger with each passing year. After independence peasants throughout the country joined in the campaign.

The principle for establishing the maximum size of land-holdings had been put forward in the First Five-Year Plan. A land census was conducted in the majority of states in order to collect the data essential for drawing up these norms, but the land census was unsuccessful, to say the least.

In the Second Five-Year Plan proposals were put forward for practical measures to cut down all large land-holdings. The state governments were called upon to establish norms for maximum holdings. The Second Five-Year Plan also defined those groups of holdings that were not subject to such restrictions. These included tea, coffee and rubber plantations; orchards; cattle, sheep and dairy farms, etc.; sugar-cane farms supplying sugar factories; efficiently run compact farms, whose productivity would fall if part of their acreage were taken away; mechanised farms and those involving large-scale capital investment.

The very fact that exceptions were made for large-scale capitalist enterprise when norms for maximum holdings were being drawn up encouraged landowners to start working their estates. Often this was only done to mislead the local authorities. However by organising production co-operatives for landowners and prosperous peasants (in Uttar Pradesh and Madhya Bharat), factories for the initial processing of cotton, sugar-cane, seed-oil, small joint-stock companies, by purchasing tractors for setting up mechanised farms, etc., many landowners succeeded in having their

holdings exempted from the category liable for curtailment. From 1951 onwards a constant campaign was being waged by landowners and social groups with closely allied interests, and latterly by big capitalist monopolies as well, against the stipulation of a "ceiling" for the size of land-holdings and against the transfer of land surpluses to landless peasants and agricultural labourers.

In Punjab and Pepsu the first law restricting the size of land-holdings was passed in 1950. The limit for land used for personal cultivation was set at 200 acres but when the law was submitted to the president in 1951 the limit was reduced to 100 acres. In practice however this law did not bring the peasants any additional land.

In 1953 another law was passed stipulating new norms for maximum land-holdings.* The size of such holdings was fixed at 60 acres (30 standard acres). However this law also failed to produce the desired results. Tenants continued to be evicted from the plots they were working at the same rate as before and the number of landless peasants was on the increase. In the light of this situation the legislative assembly introduced in 1955 an additional law conferring on the state government the right to take over all the big landowners' and tenant-farmers' surpluses so as to transfer these to the landless or evicted peasants. All land over the sixty-acre maximum was reckoned as surplus.

While these laws and the accompanying amendments were being issued and state bodies in Punjab spent years elaborating the rules and instructions for their application in practice, big landowners took steps to evict tenants, divide up their estates and start engaging in personal cultivation.

The owners of large land-holdings officially registered the eviction of 8,388 tenants in 1950-1951, 7,083 tenants in 1951-1952, 17,503 tenants in 1952-1953 and 60,353 tenants in 1953-1954.

In Pepsu the number of landowners with estates of over 30 acres sank from 185,000 in 1948 to 39,000 in 1952 and

* Instructions for applying the 1953 law fixing the maximum area for land-holdings at 30 standard acres were not ratified until April 30, 1956.

only came to 28,336 in 1955 according to the official land census.

Punjab and Pepsu were not only the "greatest centre of tenant eviction in India",* but districts where the organisation of farming along capitalist lines proceeded at a relatively rapid rate. By October 1956 landowners of large estates in Punjab had been granted state subsidies for the purchase of 4,000 tractors totalling 11,700,000 rupees. In Pepsu 1,300 tractors were purchased.

By the end of 1958 the laws passed in Punjab and Pepsu, stipulating the maximum size of land-holdings, had still not been enforced. Not one acre of surplus land had been handed over to landless peasants. In the press, state organisations and legislative organs of these states the big landowners were campaigning more and more persistently against the stipulation of these land norms and the transfer of land to landless peasants. Under the pretext of the need to surmount the food crisis and avert the deterioration of agricultural production, the big landowners demanded renunciation of the land reforms and of norms for maximum land-holdings, insisting on a switch to a policy promoting the formation of large-scale mechanised farms of a capitalist type, i.e., to a policy of still further concentration of land in the hands of a minute minority that would lead to still further increases in the number of landless peasants. These tactics employed by the big landowners were undoubtedly fraught with serious complications, particularly in view of the fact that the peasants' fight for land was a deep-rooted tradition in Punjab.

At the end of 1958 the maximum size of land-holdings had still not been stipulated in the state of Uttar Pradesh. Laws abolishing the zamindar system of landownership and laying down new conditions for leasing land avoided this question. Meanwhile there were close on 1,100,000 peasant families with no or virtually no land in the state, i.e., close on 5,550,000 people with virtually no land. A maximum of 30 acres was laid down for any land-holdings acquired in the future. If that maximum were eventu-

* Daniel Thorner, *The Agrarian Prospect in India*, p. 49.

ally to be extended to existing holdings, then while excluding the holdings used by landowners for "personal cultivation" and therefore exempt from restrictions (in Uttar Pradesh in addition to this land 2,088 mechanised farms had been set up in accordance with a resolution of the Planning Commission), land surpluses would be so negligible that they would make no appreciable difference to the land issue as it affects the millions of landless peasants and agricultural labourers.

In the state of Andhra Pradesh (Telengan district) a maximum was set up both for future land acquisitions (from between 12 and 180 acres) and for existing holdings (from 18 to 270 acres). However, over a period of many years the large landed estates had been intensively divided up and holdings set up for so-called personal cultivation, so that the introduction of such a high "ceiling" did not provide any significant land surpluses for distribution among landless peasants and those with minute holdings. In the Khamam and Varangal districts (formerly part of the state of Hyderabad) measures were introduced to reduce the size of large land-holdings. Originally it was estimated that the implementation of these measures would produce 700,000 acres of surplus land to be distributed among the peasants. However these calculations were to be considerably amended by the big landowners, who by dividing up their estates succeeded in reducing the extent of these surpluses to 100,000 acres.

Legislation stipulating the maximum size of land-holdings was also introduced in Assam and West Bengal. In Assam the limit was fixed at 50 acres and in West Bengal at 25 acres. These norms applied not only to land-holdings but also to acreage used for purposes of personal cultivation. The laws passed in these states did not make land supporting efficient farming exempt from the general restrictions. Only in Assam were mechanised farms not exceeding 166 acres exempt from the norms for maximum land-holdings. In neither state however was the maximum enforced in practice and land surpluses were not handed over to landless peasants.

Regarding West Bengal, M. P. Mehra had the following to say: "...No substantial progress has been made in the

field of redistribution of land and resettlement of real cultivators. Again, the re-survey and settlement operations are expected only to be completed by April 1958, which means that the actual operations with regard to redistribution of land, etc., will take another long period."^{*}

In 1958 the West Bengal government adopted a resolution to set up a commission for the distribution of land among landless peasants. This step was made necessary mainly in the light of the severe food crisis in the state. According to government figures, in 1958 the state was short of 750,000 tons of rice, the biggest shortage recorded since 1947. The peasants demanding rice and land came out in mass demonstrations that were dispersed by the police.

