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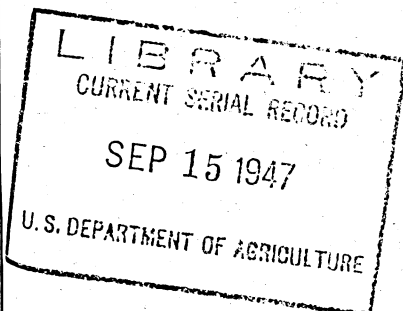
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CONFERENCE NUMBER

PROCEEDINGS
of the
SIXTH CONFERENCE
held at Benares, December, 1945.

SUBJECTS

1. T.V.A. Approach and its possibilities in Indian Agriculture.
2. Social Factors in Rural Economy.
3. Costs in relation to size of Farms.
4. Indian Food Policy.



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**THE INDIAN SOCIETY OF AGRICULTURAL ECONOMICS
BOMBAY**

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To promote the investigation, study and improvement of the economic and social conditions of agriculture and rural life through

- (a) periodical conferences for the discussion of problems;
- (b) the publication of papers, separately or collectively; or in a periodical which may be issued under the auspices of the Society;
- (c) co-operation with other institution having similar objects, such as the International Conference of Agricultural Economists and the Indian Economic Association; etc.

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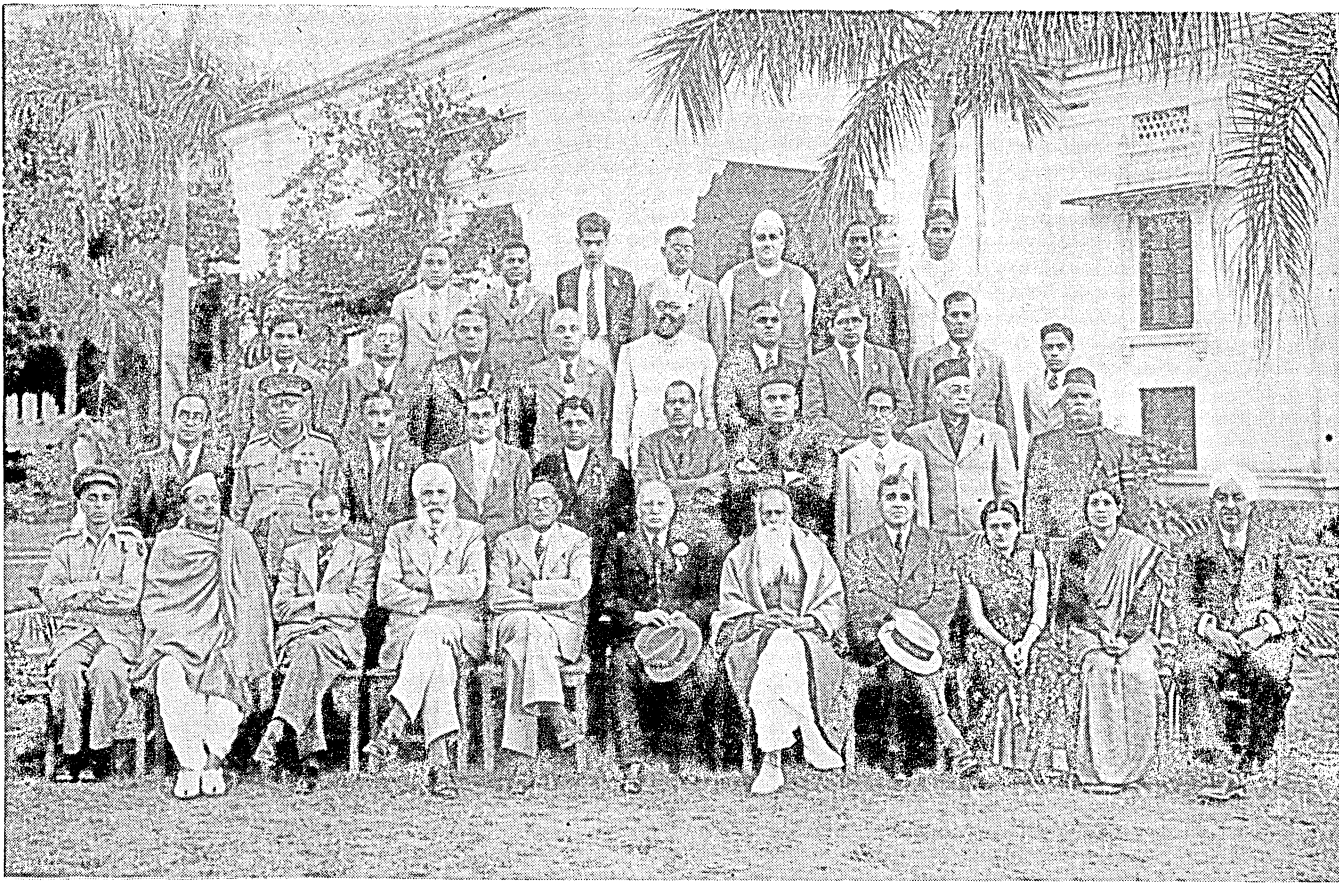
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(SITTING):—Capt. T. Ramchandra, Mr. T. P. Banerjee, Prof. J. J. Anjaria, Sardar Bahadur S. Kartar Singh, Mr. R. B. Lal (p.v.c.), Sir M. B. Nanavati (President), Dr. S. C. Dey, Mr. H. G. Bhandari, Mrs. Anjaria, Mrs. Ramchandra, Dr. V. K. Badami
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THE POSSIBILITIES OF THE TVA APPROACH IN INDIAN AGRICULTURE

