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the policy of developing breeds of cows which give more milk regardless of the bullock which you may get from them has to be reversed and we have to concentrate on double purpose breeds.

JAI BHARAT

LOW-INCOME AND SUB-MARGINAL FARMERS AND PROBLEMS OF THEIR REHABILITATION.

by

SIR MANILAL B. NANAVATI

To-day, India's population is estimated at about 325 millions. Nearly 120 millions of this number have been added during the last 7 decades alone, in spite of famines and epidemics. The situation has been intensified by the decline in the number of industrial workers who have gone to swell the ranks of agriculturists during the last century and more. Obviously, such non-agriculturists who take to cultivation help only to lower agricultural efficiency.

Land resources, on the other hand, have increased relatively at a much slower rate. The cultivated area has increased by 15 per cent whereas the population has increased by 34 per cent. While figures for comparing the trends of population and cultivated area during the past 4 or 5 decades in the Dominion of India are not available, it may be pointed out that for undivided India the man : land ratio (i.e. the number of people supported by 100 hectares) has gone up from 250 to 389.

The consequences of these unhealthy trends manifest themselves in various forms. Firstly, the agricultural proletariat comprising the uneconomic holders, tenants, sharecroppers and farm labourers is continuously on an increase. As many as 60 to 70 per cent of our cultivators are uneconomic holders. Sub-division and fragmentation of holdings still continue apace. Tenancy is widespread in every Province, about 50 to 60 per cent of the cultivators being tenants. Lands are passing on a large scale from agriculturists to non-agriculturists; between 1926-27 and 1936-37, agriculturists in Bombay Province alone lost as much as 5 million acres, or 20 per cent of the total cultivated area, to non-agriculturists. The landless labourers number nearly 40 millions or more than a third of the total employed in agriculture. The health of the rural masses has been seriously impaired and their low vitality and poor physique make them easy prey to diseases. The expectation of life in India is only 27 years which is less than half of that in the U. K. or the U. S. A.; it has remained unchanged during the last 75 years and

is the lowest when compared with that in other civilised countries of the world. The low vitality of the people becomes painfully manifest in times of famines and epidemics. The Bengal famine of 1943, for instance, was the result of only a week's overall scarcity of foodgrains but it took a toll of as many as 1.5 million lives.

This heavy pressure of population on soil has been responsible for the predominance of uneconomic holders in our agriculture. Paucity of reliable data conceals the magnitude of this evil which is widespread in our country. The extent of the evil is also concealed by the difficulty of defining an economic holding for a vast country such as ours, with a variety of soils, climate and crops.

According to the Report on Co-operative Farming in Bombay Province (1947), the size of an economic holding varies, in irrigated areas, between 1½ acres in the garden lands of the Konkan and 30 acres in the Plains, while in dry areas, it varies between 5 acres in the Konkan and 35 acres in Gujarat. In respect of holdings under 5 acres, therefore, it would not be an over-estimate if we take that three-fourth of them are uneconomic. A similar porportion has been taken for holdings between 5 and 15 acres, as the land is excessively split up in the coastal areas and most of the larger holdings are to be found in the hinterland i.e. in the Karnatak, the Deccan and Gujarat. For the same reason, one half of the holdings in the 15 to 25 acres group may be considered uneconomic. The situation, in fact, is worse than is indicated by these figures as these holdings are generally fragmented. On an average, a survey number in this province has 3 *hisas* or sub-divisions; in some districts, this average is much higher, Ratnagiri, for instance, having as many as 10 sub-divisions per survey number. The number of fragments per cultivator varies from 2.03 in Bijapur to 6.93 in Ratnagiri. The net result of these calculations is as follows :—

Size-group	*Area under uneconomic Cultivation (Acres)*
Under 5 acres	15,87,000
,, 5 to 15 acres	34,68,000
,, 15 to 25 acres	17,79,000
Total	68,34,000