The largest concentration of land-holdings in the whole country was that in the state of Bihar: 77 per cent of all holdings were up to 5 acres and accounted for 31.8 per cent of the state's land, while 1.6 per cent of land-holdings (25 acres and upwards) accounted for 19.1 per cent of the land. Ninety-three per cent of the state's population depended directly or indirectly for its livelihood on agriculture. Some nine million people had no land at all. At the beginning of the reform period the Bihar government announced its intention to confiscate land surpluses from the big zamindar landowners and distribute them among the peasants. The draft for a law fixing the size for the maximum holding at 25-75 acres and the report drawn up by the commission of representatives from the legislative chambers on this question were put before the legislative state assembly in 1956 but the law was never applied in practice. It came up against stubborn resistance on the part of the landowners. The large-scale landownership in vast areas of the state was left untouched. The zamindars, as the owners of large estates had been known before the reforms, renounced their former "title", divided up their holdings, concealed their true size by engaging in so-called personal cultivation, and introduced "corrections" into the land-survey registers. At the same time they saw to it that no norms for the maximum size of either holdings acquired

* *AICC Economic Review*, April 1, 1958.

in the future or existing ones were introduced. The conduct of the state's landowners and civil servants is an instance of the landowners' resistance to the reforms.*

In the state of Madras the maximum size of land-holdings had not been stipulated by 1956. A draft law for this purpose was put before the state's legislative assembly in 1956.

While the draft for this law was being drawn up and discussed the landowners and their minions went out of their way to demonstrate that the law would be a violation of the Indian constitution and for that reason could not be passed. According to the figures in the land census, 67.6 per cent of the state's holdings averaging two acres in size accounted for only 20.3 per cent of all the land. Meanwhile, 0.9 per cent of the state's land-holdings averaging 140.5 acres accounted for 19 per cent of the land. In short, holdings belonging to 44,000 landowners accounted for the same amount of land as those belonging to 3,348,000 peasant families.** In the state of Madras 53 per cent of the entire rural population consisted of landless peasants and agricultural labourers with minute plots. The land problem was a particularly critical issue.

It was only in the states of Jammu and Kashmir and Kerala that the "ceiling" for land-holdings was introduced in a more or less consistent fashion. In Jammu and Kashmir in 1950 a law providing for the liquidation of large landed estates and their transfer to the real cultivators was passed. This particular law said that a "tiller of the land" was he who worked the land with his own hands.

* An interesting comment on the disreputable role of certain state leaders with vested interests in landownership, who opposed the agrarian reforms, was made while the reforms were being introduced by Shriman Narayan, General Secretary of the National Congress, in an article entitled "The Need for Ideological Clarity": "One of the main reasons for this slow and halting progress has been the presence of some Congress legislators who belong to the propertied classes. They have been trying to put spokes in the wheel with the result that the Congress has been losing its hold on the tenants and landless labourers, particularly the Harijans." (*AICC Economic Review*, June 15, 1957.)

** Government of India. Planning Commission. *The Second Five Year Plan*, 1956, p. 215.

In all the other Indian states the definition of a "tiller of the land" was debated for years on end and in a number of cases all that was achieved was that the term "tiller of the land" was declared identical with the term "landowner".

In the state of Kerala an agrarian law was passed in December 1957, according to which the maximum holding an individual or a public organisation might possess (as owner or tenant) was not to exceed 15 acres of land bringing in two harvests a year, 22.5 acres bringing in one harvest or 30 acres of non-irrigated land. These restrictions did not apply to plantations run by state farms and co-operative societies, or land occupied by factories and workshops.

This norm was increased by one acre for every member of a family exceeding five persons, while the total family holding was not to exceed 25 acres of land in the first category. Surpluses were to be handed over to the land office.

For surpluses handed over to the land office compensation was paid to the former owners in cash or three per cent non-circulating bonds. Compensation payments were stipulated at 16 times the annual rent for the first 5 surplus acres, 14 times for the next 5 surplus acres, 12 times for the next 15 surplus acres, 8 times for the next 30 surplus acres, 6 times for the next 50 surplus acres and 5 times for 100 surplus acres and over.

Land that was handed to the peasants was freed from any debt obligations.

The maximum rent paid to a landowner could not exceed a quarter of the harvest. The draft law defined in detail the rent due according to the cultures sown and the type of land.

The draft law granted the broad peasant masses rights of protected and hereditary lease-hold; it also permitted them and made it possible for them to purchase the land they worked on preferential terms over a period of 16 years.

It was the land councils that were responsible for applying in practice the agrarian reform. They fixed the compensation sums that would be paid to landowners and

collected money from peasants with which to pay out this compensation; they were to distribute the land surpluses in the way laid down in the new law to the landless peasants, the agricultural labourers, members of co-operative societies which did not possess any land, and to other tenant-farmers.

To sum up: in the country's major states—Bihar, Bombay, Madhya Pradesh, Madras, Mysore, Orissa and Uttar Pradesh—whose total rural population came to over 210 million (70 per cent of the whole country's rural population) the maximum size of land-holdings had not been stipulated by the end of 1958, i.e., ten years after agrarian reforms first started being introduced, and the peasants had not received the land they had been promised.

The following assessment of the legislation introduced in the various states to fix the maximum size of holdings is given in the *Review of the First Five Year Plan*: "In a number of states, where Bills have not been prepared or legislation enacted, the question of prescribing ceilings is engaging the attention of the state Governments. In states in which there has been legislation for ceilings, practical implementation has not proceeded beyond preliminary steps."^{*}

This meant that the agrarian question in India had not been conclusively solved. The agricultural labourers, landless peasants and those with only minute plots had not been given the land promised them. Laws providing for land reform adopted in the various states had not put an end to the domination of powerful landowners and had not led to a transfer of land to those directly engaged in its cultivation. The monopoly of the bulk of the land by a handful of landowners had not been fully eliminated. As the reforms had been introduced the social character of this monopoly had been gradually changing. It was no longer a feudal, or semi-feudal monopoly but was becoming a bourgeois-landowner monopoly; nevertheless it was precisely this monopoly which stood in the way of genuine agrarian reform and a new lease of life for agriculture.

* *Review of the First Five Year Plan*, p. 326.

The reforms such as they were announced in legislative documents and in the form in which they were actually introduced were powerless to check the growing concentration of land in the hands of a minority of property-owners. Some Indian economists profess surprise at the fact that the process of the increasing concentration of land in the hands of the minority was not only not checked by the reforms, but even accelerated by their introduction, at a time characterised allegedly by nation-wide endeavour to introduce a ceiling for existing holdings and those acquired in the future.

During the First Five-Year Plan period and also the years that followed obsolete production relations still acted as a brake on productive forces in Indian agriculture and indeed still continue to do so. Indian economists admit that the agrarian reform was inadequate to ensure the necessary scope for the development of productive forces in peasant economy, although it gave rise to a number of new phenomena stemming from the increasing capitalist element in agriculture.