BY

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H. E. H. the Nizam's College, Hyderabad.

The twelve years old TVA has been an astounding success, and publicity about that great scheme has been so world-wide that there should be no necessity to dwell on its achievements. But it will be well to begin by emphasising the main underlying principles of that Authority: they are (1) regional development, (2) assumption or delegation of plenary powers, and (3) a multi-purpose attack on all socio-economic fronts. The chief avenues of activity are flood control and irrigation, hydro-electricity and internal transport, but power production is the basic activity: in the words of David Lilienthal, the 12,000 million kilowatt hours of electricity produced annually in the TVA are the "twelve billion geni" radically revolutionising methods of farming, methods of extractive and constructive industries, systems of transport and standards of domestic life. Electrification of railways, chemical fertilisers, steel and agricultural implements, textiles, electro-metallurgical and electro-chemical industries—these have been and are the different segments of the picture and the plan. So much so, we have had suggestions of an international TVA. Logically it must be possible to prove the desirability and urgency for a world TVA: the United Nations Charter is the canvas for a world TVA in the political field.

Activities connected with agriculture, to be integrated properly with a TVA approach, could be classified into: (a) the requisites stage—including seed stations, mechanisation and improved implements, animal husbandry, manures (natural and artificial), irrigation canals, tanks and wells, finance—long term—medium and short, statistics, publicity, propaganda and research;

(b) the processes stage—including peasant, capitalist, State, co-operative or collective farming, acclimatisation of soil to cultivation, rotation of crops in view of prices and food needs, sprays and inoculations, and adjustment of harvest time and curing;

(c) the marketing stage—including standardisation, grading, sampling, packing, warehousing, dehydration and refrigeration, and above all,

reduction in costs* and a price administration policy based thereon; and (d) the manipulating stage—including fruit canning, dairying, poultry and cattle farming, ropes, baskets, timber, tobacco, tanning, sugar and textiles—all on cottage lines.

Welfare requisites include adequate anti-malaria and water supply provision, crop and live-stock insurance, due linking of the village to the general transport system of the country, and incidence of taxation on agriculture.

Any TVA approach in agriculture must include all these items, and the theatre of operations should be one or more selected areas. We have already got the Godavary Valley Authority in Hyderabad on wheels, and the proposed, Damodar Valley Authority will shortly come into force, covering parts of Behar and Bengal. At a time like the present, naturally this question must be decided on—in what way should Indian agriculture be improved—with the supreme object of maximising social welfare in India?

So far as Indian agriculture is concerned, the problems connected with the TVA method may first be recapitulated. First and foremost comes the absence of powers for deciding on definite courses of action: it is only truly national governments that can claim the vision and the command for such long strides. Then comes the vexed question of machinery and capital goods, so far as imports of these are necessary and unavoidable: the capitalist pilgrims have returned wiser after globe-trotting, and any undue haste in this respect will very probably result in India being dumped with war-scrap, obsolete machinery produced in war time, with no reference to cost either of the plant or of the process: the whole world today stands on the brink of a huge revolution in the harnessing of power, on account of the peace potentialities of atomic energy. Next is the question of technicians and the amount of control to be vested in external hands. None the less important is the issue of free trade or protection: Mr. A. D. Shroff recently advocated very stoutly protection for Indian industries, but wanted "preference" for the Indian demand for capital goods in the U.S.A. and Britain: the TVA approach in Indian agriculture must mean nothing less than a new orientation of industrialisation and its aftermath. Last comes the problem of adding one more "istan" to the already numerous ones we are having between

* The following observations by the *Economist* on the pre-war economic problem in the U.S.A. are interesting and suggestive to the Indian agricultural economy.

"In the past six years, most of the recipes in the economic cook-book have been tried at least once. We have had the depreciation of the dollar and the deliberate enhancement of the price of silver, the fostering of monopolies through the N. R. A. and their prosecution by the Department of Justice, fiscal economy and deficit financing, pump-priming and yard-stick building, public works and work relief. The only remedy that has not been tried is a sustained attempt to lower the costs and encourage the expansion of the capital goods industries whose coma, by common consent, is the root cause of the laggardliness of recovery. It might be worth trying."

men and women, between towns and villages, between feudalism and communists, between Hindus and Muslims. For, regional development presumes two things: that the local people are capable of bearing the burdens involved in the TVA programme; next, that the same people will attain heights in standard of life, culture and outlook far ahead of the localities outside the region treated: we could think only of a few TVA's for the whole of India: a TVA for the whole of India must involve American standards of investment and employment. Even in the U.S.A., there is only one TVA. Analytically, there are four alternative ways for handling the problem of maximising economic and social welfare.

