



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Vol V  
No. 1

ISSN 0019-5014

CONFERENCE  
NUMBER

MARCH  
1950

# INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF  
AGRICULTURAL ECONOMICS,  
BOMBAY

on a type of farming which, from the point of view of technique, is not inferior to that practised by the bigger farmers. So once their financial and economic difficulty is solved, they will be able to increase their production much more than those of big farmers for the latter have to depend on the former classes of people for labour on the land.

In conclusion, it should be mentioned that the measures which have been enumerated above and discussed only in bare outlines are all essentially linked up. There can be no clear demarcation between their scope and period. In fact, it is wrong to classify them into short-term and long-term measures; for the long-term measures are as urgent as the short-term ones. Besides, from the point of view of applicability we cannot make any such distinction. The short term measures are part of the long-term ones and all of these have got to be immediately implemented as parts of a comprehensive scheme for agrarian reconstruction. It must be remembered that the problem of sub-marginal farms brooks no further delay and shelving, in as much as they form the weakest link in the chain of our agrarian socio-economic structure.

---

## THE PROBLEM OF THE LOW INCOME FARMER

*by*

PROF. V. THYAGARAJAN, M. A. L. T.

*St. Xavier's College, Palamcottah.*

The most deplorable feature of Indian Agricultural economy is the low-income farmer. An informal study of some selected villages in the Tirunelveli District of Madras has revealed the gravity of the situation. The causes that have led up to this problem of the sub-marginal farmer are variously and cumulatively indicated as populational pressure on land, excessive sub-division and fragmentation of holdings, insufficient manures, inadequate irrigation, out-moded technique of agriculture and indifferent cattle-breeding. No doubt, these are potent causes, but there are economists who look upon reform in these directions as economic sophistry.

The diseconomy caused by sub-divided and fragmented holdings cannot be disputed, but the emphasis may vary about the why of the phenomena. This ugly malaise has in the main been created by laws of inheritance, death of indigenous industries and consequent clamour for predial occupation. Attempts have been made to combat the evil by

legislation and co-operative endeavour and to create "the elusive economic holding". But the irony of the situation is that on the one side we have measures for consolidation, and on the other, an amended Hindu Law bestowing inheritance rights on sons and daughters alike; on the one hand, we are out in search of the economic holding and on the other we have a large army of land-hungry mob for whom no land means starvation and death! Here is the difficulty of the agrarian reformer.

The other causes listed above have also had due recognition and remedial measures are well on their way. It has to be noted that the contemplated irrigational projects involve huge capital expenditure which may not go well with the all-out economy drive of the Government. They will take a long time to complete, but what our farmer needs is immediate relief. I, therefore, suggest that for the present attention is rivetted on the sinking of wells, restoration of tanks and minor irrigation schemes in general. The live-stock problem is likewise sought to be improved by the three-sector drive of weeding, breeding and feeding. Sentiment stands in the way of weeding out the unfit, poverty prevents the farmer from going in for the pedigree animal and as to feeding he feeds his help-mate as best he could, that is to say, he and his animal are companions in underfed distress. Better manurial treatment and employment of modern technique of agriculture are not taboo to the so-called never-changing agriculturist. The native intelligence and the age-long experience of the Indian agriculturists have been acknowledged by many knowing men and women.

It must be noted that scientific agriculture on modern lines, is characteristic of large-scale farming and this cannot be profitably taken up unless we have sizable units of land. Maximum per acre production, with a view to a maximum per capita product entails labour saving devices, and hence a large population of agriculture unemployed. Our present difficulty is over-population in the agricultural sector and to counteract it by expunging a goodly number from this area, without a corresponding move to switch them on to other enterprises, will amount to an economic break-down and national suicide.

It may be more purposive to pass on to a consideration of how best to minimise the mischief if not to eradicate it—the malady of low-income. Apart from the oft-repeated remedies now tried, an organised scheme of internal emigration, of localised subsidiary occupations, corporate farming and a flexible price structure for primary commodities will go a considerable way in up-grading the low-income farmer. All these reforms can easily be effected by a regional agrarian economy and the co-ordinated endeavour of Firka, Co-operative, Agricultural and Industrial Departments.