As a result of the social and technical backwardness of her villages, India found herself up against unprecedented food shortages immediately after embarking on the implementation of the Second Five-Year Plan. It became imperative for the state to take decisive steps to streamline agriculture, particularly peasant farms, without delay.

The partial breaking up of semi-feudal landed estates, in the past not usually linked with any large-scale farming enterprise, and accelerated by land reforms in regions where traditional forms of big landownership had held sway, was negligible in comparison with the significant and far-reaching process of concentration of landownership based on expropriation by bourgeois landowners and prosperous peasants of the peasants' rights of ownership or tenure. This served to complicate still further prospects for the solution of the whole agricultural problem.

It is by no means a coincidence that precisely when the agrarian reform was going through a profound internal crisis, having stopped short, as it were, before the solution of the basic problem of the redistribution of land, thus revealing its intrinsic inconsistency, a particularly acute

crisis hit Indian agriculture as such and this naturally resulted in a food crisis.

Nor is it a coincidence that at this particular period representatives of the powerful monopolist stratum of the Indian bourgeoisie came forward with sweeping declarations as to the superfluity of further agrarian reforms, declarations to the effect that these reforms were merely a palliative and there was no urgent need for their implementation, which would only lead to further division of the land and hence an inevitable fall in agricultural production and a worsening of the food crisis. The monopoly bourgeoisie had always put forward these arguments. From their point of view the main task was to increase to the maximum the size of land-holdings and introduce up-to-date agricultural machinery. What was important in their eyes was not so much who owned the land but how it was cultivated. A still more open statement on this subject is to be found in the pages of the journal *Commerce*, mouthpiece of powerful Bombay capitalists that openly criticised the government's attempts to stipulate ceilings for land-holdings. The journal maintained that only "men with knowledge and capital" were in a position to help Indian agriculture out of its dilemma and stressed: "What India needs is legislation for prevention of excessive subdivision of land. So long as average holdings remain small and unrealistic land reform policies keep men with knowledge and capital out of rural areas, India must continue to face the problem of dismally low per-acre yields."^{*}

So they would have us believe that the main disaster for rural India—the problem of low yields—was the result of the existence of small-scale parcelled holdings and that reform would lead to still further subdivisions and thus argued that plans for reform should be abandoned since it hindered the infiltration of capital and capitalists into rural India.

Representatives of the monopolist stratum of the bourgeoisie were anxious to check the spread of reform, disrupt the stipulation of any "ceiling" for land-holdings and

* *Commerce*, Bombay, May 24, 1958, p. 970.

hence prevent the granting of land to the landless peasants.

While during the initial period of reform the landowners went out of their way to render ineffective any legislation relating to ceilings for land-holdings and divided up their estates so as to create the illusion that they owned less than they did in effect, and thus avoid confiscation of their surpluses, later on the monopoly bourgeoisie came forward maintaining that the introduction of ceilings for land-holdings would mean disaster for "efficiently organised farms" and a decline in the level of technology introduced into agriculture. Meanwhile it was quite clear that they were concerned not so much with improving agriculture as with thwarting any attempts to put an end to existing inequality in the distribution of land and the revenues obtained from working it.

Leading Indian industrialists with Birla at the head put forward a proposal at the end of 1958 for the agrarian reform to be wound up and replaced by a policy promoting the setting up of large capitalist farms of a privately-owned and mechanised variety.

Pressure from monopolist circles even made itself felt in such an official document as the Fifth Review of the Planning Commission's programming organisation which, much to the surprise of progressive circles, put forward the opinion that granting land to the peasants would lead to a deterioration in agricultural production and allegedly not only fail to solve the problem of securing land for the landless peasants and agricultural labourers but intensify their land hunger and lead to agrarian unrest and disturbances.

Pressure to abandon all attempts to restrict the sizes of land-holdings and limit instead revenues gleaned from agriculture—a policy which would allegedly make redistribution of land superfluous—became ever stronger. Nor was it a coincidence that the schemes undertaken by representatives of the powerful bourgeoisie and the pressure they brought to bear were quickly followed by a decision on the part of the National Congress working committee at its meeting in Hyderabad in October 1958 to set up a special subcommittee to investigate problems of land redistribution in view of the long delays in stipulating and enforcing

ceilings for land-holdings as a step prior to the National Congress conference that was to take place at the beginning of 1959.

It was precisely at that period when particularly fierce controversy was raging round the problem of ceilings for land-holdings and the transfer of land to the landless peasants that the Indian Statistical Institute published for the attention of the Indian public figures of a land-holding survey relating to the beginning of 1955. Professor Mahalanobis in charge of that institute maintained on the strength of those figures that if the maximum size of land-holdings were to be fixed at 20 acres, then land surpluses over the country as a whole would total 63 million acres which would be sufficient to supply the needs of all rural Indians who possessed either no land or less than two acres (according to Mahalanobis' estimates, 60 million acres were required for that purpose).*

The country's economy and the nature of the class struggle in India at that time made it imperative for the country's ruling circles to resolve the land question and after long bureaucratic delays over the stipulation and enforcement of a ceiling for land-holdings in the various states explain to the millions of landless peasants how and when they would be granted land.

Soon the stipulation of a ceiling for land-holdings came to be associated not with a direct transfer of land surpluses to the landless peasants and those with minute plots, but with the organisation of rural co-operatives on these land surpluses.

In January 1959 the demand put forward by a group of delegates at the Nagpur conference of the National Congress for the transfer of land surpluses to landless peasants after the introduction of a ceiling for land-holdings was turned down. The conference approved the report submitted by the subcommittee of the all-India Congress committee for agriculture which proposed that the best method to promote agriculture was to organise the peasants in co-operatives for joint cultivation while they retained ownership of their holdings.

* *Sankhya*, February 1958.

In the report it was stressed that the need to pass laws stipulating the maximum size for land-holdings was urgent. It was resolved that agrarian legislation to cover the abolition of intermediate leasing out of land, the securing of tenants' rights and restrictions on the size of land-holdings must be implemented in all states by the end of 1959.

Many Indian economists made detailed studies of the possibility of increasing the output of agricultural produce by using more intensive methods of land cultivation.

While bourgeois theorists in agrarian questions in the developed capitalist countries usually try to avoid infringing on the foundations of the capitalist structure in agriculture, in India there is a substantial group of agricultural economists who attempt to evolve a "theory" for solving the agrarian question that leaves the foundations of the existing system of land cultivation as intact as possible. They maintain that the crux of the matter is not at all the question as to whether the existing system of big land-ownership continues: they would have us believe that if there was full employment for the peasantry, yields were improved and the so-called "green revolution" effected, then the agrarian problem would be solved. This approach is the basis for their programme of all-out intensification of land cultivation.

This involves, according to these Indian economists, utilisation of all the land lying fallow (which accounts for about 10 per cent of the total area fit for cultivation) for growing food crops; the widespread introduction of bed-grown crops and more systematic hoeing work, especially in rice-planting; ensuring two or three sowings of food and other crops per year in regions adequately irrigated; expansion and more effective utilisation of irrigation by means of constructing artesian wells; more intensive utilisation of high-grade seed; the use of manure, compost and green fertiliser; more work on soil preparation and measures to prevent loss of fertility.