In addition to the above we have 83,35,000 acres owned by agriculturists in holdings of over 25 acres and an area of 83,19,000 acres owned by non-agriculturists in units of varying size. In respect of the former it is usual for the owners to give on lease the area in excess to what can

be managed by them. Estate farming or large-scale cultivation is more an exception than a rule even in these cases. The area given out on lease from this, therefore, could not be less than 30 per cent. In the case of area owned by non-cultivators, the whole area is given on lease by the owners. Most of this area is taken by small-holders to supplement the insufficient income from their own holdings and by landless tenants. In the latter case, the tenant takes on lease no more area than what he can manage within his meagre resources. Tenant cultivation in uneconomic units, therefore, is fairly widespread in the densely populated parts of the Province, particularly in the rice-growing tract all along the Western coast of the Province. In these parts, lack of resources, relative scarcity of land, keen competition among tenants, want of alternative means of livelihood, lack of credit—all these conspire together to compel a large number of tenants to choose between an uneconomic holding or no holding at all. Considering the pressure of population on land, the scarcity of resources of the agricultural community etc., it would not be an over estimate if we take one-fifth of the area given on lease as cultivated in uneconomic units by tenants.

The total extent of land under uneconomic cultivation would be of about the following order :

Owner cultivated	68,34,000
Cultivated on lease	22,20,000
	80,54,000

It would thus appear that out of 26.7 million acres, about one-third is cultivated in uneconomic units. This is, indeed, a very unsatisfactory situation, considering the fact that the proportion of uneconomic cultivators to total cultivators is far larger than the corresponding proportion of area, as the number of persons diminishes as we go from the group of smaller to that of larger holdings.

While the lot of cultivating owners of uneconomic holdings is unsatisfactory, the lot of the lease-holders of such units is still worse as they have to part generally with half the crop towards the payment of rent. They cannot improve their condition as most of them do not possess the necessary equipment to produce the maximum from their plot of land. These landless, inefficient and ill-equipped cultivators exceed the number of the genuine agriculturists owning economic holdings. Most of them are part cultivators and part labourers and live a sub-normal standard of life. Next to these classes comes a small number of those who are part owners and part tenants. The plot they own is so tiny that the only course open to them is to take some more land on

lease to make their units as near the economic size as possible and part with a proportion of their produce for paying rent. This class comprises village servants, backward class agriculturists and those who have been compelled to give up their traditional crafts and take to cultivation.

Bombay being the only Province for which detailed figures regarding the size of holdings and distribution of land among agriculturists and non-agriculturists are available, it is not possible to assess the magnitude of the problem in other Provinces. However, even the scanty information that is available suffices to show that the situation is equally serious if not more acute, in other Provinces. This is evident from the fact that, next to Sind, Bombay, as compared with other provinces, had, in 1931, the largest number of acres per cultivator and also the higher average size of holdings, as will be seen from the following table:—

PROVINCE	Number of Cultivated Acres Per Cultivator		Average Size of Holding in Acres
Bombay ..	16.8		11.7
C. P. ..	12.03		8.5
Punjab ..	8.8		7.2
Madras ..	5.99		4.5
Bengal ..	3.97		2.4
Assam ..	3.4	About	2
U. P. ..	3.3		6.0
Bihar, Orissa ..	2.96	Between	4 & 5
Sind			38.7

It will be noticed that Bengal and Assam have the lowest average size of holding. In Bengal, the estimates of area for an economic holding vary from 2½ acres to 10 acres. But taking even the lowest estimate of 2½ acres as the minimum required to keep an average family in reasonable comfort, we find that more than two-fifths of the agricultural families in the province hold less than this minimum; one fifth of the families have just sufficient land for their maintenance in moderate comfort, but without any margin for unforseen expenditure.

Owing to the rapid increase in the population during the last 4 decades, there has been a steady growth in the number of landless agriculturists and also in the intermediate interests between the Zamindar and the actual cultivator. As the Floud Commission put it "This army of rent receivers is increasing every year." The Census figures show an increase of 62 per cent between 1921 and 1931, and since 1931 there has been a further process of subinfeudation below the statutory ryot, which

will swell the figures still more. At the same time, a steady reduction is taking place in the number of actual cultivators possessing occupancy rights, and there is a large increase in the number of landless labourers. Their number increased by 49 per cent between 1921 and 1931. They now constitute 29 per cent of the the total population and the next census will show a considerably larger increase. Side by side with the growth of subinfeudation, there has been the further process of the fragmentation of proprietory interests in lands. The Commission considered the pressure of population on the land as the ultimate cause of Bengal's economic troubles and almost despaired about their solution as it observed: "It is the most difficult problem we have to face because it is virtually impossible under present conditions to suggest any remedy for it." Similarly, available figures relating to the Punjab before the partition of the country, show that these very evils, namely, concentration of property in the hands of non-cultivating classes, a large proportion of uneconomic holders among the cultivators and the predominantly large number of landless agriculturists prevailed in this Province as well. Out of 31 million acres of cultivated area in the Province, only 9.5 million acres were owned by the cultivators and the remaining 21.6 million acres were owned by non-cultivating land-lords. As much as 15.3 million acres were cultivated by tenants-at-will. While at one end, 88 per cent of the land was owned by only 2.4 per cent of the landowners, at the other, 40 per cent of the land owners had 2½ acres or less each.

