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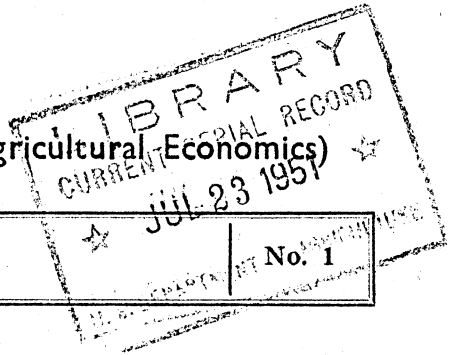
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THE INDIAN JOURNAL OF AGRICULTURAL ECONOMICS

(Organ of the Indian Society of Agricultural Economics)



Vol. VI

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CONFERENCE NUMBER

X PROCEEDINGS

of the

ELEVENTH CONFERENCE

held at Lucknow, December, 1950

SUBJECTS

1. Administrative Machinery for the Economic Reconstruction of Rural Areas.
2. Fixation of Agricultural Prices in Theory and Practice.
3. Effects of Industrialisation on Rural Life and Rural Economy.

Rs. 6-8-0

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BOMBAY

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To promote the investigation, study and improvement of the Economic and Social conditions of agriculture and rural life through :—

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- (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 institutions having similar objects, such as the International Conference of Agricultural Economists and the Indian Economic Association, etc.

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these workers at the lower stages with advantage. The only pre-requisite of assured success lies in the selection and training of the workers suitable at each stage. A village worker in this plan should be matriculate and a group worker a graduate with necessary theoretical and practical training.

Any proposal to establish a new machinery to undertake rural reconstruction pre-supposes the opening of training centres to prepare a body of workers capable of undertaking the work at different levels. In addition to the technical training, inculcation of the spirit of service is necessary to make a worker suit the conditions in the village and create a sense of comradeship among the people.

ADMINISTRATIVE MACHINERY FOR RURAL RECONSTRUCTION

by

Khaleeq A. Naqvi and V. B. Singh,
University of Lucknow.

The nature and structure of administrative machinery is necessarily determined by the task which such a machinery is called upon to perform. Hence an explicit statement of our concept of rural reconstruction must preface any discussion on the suitable machinery which we have to evolve for a successful fulfilment of the tasks of the agricultural sector of our economy.

In our view, rural reconstruction should mean (i) abolition of landlordism without compensation; (ii) redistribution of the surplus land of landlords amongst the landless and land poor peasantry; (iii) land to the tiller; (iv) substitution of existing rent and revenue system by a progressive agricultural income tax above a prescribed minimum; (v) liquidation of the debts of agricultural labourers and poor cultivators; (vi) credit facilities through state funds and local resources; (vii) implementation of a minimum wage programme for agricultural labourers; (viii) organisation of co-operative farms and induscos and (ix) cultural uplift of the rural population.

For the implementation of such a democratic agrarian reform we have to evolve a proper administrative machinery. The very statement of the tasks focuses our attention on the *class and nature* of such machinery. We wish to submit that these tasks can only be fulfilled when the classes which benefit from them are entrusted with their execution. The vested interests must not only be excluded from any effec-

tive control but also checked through proper vigilance making any attempt to sabotage impossible. Looking from this point of view, only the landless and land-poor peasants, in alliance with the middle peasant can be made responsible for carrying out this tremendous programme with speed and efficiency, for the simple reason that it is in their interest. Landlords, and in certain cases rich peasants, who dominate the rural life to-day will try to obstruct the successful implementation of these tasks. Herein lies crucial significance of a clear and sharp distinction between the five classes mentioned above, viz., landless labourers, land-poor peasants, middle peasants, rich peasants and landlords. Space does not permit us to go into greater detail at the moment. We must point out, however, that this sharp cleavage in rural life has assumed great importance because all attempts to develop *panchayats* and other co-operative endeavours have been used by the rural rich for their own nefariously selfish ends. The benefits of such schemes have not accrued to the rural poor who form an overwhelming majority of our rural population and hence their value for rural reconstruction has been negligible. That this state of affairs continues even to-day can be amply demonstrated by the working of the U. P. Panchayat Raj Act, which has converted the traditional oppression of the rural poor by landlords and rich peasants into a legal institution and these oppressors into Panchas and Sarpanchas. Consequently, the illegal and unconstitutional rule of the rural rich has now been constitutionalised and "democratised"! This is why we strongly believe that the only safeguard against the danger of rural reconstruction programme being used for the domination and material benefit of the rural rich is to disfranchise them for the time being and completely isolate them so that the administrative machinery responsible for carrying out the tasks of rural reconstruction is kept free from their pernicious influence.