In their efforts to tone down the failure of the agrarian reform, bourgeois agrarian experts lay particular emphasis

on the state's efforts to set up a flourishing peasant economy by employing such benefits of technical progress as chemical fertilisers, high-grade seed, etc. However, as a rule, they forget that in order to promote agriculture it is essential to spend ever more on means of production for plots freed from the fetters of semi-feudal or bourgeois landownership.

The subdivision of holdings, a reduction in the productivity and intensiveness of peasant labour, and decreased market orientation in agriculture—in short, what is commonly referred to as the fragmentation of agriculture—resulted from the concentration of landownership that did not go hand in hand with any concentration of farming. The dependence of small peasant holdings with low productivity and small-commodity production on enormous latifundia was what gave rise to the acute crisis in Indian agriculture.

All classes of Indian society appreciate that it would be practically possible to surmount this crisis by switching to a system of landownership involving larger units and that this switch-over was in the long run quite inevitable. The Indian bourgeoisie considers that such a transition would be possible within a framework of agriculture involving the development of farms run by bourgeois landowners and prosperous peasants and co-operatives run on capitalist lines. Ruling circles in India meanwhile plan to promote agriculture by setting up peasant co-operatives. There is no denying the progressive character of this innovation for India.

Indian economists maintain that it would be impossible in anything like the near future for Indian agriculture to switch over to mass-scale and universal introduction of agricultural machinery and artificial fertiliser.* Neither the

* Some Indian economists maintain that it is to no one's advantage to use tractors in Indian agriculture. There is no justification whatever for this abstract approach to the question that disregards social and technological conditions. As for the financial aspect, according to figures provided by the Ministry of Agriculture, ploughing an acre of land with bullocks costs an average of 8 rupees and with tractors 8 annas, i.e., 16 times less. (Dr. P. S. Deshmukh, *Circular Letter*, Delhi, 1956, Part IX, p. 135.)

Second Five-Year Plan nor preliminary drafts for the Third plan envisaged such measures. Meanwhile, despite the tremendous land hunger rife throughout India, there are 98 million acres of land not being used for cultivation, including land that, although quite fit for cultivation, has been merely left to go wild, and 62 million acres of fallow land. This means a total of 160 million acres or 51 per cent of the country's sowing area.

Another idea widely propagated is the association of peasants in agricultural co-operatives in order to bring this land under cultivation. Co-operative farming is regarded as a means of making cultivation more intensive on land already cultivated by incorporating small parcel plots, if not whole villages, into co-operatives. Indian economists hold that co-operation of this type, designed to embrace the whole rural population, would make it possible to establish class peace in rural India in the context of so-called co-operative communities, which would not involve driving out of the system of agricultural production landowners, moneylenders, traders and prosperous peasants. The promotion of agricultural co-operation of this type is regarded as a socialist measure that should take priority among the tasks to be carried out by local authorities and the organisations of the ruling party.

The first type of agricultural co-operative was "co-operative joint farming". The land is worked on a joint basis but private ownership of the land which is pooled is preserved, and the title and value of the land contributed is one of the factors which is taken into account when income is shared. Members can also withdraw from these co-operatives if they so wish.

The second type was "co-operative collective farming societies", where in addition to land, all other resources of the members are pooled together and the private ownership of the land is liquidated, while the farm income is divided among the members only according to the work done by each of them.

In India there were over 1,300 agricultural production co-operatives in 1958 accounting for a total acreage of close on 350,000 acres. These co-operatives differed fundamentally from those in the socialist countries,

although certain Indian economists identified the two on the strength of the fact that both unify villages in single units. The Republic of India's First Five-Year Plan (1951-1956) had also provided for co-operation of agricultural production in connection with the agrarian reform. At that stage it had been envisaged that co-operative societies of the "co-operative joint farming" type would be set up on a voluntary basis.

The maximum size for land-holdings was not fixed, for it was assumed that within the co-operatives the property interests of those persons owning land but not engaged in cultivation would be stipulated and preserved intact.

As early as the time when the First Five-Year Plan was being drawn up, principles of this kind for the organisation of agricultural co-operation gave rise to harsh criticism from progressive scientists and public figures. The well-known authors of major works in the field of economic research P. A. Wadia and K. T. Merchant wrote in their analysis that the co-operation proposals should be regarded as reactionary in so far as behind a mask of democratic and peaceful transformations they were legalising the system of absentee landlords by providing for dividends to be paid to landowners. They also mentioned the fact that parasitic rights of ownership were recognised and respected.

As pointed out earlier Indian economists saw the co-operation of agricultural production as a direct means of dealing with the problem of fragmentation and strip-farming, an urgent task in the light of the food crisis.

In view of certain progress made in the consolidation of land-holdings in Punjab, Madhya Pradesh and Bombay, it was recommended in the First Five-Year Plan that in all states programmes for the consolidation of holdings should be expanded and pursued with vigour. In these three states in 1947, and during the following years in other states, too, legislation was enacted, enabling the government of each state to frame schemes of consolidation of holdings in any area on its own initiative.*

The consolidation of small land-holdings, i.e., the initial

* *Review of the First Five Year Plan*, p. 326.

stage of rural development, was formally carried out on a voluntary basis through the setting up of co-operative societies. More and more frequent recourse to coercive measures had to be made later on. As noted in the official report on the implementation of the First Five-Year Plan, the element of coercion made it possible for the government to carry out the programme for the consolidation of holdings in those places where a certain section of the landowners in the villages expressed their readiness to comply with the introduction of such schemes. These tactics were used in Baroda, Madhya Pradesh, Punjab, Uttar Pradesh, Jammu and Kashmir.

When assessing the measures introduced to regulate rural development it is important to take into consideration not only their agricultural but also their social aspect. The formation of more compact land-holdings by means of consolidation in practice meant the introduction of a compulsory minimum for peasant land-tenure. The new legislation prohibited the division of land if plots did not exceed 10 acres in Uttar Pradesh, 2.5 acres in the former state of Hyderabad, 8 acres in Delhi province and 15 in Madhya Bharat.

The division of land and the spread of strip-farming in peasant land-tenure is an objective economic process inherent in an agrarian system dominated by the owners of large estates. The main task in connection with peasants' land-tenure as laid out in the legislative documents published by a number of states was not only to get rid of strip-farming but to stipulate a minimum for holdings of land under cultivation. This meant that no new plots under the set minimum could be created. The legislation introduced in the majority of states to check the spread of strip-farming therefore prohibited hereditary transfers of land and further division if the resultant holdings were so small that their cultivation became unprofitable. In 1958 laws stipulating a minimum holding were introduced and enforced in 15 Indian states.

The following figures illustrate the consolidation of holdings thus achieved*:

* *Ibid.*, p. 327; *AICC Economic Review*, August 1, 1958.