The above survey should suffice to make it clear that in the ryotwari as well as in the Zamindari Provinces, the fundamental defect in the structure of agriculture which is responsible for low productivity is the predominance of uneconomic holders and landless agriculturists such as tenants, share croppers and labourers. The question now arises: How are we to rehabilitate these classes?

(1) *Tenants*

The immediate problem in this connection is that of settling permanently the tenants on the lands of non-agriculturists. This can be done by re-instating the tenants as permanent lease-holders of lands they now cultivate and by fixing low rentals. In the long run, if they are thrifty and hard working, they will get a chance to buy over the rights of the landlords and become owners of these lands, in which case Government may give loans on easy instalments and at a low rate of interest to the tenants to buy the lands.

(2) Owner-cum-Tenants

Then comes the class of those cultivators who are partly owners and partly lease-holders. In their case, we must explore the possibilities of

realigning the plots owned by them so as to consolidate them into an economic holding. In a fairly large number of cases, this step should suffice to give them the holding of the required size; in other cases, the owned plots together with the leased plots of land would make probably economic holdings, if similarly realigned. Where such is not the case, the cultivators should be helped to acquire the extra land necessary from the adjoining field, if available.

(3) Tenants-cum-Labourers

The case of those who are partly tenants and partly labourers, however, would have to be treated differently. For one thing, it is desirable to remove altogether these people from agriculture as then alone can we ensure sufficient land for constituting economic holdings for the two remaining classes mentioned above. Secondly, this class, as said above, is composed mostly of people who are traditionally not well-equipped for becoming efficient farmers. It is therefore imperative to weed out this class from agriculture and divert them to other occupations or find employment in agriculture where full time employment may be possible. This problem, however, is not typical of Indian agriculture. Even with regard to American agriculture, it is said "The cause of (American) agricultural distress is the inability of the "average" farmer with his blazing inefficiency, to produce sufficiently low cost crops at present prices to make a living wage. Unless something is done for him, the average farmer must leave the industry. We know that if agriculture were carried on with that degree of efficiency which is easily obtainable...one half of the land cultivated and one half of the labour now devoted to agriculture would supply the entire amount of food-stuffs and fibres which are required".* This implies that side by side with this plan for agriculture we must also have a plan for opening new avenues of employment for this surplus agricultural population in large and small scale industries. In the latter plan, we must give priority to industries allied to agriculture such as dairy farming, poultry farming, cattle and sheep breeding; processing industries such as gur and sugar-making, fruit canning, oil pressing; and lastly, rural handicrafts with due consideration to the raw material available in the area concerned.

Finally, wherever it is felt that the area under cultivation is inadequate for rehabilitating these classes, a concentrated drive must be made for the reclamation of land with a view to starting settlement of colonies. The underlying objective of making the cultivators owners of land they till should not be lost sight of. This would involve measures such as making available to prospective owner-cultivators lands owned by non-

* Harvey Baum—A study of the Agricultural Revolution. by E. S. Mead.

agriculturists. Such lands cover as much as 83,00,000 acres in Bombay Province.

A noteworthy fact is that in Bombay, the per capita land owned is only 10 acres in the case of cultivating owners while it is as much as 15.9 acres in the case of non-cultivating owners. It is equally significant that uneconomic holders are in a larger proportion among agriculturists than among non-agriculturists. For instance, holders of 5 acres and less in the former group are 9,52,000 against only 2,41,000 in the latter group. This indicates the scope as well as the necessity of helping the tenants and uneconomic cultivators to acquire sufficient land from the non-cultivating classes so as to save for them that part of the produce which goes towards the payment of rent. Those who want to personally cultivate the land, however, should be allowed to do so and should be left with farms of manageable size since they would be able to invest more funds and cultivate the lands more efficiently than the farmers of moderate means.