Emigration from India was a remedy to relieve population congestion until recently, but the anti-Indian legislation in the several areas of emigration has banged the door on the Indian unfortunates. Though with India's magnanimous gesture to remain in the Commonwealth some arrangement could be made on a Commonwealth basis to ease population pressure through organised emigration to sparsely-peopled Commonwealth countries, the future of emigration is not bright. Similarly, the uncultivated virgin lands whereto expansion is suggested might offer some relief, but it is difficult to achieve it in the face of localised vested interests. The problem of India's teeming millions is not so much of populational excess as of mal-distribution. "The density of population that the country has accumulated to-day should be viewed with grave concern by any student of our economic affairs." Between 1901 and 1941 it has shot up from 179 to 246 per square mile. "Agriculture with predominating grain production along with a heavy density of rural population has been the fundamental factor in giving this sub-continent its proverbial poverty." Reduction of density of population through adjustment of regional resources can, for one thing, be effected by an inter-regional migration within the country. To suggest this is not to overlook the difficulties of the adventure: still for those to whom the choice is between the deep sea and the devil, such a movement must be welcome. There is a soul of goodness in things evil and the political vivisection of this sub-continent has familiarised us with the phenomenon of mass emigration, an emigration associated with heart-rending scenes. When, therefore, an organised inter-regional movement of people for their own betterment is taken on hand, the difficulties in its way can be smoothened out. An influx of the urban inhabitants to the rural areas has to be met by a return exodus of the rural population to the urban tracts, where they can find their way through life in the scheme of industrialisation. The lands of the expropriated Zamindar will be a fit field for this regional adjustment of population.

Relief to the over-crowded sector of agricultural economy can also be provided by a well-thought out scheme of developing cottage industries, again on a regional basis. Such a procedure will serve to give full employment to the cultivating class who remain idle in the off-season, and by augmenting his cash income, will give him greater purchasing power, a *sine qua non* for a higher standard of life. Our village in the past "was a cradle of culture, a self-contained and integrated unit of society". Thirty years back in the hamlet of Srirangarajapuram, Tinnevely District, the people were community-conscious and looked to the welfare of the village as a unit. The punja lands were common property, the proceeds out of which were equitably divided. Every village

in the past was a self-sufficient unit, having, as Mr. Birdwood observed, its own potter, oil-presser, weaver, etc. The skeleton of this village life is still there and we must strive to rejuvenate it. This can be best effected by a sensible compartmentalism. Without being boastful, it may be said that our Firka Development Scheme is a pointer to the right direction, and as Mr. S. V. Ramamurthi put it, "Madras with a hundred Municipalities in the towns and a thousand municipal unions in its revenue firkas will enable the people and government to have a compact grip over its life and space".

Given an organisation of the type of Firka, the question of the choice of the subsidiary industries to be developed is an easy affair. Naturally they must vary according to environmental conditions, but certain general indications may here be made. As Keatings would have it "subsidiary industry *par excellence* of the cultivator should be the breeding and rearing of live-stock which provides an occupation and income at all seasons, and returns to the soil the manure which is necessary to maintain its fertility." Dairy-farming, poultry-keeping, fruit-growing, fishing, market-gardening, hand-pounding of rice, seri-culture, soap-making, tanning are by no means an exhaustive catalogue of the subsidiary occupations that need to be built up. In the Unnangulam village of the Nanguneri Taluk there is much scope for fibre industry as there is for the tile industry and pottery at Karaikurichi; Viravanallur, Ambasamudram Vadaseri and like villages will profit enormously by the development of hand-spun, hand-made cloth which alone according to H. E. Sri. C. Rajagopalachari "can fill the spare hours of the rural population". It is very encouraging to note that "it is the desire of the department of cottage industries to bring industries to the houses of the villagers on Japanese model". The import of Japanese technical skill to put us up in this road is very gratifying. This off-season employment through development of rural industrial will liquidate low-income. In the working of these industries, wherever possible, cheap power must be utilised. The entire work arranged on a regional or zonal basis can be effectively manned by the co-ordinated endeavour of the Firka personnel, Co-operative, Agricultural and Industries Department.