State	Area consolidated by 1958 ('000 acres)
Bombay	2,120
Madhya Pradesh	2,890 (1955)
Punjab	4,810
Delhi	220
Uttar Pradesh	4,400

In the Second Five-Year Plan the target was set at consolidating 38 million acres. Expenditure to this end was allowed for in the state budgets to the extent of 38,200,000 rupees (50 per cent to be provided by the central government). Meanwhile it leaked to the press that over 50 per cent of the peasant holdings, mainly the very small ones, which had voluntarily or under pressure been involved in the consolidation schemes, had not been enlarged in any way. The prosperous peasants, ruling the roost in the panchayats and co-operatives and at the same time anxious to add to and consolidate their own holdings, did not even stop at evicting poor peasants and tenants of small holdings so as to take over their holdings, or at driving them on to inferior land. There are concrete reasons for the profound interest in this consolidation of holdings shown by prosperous and capitalist elements in the villages, as opposed to the far smaller interest shown by the rest of the rural population. The land-tenure enjoyed by these strata in the Indian villages had taken shape in the course of a lengthy process of the impoverishment of the poor peasants whose rights of ownership to small holdings they had been buying up. When wider opportunities for accumulation, by engaging in capitalist enterprise in agriculture, opened up before these prosperous peasant farmers, the consolidation of holdings became an elementary condition for the further strengthening and expanding of their farms. This accounts for their particularly active participation in implementing the consolidation policy. The above-mentioned "element of coercion" referred to in the official report on the First Five-Year Plan, that was necessary in order to overcome the unwillingness of middle and poor peasants to co-operate in consolidation schemes, also

played into the hands of these strata of the rural population: those with most land stood to gain the most from consolidation.*

In order to substantiate the need for the stipulation of a concrete minimum for land-holdings, various agricultural economists in India drew up for each state something in the way of a standard for the size of an "economically advantageous" peasant holding. For the state of Uttar Pradesh, for example, this "economic minimum" was fixed at 6.25 acres. Meanwhile in that particular state close on 65 per cent of all the peasant holdings came to less than five acres and were therefore not economic. H. D. Malaviya, criticising attempts to hold back or disrupt entirely the agrarian reforms, and in particular attempts to stop the transfer of land to the peasants on the pretext that it would lead to the creation of "non-economic" holdings, maintained that as against inefficient cultivation by the ex-zamindars, the tillers of the soil, who managed to acquire in the course of the agrarian reforms proprietary rights of land or permanent rights, "have proved to be enthusiastic cultivators despite the uneconomic nature of their holdings".** At the present stage of development the endeavour of the Indian peasantry to attain equal rights of land-tenure is a profoundly progressive phenomenon. Dismissal of this aspiration on the grounds that small peasant holdings are "uneconomic" reflects an unwillingness to redistribute land in the peasants' interests. Similarly, the desire to set up co-operatives on the basis of the as yet incomplete agrarian reforms is, at times, deliberately contrasted to the peasants' demand that land obtained by means of dividing up landowners' estates should be made over to them.

This overemphasis of the agricultural aspect of the situation ignoring the decisive role of social changes that have taken place in rural India led such a prominent

* "Consolidation of holdings is another measure whereby the economic position of the richer strata of the landowning classes has been strengthened. Experience has shown that it is the big land-holder or the rich peasant who is always able to manoeuvre and secure for himself the best land and the best sites at the cost of the poor and middle peasants." (*Some Aspects of the Agrarian Question...*, p. 7.)

** *AICC Economic Review*, July 1, 1957.

Indian economist as D. R. Gadgil, as far back as December 1954 (when sabotage tactics were being employed to block the fixing of a ceiling for large landed estates in all states), to propose immediate stipulation of a norm for minimum peasant holdings and compulsory combination into co-operatives of all farms below that minimum size.* Approximately half the existing peasant farms would have come into the category liable for compulsory co-operation.

Of course these proposals could not be accepted, let alone implemented, without risk of fanning class struggle in the village. Replacing the question of the abolition of large landed estates by that of the abolition of small and minute peasant holdings was only possible in speeches or on paper. Experience had shown that it was impossible in practice even by means of co-operation.**

Some Indian economists with ample grounds give voice to pessimism as regards production co-operatives in Indian agriculture. They point out that attempts at mass co-operation on the basis of "unsuccessful agrarian reforms" testify to a failure to understand all the implications of experience in agrarian reform in other countries, especially the socialist ones.

The problem of agricultural co-operation in India extends beyond the framework of ordinary organisational measures and stems from the social conditions that shape village life, from the nature of the country's power structure, from the relations between industry and agriculture and cannot be conclusively and successfully resolved in the context of bourgeois development.

Experience of many countries has shown that bourgeois promotion of co-operation in the long run leads to "co-

* Daniel Thorner, *The Agrarian Prospect in India*, p. 71.

** The first minister of Uttar Pradesh Dr. Sampurnand declared in connection with the consolidation of small holdings and the introduction of "co-operative farming" that these measures were "psychologically not comprehensible to the cultivators" since on having first become proprietors they are suddenly made subject to government control and supervision. (*Capital*, May 9, 1957.) Six months later the governor of the above state, V. V. Giri, in an extensive article demonstrating the advantages of co-operation wrote that "the main obstacle in the way of co-operative farming is the lack of enthusiasm among the people". (*AICC Economic Review*, October 1, 1957.)

operative capitalism"—a component part of the overall mechanism of capitalist production and exchange. A document issued by the Communist Party of India contains the following comment on this situation: "In the absence of real land reforms, the existing co-operative societies have become the happy hunting ground for landlords, money-lenders and traders."** Progressive forces in India, taking into account the situation in their country, the socialist states' experience in reorganising agriculture and the demands of the Indian peasants, try to channel the development of co-operatives not in the interests of large-scale capitalist production in agriculture, but in such a way as to organise mutual help for the toiling peasants, the small and very small producers, agricultural labourers, promote their joint struggle in defence of their class interests looking upon co-operation as a precondition and organisational form, called forth by the very course of previous economic development, for genuinely socialist transformation of rural India in the future.***

Only the future will show whether co-operation in Indian agriculture becomes a weapon helping to organise the toiling peasants or a means of implanting "co-operative capitalism".

In India the position in the market for agricultural produce was such that despite the rise in prices for food items the incomes of the main mass of the peasants did not increase between 1949 and 1959; instead their expenses merely went up. This was the result of, among other things, the increases in direct and particularly indirect taxation, and also the rise in prices for manufactured consumer goods.

* *Communist Party and Problems of National Reconstruction*, New Delhi, July 1955, p. 52.

** The journal *Commerce*, summing up the prospects for co-operation of the peasantry in capitalist conditions, notes: "...There is a great risk of these co-operatives ending in some form of state capitalism." Later in an obvious attempt to scare public opinion, the journal contends: "There is also the risk of collective farming, thereby paving the way for the spread of communism." (*Commerce*, Bombay, August 2, 1958, p. 174.)