The land-less classes should also be helped to settle on the lands owned in excess of what could be personally cultivated by bigger landlords of whom there are 11,000 in Bombay, each owning between 100 to 500 acres. Land values are at present too high, almost prohibitive for any bonafide cultivator to buy land and cultivate it profitably. If he incurs debts for this purpose, the burden might soon land him into bankruptcy, especially when the agricultural prices fall. The only remedy for meeting this difficult situation is, as already suggested, to regulate the values and sales of lands. The principle of controlling land values is being increasingly accepted in the West. The Home-Stead legislation in Germany conferred proprietary rights on a land-owner only if he fulfilled his duties as an efficient producer. Legislation in other countries such as Switzerland, Australia, Netherlands, Mexico lays down through a system of permits that ownership in lands would vest with those who are actual cultivators. In these countries persons are not allowed to acquire land by offering fancy prices. Permits for purchasing land are given only if the purchase price is "fair". The executive officers examine the transactions to see whether the captital invested will yield fair profits to the buyer for a reasonable length of time. But this is not the only provision for regulating the sales of land. The legislation also requires that the purchaser should be a cultivator and that he should not give the land on lease for cultivation. Further, the purchaser is expected to have the necessary resources and capacity to cultivate the land efficiently. No sale is permitted which involves the parcelling of a holding into an uneconomic size nor is concentration of land in the hands of the more fortunate cultivators allowed.

During the War, the Italian Government adopted a novel measure to control the land-market. In order to check or eliminate inflationary rise in land prices, the Government, in October, 1940, levied a surtax of 60% on the excess of the sale price of the property over the price prevailing on January 1st, in 1939. Failing specific agreement to the contrary, this tax was to be paid by the purchaser. An important feature of this law is that, it exempted from this new tax, sales for which the market value was below a certain minimum. This exemption was intended to encourage the creation of small holdings.

Such legislation for the controlled use of land and providing for the regulation of land values and sales is an imperative necessity which should precede all efforts at establishing peasant farms in India.

Over-hauling our agriculture for establishing peasant proprietary tenure in the place of the complicated, obnoxious and unhealthy tenure systems obtaining in the country, at present, is, indeed, an uphill task. In Bombay alone, this entails dealing with an area covering as many as 16 million acres or 60 per cent of the total area. The problems in the Zamindari areas are vaster still. The solution of this problem depends largely on the courage and determination with which the Government take up this reform and set up an efficient organisation to carry it out.

India would materially benefit if she draws upon the recent land reform policy of the Government in Japan. The maladjustments in Japanese agriculture would be seen from the fact that, before Japan's surrender, about 70 per cent of the farmers rented all or part of the land they cultivated. Only 9 per cent of farm households cultivated more than 4.9 acres of land, and 67 per cent cultivated less than 2.4 acres. This overcrowding had led to a highly inequitable land tenure system with rents ranging from 50 to 70 per cent of the annual crop and had resulted in widespread economic instability and social strife. Japanese land reform is based on legislation enacted by the Diet and promulgated on 21st October 1946. It has two main objectives: (1) Transfer of land ownership to farmers who actually till the soil, and (2) Improvements of farm tenancy practices for those who continue as tenants. The programme has emphasized private rather than State, and individual rather than collective ownership of the land.

Agricultural lands subject to purchase have been: (1) Lands owned by absentee landlords; (2) tenant-operated lands in excess of a specified limit; (3) owner-operated lands in excess of a unit fixed by law; (4) corporation owned lands that do not relate directly to the principal objec-

tive of the corporation; and (5) lands capable of reclamation for agricultural use.

Lands subject to transfer have been purchased by the Government for resale to eligible buyers. Tenants on the land have had priority to purchase in that order.

The purchase price of land is subject to variation within legal limits at the discretion of the Land Commission. Sellers of land receive payment in Y. 1,000 bonds bearing 3.65 per cent interest and redeemable in 24 equal annual instalments. Any amount less than a unit of Y. 1,000 is paid in cash. Tenants may pay for all or any part of the land at the time of purchase and the remainder in 24 annual instalments with interest at 3.2 per cent. Tenant payments for the land, plus other expenses coincident with landownership, in any year cannot exceed one-third of the gross income from the land in that year. In case of crop failure or low farm prices, the government will reduce, defer or cancel the annual payment.

