PLANS AND PERSPECTIVES

Land Politics In Maharashtra

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THE objective of planning in India is to promote the prosperity and welfare of the Indian people. Rural betterment is an important ingredient of this concept and increased agricultural productivity a precondition for both the general and particular purpose in view.

The philosophy underlying the Plan is that prosperity and welfare must go hand in hand. Prosperity through exploitation is obviously not contemplated and is sought to be ended as soon as possible wherever it exists. At the same time it is increasingly recognised that there can be little welfare without prosperity. Yet, unfortunate and costly exceptions persist. The Maharashtra Agricultural Lands (Ceiling on Holdings) Bill is a case in point.

WRONG BELIEF

The whole approach to land ceilings in India rests on mistaken and out of date beliefs regarding its ideological necessity as a basis for socialism and an instrument for ensuring social justice. Land reforms are certainly necessary but the essential reforms would comprise abolition of intermediaries (the idle rentiers), fixity of tenure (to give the actual cultivator a permanent stake in the land), and fair rents (to end exploitation). Ceilings are only relevant in the context of large holdings which are not or cannot be fully and efficiently cultivated. Every reduction in size in these circumstances would, up to a point, result in a more economic utilisation of the land and thus be in the national interest.

In the Indian situation, therefore, zamindari abolition, and tenancy and rent legislation deserve support. So would the fixation of ceilings provided this can be shown to promote better farming and provided also that the ceilings are not fixed so low as to limit aspirations of individual rural betterment to levels that do not provide adequate incentive and opportunity for really progressive and prosperous farming.

The Planning Commission's recommendation on ceilings is that ownership should be limited to a size that yields a family of five a *net annual* income of Rs. 3,600 on the basis of present methods of cultivation. This is too low a figure and the Maharashtra Bill, like similar legislation in most other States, suffers from this defect.

In any event, ceilings have been so long in coming that much of the "surplus" land has been divided and distributed. The hope of relieving landlessness or benefiting small holders to any appreciable extent has proved to be largely illusory.

The fact is that large farms are relatively rare in India. The real problem is the very opposite: tiny holdings, which are often rendered ever more uneconomic by fragmentation.

In view of the vital importance of agricultural production and the obvious advantages of large farms in undertaking integrated or specialised operations, the Planning Commission has recommended certain exemptions to the principle of ceilings. As set out in the report on the second Plan, these include orchards and plantations, specialised farms engaged in cattle breeding, dairying etc., sugarcane farms operated by sugar factories and efficiently managed farms whose break-up would injure production.

These safeguards were suggested after a careful consideration of all the issues involved. The Maharashtra Bill, however, makes a departure in not exempting sugar farms operated by the sugar factories. The reasons for not allowing the exemption are not clear. The result could be disastrous.

Maharashtra is, after U.P., the largest sugar producing State in the country. But more important than this is the fact that it is the most efficient sugar producing State in the country. Its average cane yield per acre is 58.86 tons as against an all-India average of 14.5 tons, 56.20 tons in Java and 62.5 tons in Hawai. Similarly, Maharashtra enjoys a higher average sugar recovery percentage than any other State in India.

EXCELLENT

Maharashtra's high average is, however, largely derived from the acknowledgedly excellent performance of the twelve sugar mills which own and manage their own sugarcane farms as composite enterprises. These factories with 21,000 shareholders own some 33,000 acres and have leased another 76,000 acres to make up a total holding of just under 100,000 acres.

The results speak for themselves. There are in Maharashtra a number of co-operative sugar mills the members of which are cane growers who cultivate their lands on an individual basis. The joint stock company farms enjoy a yield of 53.5 tons per acre as against 36 tons per acre on the part of the co-operative factory farms.

The joint stock company farms owe their better returns to heavy investments in land development, *drainage, soil improvement*, more efficient mechanisation, cultivation of new and improved varieties, research and experimentation, better and more scientific use of irrigation and fertilisers and better management. In terms of cane technology they are models of good agriculture that can compare favourably with the best in the world.

The joint stock company farms employ about 25,000 agricultural workers who again are far better off than the labour employed on the individually owned co-operative factory farms. They get a minimum wage of Rs. 2.75 per day, bonus, provident fund, gratuity, free medical aid, free housing, free education for dependents, paid holidays, annual leave with pay, fixed hours of work, and overtime. These benefits come from application of the Bombay Industrial Relations Act to factory farm workers.

The co-operative factory farm labourers on the other hand earn wages varying from Rs. 1.25 to Rs. 1.70 per day and do not enjoy any of the other amenities and benefits.

The Maharashtra Bill would limit the residuary holdings with the joint stock company farms to 16 acres which is the ceiling prescribed for perennially irrigated lands. However, in order to ensure that the application of ceilings does not adversely affect production and the supply of cane to the factories, the bill empowers the State Government to maintain the integrity of factory farms in one or more compact blocks which might be managed either as State farms or through joint farming societies.

If the Maharashtra Government recognises the need to maintain production and ensure adequate cane supplies to the factories it is difficult to see why an agency that has performed this task so well until now, namely, the joint stock company farms, should be discarded in favour of a speculative alternative without any special countervailing merits. What goal of social justice will have been achieved? How will this bring anybody nearer socialism?

The sugar factories earn substantial profits. But this is the result of productivity and not profiteering, the price of cane and the price of sugar being both controlled by Government. If large profits are the source of concern then a remedy could possibly be found through tax adjustments including the levy of an agricultural income tax. Why ceilings?

SPECIOUS PLEA

The State Government might argue that the principle of ceilings has already provoked a demand from rural interests for the imposition of a corresponding ceiling on industry and urban wealth. This demand is untenable and has been rejected. Nonetheless exemption from agricultural ceilings of lands held by industry would appear to be a double discrimination which could be exploited to embarrass the Government. This is specious pleading.

The Maharashtra Government has obviously been guided by political considerations into a course of action that is difficult to justify. It is understood that the provisions in the draft Bill relating to the sugar factory farms were not favoured by the Planning Commission and others in Delhi. Nonetheless the Maharashtra Government was able to find enough political support in certain very high places to win its point. The former Communist Government in Kerala did not enjoy the same patronage in the capital.

It is still not too late for the State Government to amend the Bill in the process of legislation. It would be in the interest of the State to do so. It would also be in the national interest for the Centre to advise that this be done.