If the prices for 1952-1953 are taken as a 100, by 1959 the wholesale price index for food items had risen to 112.* However, this rise in wholesale prices for agricultural produce by no means implies that the peasants' incomes had risen accordingly, although they were the commodity producers. According to figures recorded in research surveys drawn up immediately before the Second World War and during the early war years, the share of these prices paid by consumers for various types of agricultural produce that went to the capitalist trader came to between 25 and 60 per cent. A similar state of affairs existed in the post-war period. In 1952-1953, for example, wholesale prices for rice were 20 per cent higher than purchasing prices in Bombay and 70 per cent higher in Madras. The difference between wholesale and purchasing prices for wheat in Bihar came to 22 per cent. It was first and foremost the incomes of large-scale producers and capitalist traders that increased as a result of the higher prices for agricultural produce. As mentioned earlier the semi-feudal exploitation of the Indian peasants went hand in hand with their exploitation by the moneylenders and traders. At the beginning of the fifties, according to a survey conducted by the Reserve Bank of India, 75.7 per cent of all agricultural credit was that provided by moneylenders. According to estimates of the National Income Committee the total interest paid to moneylenders in 1950 came to 865 million rupees (this calculation is based on an average rate of interest of 9.5 per cent a year). However, as was borne out by the figures recorded in various surveys, average rates of interest demanded by moneylenders came to anything between 12 and 24 per cent and for loans in kind to 50 or 100 per cent and higher. It is commonly held by Indian economists that peasants still turn first and foremost to these moneylenders for credit.

A new factor in the life of rural India is the increasingly important role of credit societies providing both long- and short-term loans for the prosperous peasants, middle

* *Monthly Abstract of Statistics*, New Delhi, 1959, Vol. XII, No. 10, pp. 92-93.

peasants and even the capitalist landowners, all strata of which have been on the increase since the reform started being introduced. However, in 1951-1952 even the most prosperous group of farms investigated in the Reserve Bank of India survey borrowed only 4 per cent of its total credits from such societies. Between 1951 and 1956 the total number of primary agricultural co-operatives rose from 107,925 to 161,510 and the number of members from 4,800,000 to 9,100,000. The joint-stock capital of the individual co-operative rose from an average of 827 to one of 1,228 rupees; the average amount of working capital at the disposal of such co-operatives rose from an average of 4,190 to one of 6,086 rupees. This meant that by 1956 close on 17 per cent of all families working in agriculture were members of these credit societies. Later this figure was to rise to 30 per cent. Comparison of selective data in the above-mentioned surveys gives reason to presume that if not even the whole stratum of rural capitalists joined the rural credit societies in 1951-1952, by now not only landowners, entrepreneurs and prosperous peasants but evidently a large proportion of the middle peasants have joined these agricultural credit societies. This points to the spread of capitalist development in agriculture and the increasingly firm position enjoyed by entrepreneur elements.

Another factor testifying to the improved economic position of the upper echelons of the peasantry is the growth in the fixed capital functioning in the capitalist and semi-capitalist sectors of Indian agriculture. Between 1945 and 1959 the number of metal ploughs increased more than twice over, that of sugar-cane crushers worked by power 2.5 times, that of internal combustion engines ten times over and that of tractors five times over.*

However the overall level of technical equipment in agriculture still remained negligible. In 1956 there was only one tractor per every 15,000 acres of land under cultivation, or for 28 villages.

The upper stratum of prosperous peasants that now had firmly established itself in the villages was concentrating

* *Indian Livestock Census, 1951*, Vol. I, Delhi, 1955, XVIII, p. 46; *Eighth All-India Livestock Census, 1956*, Delhi, 1958, p. 3.

between 30 and 40 per cent of agricultural produce in its own hands and making the most of the favourable market situation in order to expand its accumulated capital. The gulf between prices for agricultural produce and those for manufactured goods, in so far as it affected above all the toiling peasantry, tended to increase steadily. Between 1947 and April 1960 India imported 35,116,000 tons of cereals and other food items at a total cost of 15,230 million rupees, a sum which exceeded total state investments in industry. The food crisis was becoming chronic and was clearly a result of the failure to solve the land problem.

In the Indian village a campaign took shape calling upon the landowners to voluntarily give up part of their land to a special land fund for the landless peasants and agricultural labourers (the Bhudan movement). It was sponsored by the National Congress in an attempt to introduce certain Gandhist principles into the official approach to the land question. The movement was headed by the prominent Congress leader Acharya Vinoba Bhave. In his eyes the land question did not have any class or social implications. The shortage of land for some and the surpluses enjoyed by others was a moral question, a matter of conscience and honesty. He held that it was amoral, dishonest to possess surpluses when those, who were sorely in need of land, did not possess any at all.

The Bhudan movement was launched after the peasant uprising in Telengan and it first caught on in that region after the uprising had been suppressed. The movement came into being as an alternative to agrarian revolution. It was linked up with Gandhi's concept of "moral improvement", re-adaptation and utilisation of religious principles, beliefs and customs observed by the peasants that had been handed down from the days of the communal system destroyed by the British colonialists.

It was in the interests of the ruling classes to see to it that this movement possessed a dual character. On the one hand, it rejected peasants' expropriation of land possessed by the landowners, and on the other, it exposed the inade-

quacy of legislative measures alone in the country's agrarian structure and pointed to the need to encourage landowners voluntarily to distribute part of their land among the peasants. The leaders of this movement considered that changes in the distribution of land should be effected by convincing landowners of the need to give up part of their land rather than by means of state power. Basing his arguments on these principles Bhave made his appeal to the landowners, calling on them to give up a sixth part of their land to the landless. This campaign was designed to check the revolutionary aspirations of the peasantry, and also, to a certain extent, to add weight to the agrarian reforms introduced from above with a mass movement.

The progressive aspect of the movement led by Bhave consisted in the fact that the movement as a whole and its most consistent champions were genuinely exposing the evils of private ownership of land and the enormous inequality of land rights that obtained in India.

When launching the movement, Acharya Vinoba Bhave set the target of collecting 50 million acres of land through voluntary contributions. By the end of 1958 (i.e., almost ten years later), according to official figures, 4,200 thousand acres had been donated to the campaign's land fund and of these, 600 thousand had been distributed among 200 thousand families. A large part of the land contributed was ill-suited or indeed unfit for cultivation, which explains why seven times less land was distributed among the peasants than was originally donated.

At the same time as the Bhudan movement another movement came into being in 1957 which reflected the more radical character of the peasants' moods and the vital need to solve the land question by means of redistribution. This movement was also led by Acharya Vinoba Bhave and was given moral and material support by the National Congress. This second movement was known as the Gramdan movement. It aimed at persuading landowners and lease-holders in each concrete village to renounce their land rights, after which all the lands would become the property of a village association for the egalitarian redistribution for purposes of joint cultivation. According to official figures, by the end of 1958 the principles

of the Gramdan movement had been applied in 3,500 villages, i.e., approximately 0.8 per cent of all Indian villages.