Agricultural lands purchased under the programme may not be sold or used as collateral for loans during the 24 year amortization period without specific approval of the Government. Tenant purchasers desiring to discontinue their purchase contract during the 24 year amortization period must sell their lands back to the Government on terms similar to those of the original contract. All future land transactions are subject to approval by the Agricultural Land Commission.

Through the land reform programme, the Japanese Government had acquired 4,581,073 acres of cultivated land by 2 March, 1949. Disposal of this area together with small additional amounts of land that were to be acquired was completed by 30 June 1949. Only such a comprehensive land-reform policy taking into account all the aspects of the business of farming can help to redeem the disadvantaged classes in our agriculture. It may, however, be pointed out that, even when all these measures are taken, there may be left a fair number of cultivators families with uneconomic holdings. If these families are unable to balance their budget in spite of intensive farm-practices, it will be necessary to devise means to supplement their meagre income. Among the most effective means towards this end may be mentioned mixed farming, vegetable gardening, establishment of processing industries such as gur-making and oil pressing, as also employment on bigger farms. To facilitate employment in these occupations, such cultivators should be given the necessary training to improve their capacity and efficiency.

Agricultural planning on such a large scale would not have been possible, had the Government not taken care also to collect all possible

statistics relating to the business of farming in the country. Long before drawing up this agricultural policy, the Government conducted an elaborate survey of all agricultural holdings in the country and secured detailed facts and figures with regard to distribution of land, resources of the cultivators, types of cultivation, conditions of tenure and tenancies, sub-division and fragmentation of land, etc. Only when in possession of such wealth of information, could they draw up workable plans to suit accepted ends. In India, on the other hand, schemes are drawn up by Government without the knowledge of the necessary basic facts relating to the section of rural economy to which the schemes relate; nor is a suitable machinery created for giving effect to these schemes. Consequently, they come to a standstill when the agencies entrusted with the work of implementing them come to grips with reality and find the schemes unworkable. This is the main difference between agricultural policy in other countries and one pursued in India.

So far about the rehabilitation of sub-marginal agriculturists, taking each class on its own. But these measures would, at best, only temporarily ease the situation while lasting relief can come only through a comprehensive agricultural policy. The following objectives of such a policy would make it clear that measures for an all-round development of agriculture would put as much emphasis on improvement of land as on the well-being of the man behind the plough.

(1) The land should produce the highest it is capable of.

(2) The tiller of the soil should get the maximum fruit of his labour.

(3) This return for the labour should be enough to maintain him and his family on a satisfactory standard of living.

(4) All classes working on land should be:

  (a) economically self-supporting,

  (b) provided with social security and,

  (c) given full scope for intellectual and cultural development.

Agrarian policy having these objectives before it, is bound to be more or less revolutionary in character. It would include measures of far reaching character, and relating to all the sectors of agricultural economy. The most important of these measures are enumerated below:

(1) All agricultural land should be declared State property. Intermediate interests in land should be eliminated. Land should be given to cultivators with occupancy rights with restrictions on their right to transfer and subdivide the holding.

(2) Share-cropping should be abolished and replaced by low cash rentals based on a certain multiple of Government assessment, and correlated with the price level.

(3) Each occupancy holding should be an economic unit and, as far as possible, in one consolidated block.

(4) The farmer must be made to live on the farm or as near it as possible.

(5) The use of land as security for borrowing for non-productive purposes should be prohibited.

(6) Land should be in the possession of the man who owns it or has the occupancy right over it.

(7) Land values should be regulated on the basis of yields and net profits. Speculation in land should be eliminated. Provision should be made for cheap finance for cultivators who want to own lands and cultivate them.

(8) Assessment on land should be graduated and the uneconomic holders should be required to pay less or nothing. Agricultural income-tax should be levied to tap more revenue from the larger farmers of higher income groups.

In addition to these measures pertaining to land utilization and land ownership, Governments in the West have taken various steps to help low income farmers and to give stability to their profession and income. In England, for instance, the Ministry of Agriculture with the help of local committees, examined the condition and capacity of each and every farm in the country. On the basis of the data collected, the Government classified the farms into three groups; namely, (a) those that are on a high level of efficiency; (b) those that need slight improvements and (c) those that require considerable resetting to bring them to the level of average efficiency. Subsequently, the British Agricultural Act (1947) was passed which provided, among other things, for compelling the farms in class C to introduce improvements with the assistance and guidance of the Government. Where the owners would not abide by this law, Government would take over the farm either permanently or temporarily. The management of such expropriated farms would be taken over by Local Agricultural Committee which would also supervise and guide other measures for agricultural improvement in their jurisdiction.