The economic maladjustment which assigns a large percentage of the agrarian population to the limb of low income is largely the handiwork of riotous individualism. "Individualistic evolution in the economic domain is governed by acquisitive equations", and no wonder national economy goes into disrepair. What is therefore needed to keep the national machine going is, in the Wicksteedian phraseology, "to harness individualism to the car of collectivism." This implies a circumscription

in the areas of production, marketing and consumption. A corporate economic society of agriculturists, artisans, and industrialists must be evolved where the aim will be the common weal, not partisan profit. A century of competitive economy finds India to-day pre-eminently the land of the small holder, with a low-income. It is needless to chronicle his woes but as the Royal Commission on Agriculture have it "the conditions in rural areas are certainly bad." What is urgently needed is therefore co-ordinated endeavour. As Wicksteed would have it "it is clear that the action of economic forces can in many ways be controlled and modified by collective action". Collectivism implies the splitting up of the country into convenient economic zones, amenable to occupational adjustment, "cultural solidarity and administrative adequacy." In the sphere of agriculture, zonal co-operation, inter and intra, will prepare the coffin of uneconomic holdings and pave the way for sizable economic units with all the resultant advantages of large-scale enterprise. That alone will offer full employment and lead to an equitable distribution of the national dividend. Zonal economic administration will avoid all the waste of competitive enterprise and so conserve national wealth. It is worthwhile considering the claims of the Firka Scheme to take the place of the zonal administration in this Province. Dr. Pattabhi, the Congress President, claims that the India Government has succeeded in three years in transforming the Dependency into a co-operative Commonwealth and the Zonal organisations will be the primaries of this vaster organisation.

Any plan of farmer amelioration will be of no avail unless provision is made for flexible price structure for the primary products, closely linked to the price structure of wider spheres. Fixation of a fair price is necessitated because of the violent oscillations of cut-throat competition that mars all transaction above the rural rung of the economic ladder. The phenomenal fluctuations in the price of rural products have been observed in the last fifteen years, leaving out the war years as years of abnormality. Jute and Cotton, the two big commercial items fluctuated at Rs. 31-12-0 in 1935, Rs. 34-12-0 in 1936, Rs. 30-4-0 in 1938 and Rs. 47-0-0 in 1942 for a bale of 400 lbs. in the one case, and Rs. 224/- Rs. 197/-, Rs. 163/- and Rs. 160/- for 784 lbs. in the other. A similar situation arose in the price of Rice, Rs. 4-4-0, Rs. 5-5-0, Rs. 3-5-0 and Rs. 6-8-0 for British maund in the years selected. Face to face with these price fluctuations, a phenomenon he never understands, the helpless farmer who has been brought up all along in a self-sufficient economy, is the victim of the inexorable Law of Choice and tips his preference in favour of subsistence. The merry-go-round he does from commercial to food-crops and *vice versa* leaves him the wiser for it, not

to rely on competitive economics. The price curve in the years preceding 1917, was more or less steady, but from that year, it gradually rose till the early years of the last war. It suddenly snapped with the fall of Burmah into Japanese hands and starvation faced the multitude. It is in this context that the stabilisation of agricultural prices gets the headline, with a view to ensure him a living income.

Price stabilisation is not mere raising of domestic price by farm-relief and legislative projects. Its purpose on the other hand, is to effect progressive agriculture by ensuring to the farmer a fair return for his investment, enterprise, and labour. Its object is to elevate agriculture from the static to the dynamic level by enthusing the farmer with the view that agriculture is a profitable and worthwhile business. In the present day context, it is to be a move to conserve to the agriculturist his war-time gains, and to provide him with a foundation for a permanent high price for agriculture. National income is the resultant of agriculture and industry, and price stabilization is the subtle balance that apportions it to the two parties that make it. A parity price must be discovered and "the goods which the farmer buys should not cost him more than the goods he sells during a normal period." At what level the agricultural prices are to be fixed is the work of the experienced administrator. Dr. B. V. N. Naidu writes that "in fixing the prices of agricultural commodities such factors as margin of profit for the cultivator, cost of cultivation, prices of goods consumed by the farmer and prices in other Provinces and countries must be taken into consideration." He opines that price stabilisation must be left to the Central Government and suggests that prices of agricultural commodities be fixed at 100%, wages at 125% and the consumption goods at 150% above the respective pre-war levels.

The suggestions offered above are only some avenues of work worth a trial. Any scheme of agrarian reform must be made after elaborate study of local conditions. In spite of the long arm of Governments it may not be possible to probe into the matter only at an official level. It may be profitable for authorities to plump for non-official assistance. Every College in this Presidency as elsewhere has Rural Economics on its curricula of studies. The Economic Advisers to Government may prepare the relevant questionnaire and enlist the co-operation of the staff and students of the colleges to conduct research in their spheres of business; and on the strength of the statistical information so gathered they can go about the implementation of schemes with greater confidence of suiting theory to practice. If this be done, "there will be no gloom in her that was in distress. The people that walked in distress (will) have seen a great light. They that dwelt in the land of the shadow of death, upon them the light (will) have shined." (Isaiah)