Acharya Vinoba Bhave and the other leaders of this movement proclaimed the principle of the elimination of private ownership of land. Land did not belong to anyone, as was the case with air and water, they declared. Moreover, Bhave maintained that the Gramdan movement would become the main means for nationalising the land, justly redistributing it, and would thus serve to do away with strip-farming and to ensure the consolidation of land-holdings and their joint cultivation. "Government planning must be on the basis of Gramdan. I will even go to the extent of saying that if in the achievement of this a little coercion may be necessary, there is no harm."^{*}

A special conference of the leaders of the Indian political parties, convened in 1957 in Mysore, supported the movements led by Acharya Vinoba Bhave, but decided they were inadequate to solve the agrarian problem on the whole, without any steps taken by the national government. The conference resolved that the Bhudan and Gramdan movements were not in a position to replace state legislation but that they should be used to supplement state legislation.

In the light of this prospect, the Bhudan and Gramdan movements enjoy the support of Left parties in India, including the Communist Party, which in the meantime is fully aware of their limited possibilities and the need to lend them a clearly defined class character.

An extremely important method for the state to employ in its efforts to shape the development of rural India and rally social and political support for the implementation of agrarian and other reforms is the inauguration of so-called "community projects" or the "national extension service".

This official programme can be summed up as follows: it aims at increasing agricultural production by all pos-

* *AICC Economic Review*, July 1, 1957.

sible means, above all the harvest of food crops; improving irrigation facilities; eliminating local unemployment and raising levels of employment; at improving transport facilities and communications between villages; organising primary education on a broader basis, and providing schools; improving medical services and levels of hygiene in rural areas; promoting rural industries and agricultural co-operatives; eliminating parcel-holdings and strip-farming by consolidating land-holdings; promoting the Bhudan and Gramdan movements. This programme for the "community projects" and the "national extension service" was designed to improve and normalise living conditions in the Indian village.^{*}

At a meeting for chairmen and secretaries of National Congress local organisations, convened to discuss the outcome of the 1957 general elections, Jawaharlal Nehru announced that "the implementation of Community Development Schemes is most important and most vital, and it is the most revolutionary thing that is happening in India... New India is coming out from the Community Development Projects..."^{**}

Community schemes, while being habitual measures in the context of bourgeois development, also reflect the desperate plight of the rural population which for centuries on end has been exposed to ruthless exploitation on the part of the colonialists and landowners. The Communist Party of India, acknowledging the progressive character of such measures introduced by the state, co-operative and

* Details on the structure and activities of these organisations are provided in the following official documents: *Road to Welfare State, Community Projects Administration* (New Delhi, 1957); *J. Nehru on Community Development* (New Delhi, 1957); *Evaluation Report on Working of Community Projects and National Extension Service Blocks* (Vol. I, New Delhi, 1957, Publication No. 19).

** *AICC Economic Review*, May 1, 1957, p. 5. At the same time as this statement of Nehru's in which he so clearly stressed the importance of the "community projects", the firmly established traditional organ of Calcutta capitalists, the journal *Capital*, outspokenly remarked in connection with the role and work of the rural community organisations that it would be desirable for them to be "a little more practical and a little less revolutionary. One of the objects of the community development programme was the avoidance of a revolution." (*Capital*, May 16, 1957, p. 694.)

community organisations to improve living conditions in the countryside, called upon the peasant masses to take an active part in their implementation, to extend and intensify their role in village organisations, trying to glean maximum advantages for the toiling peasants from the new schemes and at the same time to counteract corruption practised by local officials, their anti-democratic bureaucratic practices and oppose the appropriation by the propertied classes of state and public funds earmarked for rural redevelopment projects. At the same time the Communist Party of India held that apart from this campaigning to ensure that their everyday economic and domestic needs were met through the existing network of co-operative, community and state organisations, the rural population should make their main task the rallying together of the masses to solve the land question in the interests of the peasants.

A most interesting evaluation of the work of the community organisations is contained in their report issued in 1957. In a passage referring to the attitude adopted by the community organisations to the various social strata in the villages the following conclusions are drawn:

"There is a wide disparity in the distribution of the ... benefits of community project programmes. This disparity exists as between different blocks in the project areas. ... Within the villages, it exists as between cultivators and non-cultivators of bigger holdings and larger financial resources and those of smaller holdings and lesser financial resources. This is a matter of serious concern not only in terms of regional and social justice but also in terms of the political consequences that may ensue in the context of the increasing awakening of the people."^{*}

In an article containing a policy statement on the draft budget for 1957/58 S. Narayan acknowledged the class character of the activity of the community organisations.

The agricultural economist M. L. Dantwalla, a member of the National Congress committee for implementing agrarian reforms, quoted earlier, wrote on the basis of material taken from numerous surveys: "Whether it is the

^{*} *The Fourth Evaluation Report on Working of Community Projects and National Extension Service Blocks*, Vol. I, April 1957, p. 20.

land reform, or the community development and national extension service programme or the organisation of the co-operative movement, we find that in spite of the best of intentions, their beneficial effects are not evenly shared by all strata of the population."^{**}

P. Srinivasachari, a research officer at the Delhi Institute of Gandhian Studies, drew the following conclusion from his study of the work carried out by the community project organisations: "There is no doubt that they are doing very valuable work but experience has shown the benefits of these projects do not reach peasants with meagre resources; instead they are enjoyed by landlords commanding large resources. There should be complete reorientation of the policy concerning the working of the Community Projects if they are intended to prepare the ground for transforming the present society into a Sarvodaya order."^{**}

As emerges from the above quotations, the activity of the services for "community" and "national" development grew up from the new, post-reform conditions for rural development and can be explained by the increasing orientation of that development in a bourgeois direction. These services to a certain extent supplemented the agrarian reform. Apart from the overall beneficial aspect of the activity bound up with these projects they serve to consolidate the position of the prosperous upper echelons of the village who provide the social support for the national bourgeoisie. The activity of these organisations cannot do away with the historic need for radical agrarian reform.

At present the impact of capitalist development makes itself more strongly felt in the increased scale of agricultural production than in the period prior to independence. The mechanisation of agriculture makes a stronger impact now and particularly in regions where the main

^{*} *The Indian Journal of Agricultural Economics*, Bombay, 1956, Vol. XI, No. 1, p. 70.

^{**} *Indian Affairs Record*, New Delhi, May 1956, Vol. I, No. 12, p. 4.

crops are cereals and industrial crops. Modern agrotechniques is now often to be found in large and medium-scale farms. Farms belonging to capitalist landowners, prosperous and middle peasants have started employing hired labour on a wider basis. The position of the rich peasants, entrepreneur farmers and capitalist landowners is much more stable than before: they now hold sway in the villages and channel rural development on a capitalist course. In the village it is they who provide the ruling party with its bastion of support.