Another important measure which may be mentioned here is the British Small-holdings Allotments Act which helps landless people

desirous of cultivating land, to acquire small plots and offers them financial and other assistance to cultivate them well for their family. Legislation towards this end is being enacted since 1892, as a result of which rural workers are given a chance to become owner-occupiers of smallholdings. Since World War I, the Government is keeping a close and detailed control over the expenditure on the purchase and equipment of these holdings, their subdivision and the fixing of rentals.

The ideal of family farms, as a means to rehabilitate the submarginal agriculturists is gaining wider acceptance in recent years. At the "Family Farm Conference" held at Chicago University in 1946, most of the countries participating in the Conference (U.S.A., Canada, New Zealand, Brazil, Czechoslovakia, France, England, the Netherlands, Denmark, Sweden, etc.,) were found favouring the family farm as a social and economic unit. The main social advantages of the family farm, it was pointed out, are: (1) it diminishes differences in socio-economic status and helps to build up community solidarity; (2) it facilitates efficient assignment of roles to the members of the agricultural society; (3) it offers fuller scope for the development of personality and of individual initiative and responsibility as also for the development of individual skills and abilities; and (4) it plays an important role in the democratisation of education. From the economic standpoint, the advantages claimed for the family farm are: (1) it provides a scale of operation at or near "the lowest cost per unit" point; (2) the rate of saving of farm families is much greater than that of other occupation groups with similar levels of income; (3) production on family farm is more stable than on non-family farms. Finally, on examining the attitudes, values and behaviour of the family farm from a political standpoint, it is found that the family farm is also an instrument of democracy. Considering all these points, it would be obvious that creation of small owner cultivated farms is one of the most desirable planks in any agricultural rehabilitation policy.

It would be pertinent here to briefly review the intensive efforts made by the United States Department of Agriculture to rehabilitate low-income farmers. Under the Farmers' Home Administration Act of 1946, the Department has launched a programme of "supervised credit" for the small farmer which is valuable to him in times of prosperity as well as in times of economic distress. The credit provided is of three general types: (1) Operating loans are made at 4 per cent interest for the purchase of livestock, equipment, feed, seed and other essential items and are repayable in from 1 to 5 years. (2) Farm ownership loans are made at 3½ per cent for farm purchase, enlargement or development, and

repayments may be spread over 40 years. (3) Water facilities loans are made at 3 per cent for periods upto 20 years.

In addition to giving credit, the Department helps individual families to make basic adjustments in their farm and home plans, frequently with provision for such changes as reorganization of the farm unit, development of livestock enterprises and adoption of crop rotations. Supervisors visit the farms to advise the farmers to effect economies in farm and home management and to utilise their resources more effectively.

This method of rehabilitation of each individual or family has made considerable progress in the U.S.A. As important as the provision of credit to the families is the supervision exercised by the Department on the progress of each debtor family. This supervision is accompanied by necessary help and guidance to aid the borrowers. The techniques of such assistance include improvement of tenure, group services, group-health plans, adjustment of debts, environmental sanitation, special types of loans and specialised programmes carried on in limited areas, to develop new methods or to meet localised needs. As a result of this rehabilitation programme, nearly 8,00,000 families i.e. one out of every eight farm operators in U.S.A. has been helped between 1935 and 1945.

We in India, have a special lesson to draw from American methods of reconstruction. The poverty of the people is a complex of problems and therefore, needs a full kit of tools if the problems are to be solved. It is futile trying, as we are doing, only to improve the techniques of farming or methods of disposing of the crops. The whole farmer has to be taken into account. The farmer's occupation should receive the attention of the Government no less than other aspects of the farmer's life such as his health, education, environment, leizure, social life, etc. Such an approach would require comprehensive planning and concentrated effort. It should also have to be largely on co-operative lines. The working of the Co-operative movement, instead of being confined to supply of credit as at present, should be broadened so as to cover largely the non-credit requirements of the farmer. In other words, we would require a multi-purpose central organization supported by multi-purpose co-operative primary societies which, in turn, would serve a net-work of similar supporting agencies. Then alone can co-operative movement be a rural rehabilitation movement.