The "oasis" method of having a few token small centres projected as "models" much more for the tourist and the journalist than for the bona fide farmer has been in vogue for some time in India and has proved a failure as it lacked in effort and results. The "beehive" method of treating a cluster of villages intensively has been tried here and there of late with some success, but it would require centuries for the whole country to be treated effectively under this system. The TVA method is very attractive mathematically, but we should have reliable guarantors of the axioms to be assumed before this method could be admitted into the pale of practicality. The present situation in India is such that on the operation table, undue importance should not be attached to the high technique of the surgical process, which might result in the collapse of the pulse of the patient.

The decentralisation approach appears, in view of the considerations enumerated above, best suited to Indian conditions.

Decentralised Agricultural Stations

In any scheme of progress, the chief impeding factor in India has been the area of the country, the difficulty of reaching the tracts where relief was needed most. Roads and railways are few: so much so that there has been growing to ominous dimensions the grave difference between the road-side and the interior village—even as the threatening difference between the average man and the average woman in India in education and outlook (on account of an educational system which has been studiously neglecting the education of women). Some time ago, an order was passed by the authorities that development should be planned only alongside roads and in a chain—so that it might be possible for the higher authorities to inspect and to assess progress. The villager in the heart of the country is hard hit because everything is far away from him—the court of law, the police station, the hospital, the school, the co-operative society, the market—even relatives. In most cases it is not the territorial distance that counts, but the difficulty of communication

and transport on account of the nature of the country and inclement weather conditions. Another fundamental truth is that although the villager is not literate, he is quite intelligent and can understand his interests: he has been mostly conservative because he knew that what was proposed was really prejudicial to his interests apart from the intentions of the preachers. Provided a system is launched under which the average villager could reach help and relief effectively, the countryside is bound to be metamorphosed in ten years' time.

Thus, for attaining national results in a fairly reasonable time, the very first pre-requisite is the establishment of, say, some 10,000 decentralised agricultural stations at one for about 50,000 acres, covering the entire 500 million acres we could have under the plough in the country. With the present occupant of land undisturbed in his rights, such a station established under the auspices of the Government for an area ranging between 15 and 20 villages (differing in number of villages according to local conditions) should radically change the attitude of the villager and the results of effort. Such stations should modernise not only agricultural processes but also local irrigation, anti-soil erosion, fertilisers, short-term and long-term finance, grading, warehousing, marketing, etc. The several sectional central organisations would have to work through the decentralised local station in every respect. The problem of communications and transport should automatically disappear; for, such local stations must imply good means of communication with the general transport system of the country. Mostly these stations would require indigenous material for improving the villages (including housing schemes), and with the station a few hours away from the land, land values should rise enormously—apart from the war boom. Agricultural output should increase by leaps and bounds both qualitatively and quantitatively, agricultural insurance would carry much less risk, statistics would become accurate and enlightening. The President himself suggested such establishment of an adequate number of stations in one of his earlier addresses to this Society. The only big item which Government would have to look to independently of these stations would be large irrigation and hydro-electric works.

There are three alternative ways of arranging for such stations—on a private commercial basis, on a co-operative basis and on a Government monopoly basis. Circumstances at present warrant that we must resort to the last method. A review of the situation might help us further five or ten years after the start. At five lakhs per station on the average (apart from housing finance) the total capital outlay would be about Rs. 500 crores. At a later stage, the possibilities of collective farming might be explored, as some experience of the advantages of agriculture

as a business must powerfully widen the outlook of the average agriculturist. Under this arrangement, central offices would become practically advisory, and each local station would become the hub of rural life and industry. It might be added that the necessity for experimentation is no longer there. Any true national plan must find a place for these local stations by whatever name they might be called. All charges by the station to be made in kind and collected at harvest time (as in the Russian stations) should ensure every cultivator going to the station for short and long-term aid on business lines. And this would enable the Government to possess at any time an amount of stock of various agricultural products as to ensure not only stability of prices but also adequate supplies to urban areas. For foodgrain, the field of expansion might be limited from the view-point of the home market, but the scope for increased production of vegetables, fruit, milk and milk products is practically unlimited.

As explained above, the necessary condition would be for each station to give timely spot service and then to collect the bill in kind at the harvest time at normal prices fixed for such services.

The whole country should be dealt with, and probably, the people of localities with comparatively smaller resources will surely say, like weaker children, "look to us first! The potentially TVA regions can look after themselves on account of their richer resources." The economist changed over, some considerable time before this, from academic rooms to direct grips with facts and fallacies, and he should no longer be carried away by slogans like the TVA.