The peasantry of the past, held down by the imperialists and the feudal and semi-feudal landowners, which constituted a united class in the spontaneous struggle against the common enemy, no longer exists. Economic development during the war and post-war years, the bourgeois agrarian reform and the post-war policy as a whole in the countryside have served to split the peasantry. The rich peasants and prosperous middle peasants have been able, thanks to the chance to buy their land and pay for it by instalment payments, gradually to become owners of their land. The less prosperous middle peasants have been able gradually to become protected tenants and have grounds to hope that they too would eventually own their holdings.* The poor peasants, share-croppers and agricultural labourers who still make up the bulk of the rural population have, on the other hand, not succeeded in gaining any improvements in their living conditions. They had been exposed to mass eviction for many years and are now being opposed not only by the landlords who have managed to hold on to their estates, but also by the "updated" capitalist landowners, and the now stronger and rapidly growing stratum of capitalists consisting of traders, speculators and moneylenders, and also entrepreneur farmers from among the prosperous peasants and merchants. The reforms have done away with some of the obstacles

* "It should, however, be stated that the old slogan of all-in peasant unity against feudalism can no longer be treated as the central strategic slogan of the Kisan movement on a country-wide basis, though it may yet be applicable to certain areas where semi-feudal survivals are still strong." (*Some Aspects of the Agrarian Question...*, p. 13.)

holding back capitalist development in rural India and it is now proceeding at a much quicker pace.

The general patterns of development peculiar to this process of property- and class-based stratification of the peasantry started to apply in India after an end had been put to colonial domination, in keeping with the laws of development of commodity-money capitalist economy.

In a resolution published by the National Council of the Communist Party of India it was stated: "Capital formation in the countryside is extremely low, and in the case of the great bulk of producers there is more disinvestment than investment of capital."* Indeed, while new investment in production made by the owners of more prosperous holdings amounted to between six and eleven per cent of the gross value of production by the beginning of the sixties, among the lower groups constituting the bulk of the rural population a drop in the value of basic funds equal to between 4 and 14 per cent of the gross value of their produce was recorded. The mass of the peasants sank to ever greater depths of poverty.

However this impoverishment of the small-commodity peasant farms, caught up in the sphere of increasingly capitalist relations, speeded up the crystallisation of rural capitalism. Not only local industrial capital, but now to a larger degree than before the rural entrepreneur bourgeoisie, consisting of prosperous peasants (and also landowners), whose interests were being increasingly opposed by the poor peasants, middle and lower sections of the middle peasants and agricultural hired labourers, represented the main vehicle of capitalist development.

The journal *Economic Weekly* wrote that the bulk of the agricultural produce coming on to the market belonged to large rich producers able and inclined to store the produce in warehouses until they could get a higher price for it. The credit policy pursued by the state and the co-operatives played into the hands of these producers. The bulk of the credit provided by the credit societies and various government departments went to the richer and better established producers of both the new and

* *Ibid.*, p. 3.

the old type. Petty producers were unable to hold back with the sale of their produce. In the vast majority of cases the burdens of rent and tax obligations made them sell their produce, at times even their standing crops, without delay, and they were in no position to make the most of price fluctuations. Large-scale producers were bound to keep the upper hand not only when it came to technology and modern farming techniques, although these factors were gradually acquiring more and more importance, but also, given the larger scale of their holdings and larger commodity output, they were able to hold back the sale of their produce till prices were at their most favourable, all the more so in view of their wide opportunities for obtaining credit.

Traders of the traditional pre-reform type, in view of the changes in the "composition of the producers", gradually started to lose their monopoly of the rural markets. This situation stemmed from the fact that they had held monopoly-type sway over trade capital for buying up the harvest. In general these traders still kept in their hands an enormous proportion of agricultural produce, while the banks (including the Reserve Bank of India) handed out to them advances at low rates of interest against the coming harvest. However, the emergence of the large-scale producer with direct control over the production process inevitably limited the former powers of the old-style traders.

The domination of the moneylender in the field of agricultural credits still held good, although the professional moneylenders in their turn were gradually losing their direct control over the producers' harvests as their place came to be taken by the farmer-cum-creditor.

The emergence of the post-reform large-scale agricultural producer was explained by Daniel Thorner in the following words: "These people . . . are not the great landlords who commonly stayed in the cities and only visited their estates once or twice in the year. But these prosperous village dwellers are not unimportant people nor are they without connections. They have relatives, friends, or caste fellows in the civil services, the army and the police and judicial hierarchy. They may not have a detailed knowledge of land law and legal procedure, but of all villagers

they can best afford to retain lawyers. They also supply the core of the Indian National Congress membership." They "stand in strength, quite capable of blocking or crippling any measure that runs counter to their interests. Now that the great absentee zamindars have been removed, the resident zamindars and big tenants have come up to take their place; today they strut around as lords of the land."^{*}

A major economic result of the agrarian reform which benefited first and foremost the capitalist elements was the increased scope it gave the latter for appropriating considerable sums of differential rent formed in the new capitalist economy as the difference between the individual price of production and the higher price of production in the least favourable conditions. The large-scale and medium-scale capitalist producer in present-day Indian agriculture gleans considerable sums of differential rent in the form of superprofits resulting from the variations in site and fertility of holdings, all the more so since no income tax had been introduced in rural India, although this issue has long been the subject of acute political controversy in the country. Bourgeois interest in adding to profits by economic means is on the increase, while the scope for feudal and semi-feudal appropriation of the surplus product is becoming more limited, a development that the reform of the country's agrarian structure is promoting.

The large-scale landowners in pre-reform India (apart from planters) as a rule had not engaged in large-scale capitalist farming as a result of which their scope for appropriating differential rent from consistent capital expenditure had been extremely limited. By leasing out land they had been able to capture a considerable share of the differential rent of fertility and site in the form of rent payments, depriving the commodity producer of such opportunities the while. The direct commodity producer, who was held in conditions of servitude, received no differential rent at all. Only when the upper echelons of the peasantry, after becoming landowners in their own

* Daniel Thorner, *The Agrarian Prospect in India*, pp. 49-50.

right or tenants with privileged rights of tenure, achieved an increase in the productive forces in agriculture and the market situation remained favourable over a long period, was that part of the peasantry accordingly able to start appropriating part of the differential rent. In so far as the expansion of private capitalist ownership in the countryside was more widespread, the scope for such activities has since become much wider: this development constituted yet another of the main results of the reform.

Although the increased scope for appropriating differential rent in post-reform India attracted capital to agriculture on an undoubtedly wider scale than before, big land-ownership and the semi-feudal practices that still persisted in agriculture at the same time hindered the free competition between capitals and resulted in the coexistence of capitalist and semi-feudal production conditions. In post-reform rural India spreading capitalist exploitation was becoming the dominating form. Commodity production, gradually bringing about the formation in the Indian village of separate centres of capitalist production relations, now under bourgeois influence in independent India were coming to represent a dominating force, thanks to the capitalist industrialisation under way in the country and the emergence of new bourgeois strata that were growing up and gaining influence in the village. Yet precisely because the central issue of the agrarian reform—the land question—had not been finally resolved, semi-feudal exploitation that once provided the basis of colonial exploitation of rural India was still strong and flourishing and more than ever before firmly bound up with capitalist-type exploitation. On a level with the land question which was still the main issue in the struggle against the landowning class to eliminate feudal practices once and for all, the struggle against the new capitalist masters of rural India was growing apace.