The policy of advancing credit, however, should proceed with caution and on well-planned basis. The work of granting loans should be entrusted by Government to a special agency which would select from the low-income groups farm families and treat each family on its own. The nature and extent of assistance in each case should be determined only

after a careful examination of the conditions of the farm-family and the progress of each, from a deficit to a surplus economy, should be watched, so as to effect necessary re-adjustments from time to time.

A fuller idea of this comprehensive nature of such a scheme can be had from a thorough study of this rehabilitation work done in the U.S.A., recently published by the Department of Agriculture.* From this American method of rehabilitation it would be evident how inefficient and weak our co-operative movement is, as a means to help the submarginal farm-families. The co-operative movement in India, with its undue emphasis on credit, should be lifted out of the ruts into which it has fallen and its present happy-go-lucky methods should be entirely re-oriented so as to make it a rehabilitation movement. While land reforms are long-term and costly measures, this combining of credit with rehabilitation movement appears to be a speedier method of achieving results. Where the individual assisted with credit is also a member of multi-purpose society linked with a multi-purpose bank or union, the rehabilitation scheme would get added strength due to the benefits to the borrower from the multi-purpose association. At the same time, co-operative movement would be strengthened by the rehabilitation work, as much as the borrower's economic condition would be under the constant supervision of the rehabilitation movement—a factor which our co-operative societies have totally ignored hitherto. Only by thus combining credit with rehabilitation can we work for intensive development of the individual farmer and make our co-operative movement, a movement to rehabilitate low income farmers.

Finally, it remains to be pointed out that under the peculiar conditions prevailing in India, economic problems cannot be isolated from their social context for treatment. In such a static society as obtains in our villages, no material improvement in the economic condition of the people can be effected, unless the social usages and customs, tradition and prejudices are also taken into account and are altered to suit the requirements of economic objectives. A socio-economic rural survey made by the Society has revealed that the caste system, social and religious customs, untouchability, village leadership, education, social and religious festivals—all these influence to a greater or less extent the economic condition of the several social strata in the village. This important fact about our rural economy has been totally ignored in the past and that explains the meagre results of the efforts at rural development made by the Government. In all future planning for our agriculture, parti-

* *Ten years of Rural Rehabilitation* : (F. Larson, Bureau of Agricultural Economics, U.S Department of Agriculture (1947).

cularly for the rehabilitation of low-income groups (to which the sub-marginal farmers belong), it is, therefore imperative to inquire into the social disabilities of these classes and to provide for their removal. Only then we will have laid a truly secure foundation for the progress and betterment of our rural community.

PROBLEMS OF THE LOW INCOME OR SUB-MARGINAL FARMERS

by

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The problem of the low-income or sub-marginal farmer is to my mind the main problem of India's agriculture. On any showing, a vast majority of cultivators cultivate palpably uneconomic holdings. It is unnecessary for our present purpose to define the economic unit or the sub-marginal farmer, because whatever the criteria and their translation into quantitative terms, the broad conclusion that a substantial majority of cultivators cultivate sub-marginal units is irresistible.

It is necessary to put so much accent on this fact because inadequate appreciation of this is apt to misdirect our efforts at reconstruction of our agrarian economy. It may create a set of false—or sometimes dangerous—priorities. Nor is this a just hypothetical fear. In the past—and even the recent one—many agrarian reforms have been conceived without adequate attention to this basic fact, with the result that most of them have brought forth no substantial improvement. A case in point is that of agricultural credit. The Agricultural Finance Sub-Committee appointed by the Government of India devotes towards the very end of their report just one small chapter on what they call "insolvent peasantry". And in this also the problem discussed is that of "special periods of distress and for permanently depressed areas or communities". Now the insolvent farmer in India is not confined to any depressed area nor is he a probable victim of a "special period of distress". He is ubiquitous, and pervades and dominates the entire economy. He is not a tail-end of the problem of agricultural finance; he sets the entire context to the problem. He should form a preamble and not a post-script.

The Agricultural Credit Organisation Committee appointed by the Government of Bombay went a step ahead and made a bold attempt at estimating the number of credit-worthy cultivators. This gross