We are fully aware of the serious dangers inherent in such a procedure. If the primary units of our administrative machinery are to be the Committees of the Rural Poor, from which richer elements are judiciously excluded, there are two serious objections which we must meet adequately: firstly, that this is against the principles of democracy, and secondly, that it ignores practical realities of our rural life because it does not take into account the sectarianism and group conflicts in our villages to-day. On this basis it might be argued that our primary units, and the committees of the Rural Poor will be unable to implement this programme and will actually create anarchy and chaos in our rural life. That such a danger is real cannot be reasonably denied, and we have provided for suitable checks against this eventuality as will become evident presently.

Once we agree that the class composition of the Committees of the Rural Poor should be determined on the principle described above in the first phase of reconstruction activity our task becomes more concrete. In every village, we will have to see that the committees prepare the lists of all the households in the village showing the income and the source or sources through which it is obtained. These lists must become a basis for determining the class status of every household and should be publicly displayed in the village, every citizen having the right and the opportunity to criticize and demand changes when a person is placed either below or above the category to which he actually belongs. As soon as these disputes are settled with the help of the Land Reform Cadre and the higher committees (to be described presently), the committees will proceed with (i) the declaration of the landlords' rights to be null and void, (ii) the taking out of surplus land of landlord class; (iii) redistribution of the land taken over amongst the landless and land-poor peasants, and (iv) the wiping out of all unjust debts of agricultural labourers and poor peasants and their suitable scaling down in other cases.

As soon as these primary tasks of agrarian reform are successfully accomplished, the administrative responsibilities of these committees will undergo an important change. From creation of the pre-requisites of a prosperous rural economy, the task will become the creation of that production enthusiasm and those conditions which alone guarantee the increase in agricultural productivity and ensure ever expanding opportunities for material and cultural progress. At this stage, the other classes should also be gradually associated, so that ultimately the entire peasantry of a village participates in the election and working of the village committees, and these committees will become more or less akin to the panchayats of a new type. In the second phase, then, the primary administrative units will be village committees embracing the entire adult population of a village wedded to the task of maximizing production through mutual-aid teams.

The next higher administrative organ will be the tehsil committees elected by the village committees of the Rural Poor in the first phase and the village committees in the second phase of the rural reconstruction programme. The main functions of the tehsil committees will be the guidance of the lower committees in their implementation of land reform law of the Central Government and seeing that agricultural production does not suffer due to any anarchy and chaos. They will serve as head-quarters of the Land Reform Cadre and dissemination centre for seeds, manure and agricultural implements with a small workshop of its own. These tehsil committees will be an im-

portant link in the establishment of supervision and superintendence by the district committees.

To all intents and purposes, the District Committees, elected by the tehsil committees, will be the actual leaders both in the first phase of land reform and in the second phase of organising production. These committees will be responsible for seeing that various programmes are complete according to schedule, that the Tehsil Committees with the help of the Land Reform Cadre, have abolished landlordism and redistributed land in strict accordance with the Land Reform and have created the conditions for channelising the co-operative endeavour of the emancipated rural masses. In the second phase, these committees, guided by the district authorities, will also serve as Production Committees and will be responsible for fixing production quotas according to plan and their eventual fulfilment.

The Ministry of Agriculture of the Provincial Government must control the District Committees directly, and help and guide them. The Ministry should also put at their disposal Land Reform Cadre which they should train for the agrarian reform education. We have already mentioned the important role which this cadre should play in rural reconstruction. For nearly five lakh villages of our country we need at least one lakh young men and women who will have to go from village to village, explaining to the Committees of the Rural Poor the significance of the Agrarian Reform Law of the Central Government, helping them in determining the class status of various households and individuals according to this law and the principles of redistribution of land and property. Their status will not be that of administrative officers, they will be helpers and guides of the village committees both in the first and the second phase of rural reconstruction.

Besides training these key cadre, the provincial government will be primarily responsible for keeping a check up of the activities of the Agricultural Production Conference which will be elected by the District Committees.

Lastly, the Central Government will be incharge of determining the Land Reform Programme. It will enact the Land Reform Law for the entire country and will be responsible for drawing up a single unified plan for the entire national economy of the Country. It will effectively control the entire rural economy and rural reconstruction work by providing for the funds for credit to the cultivators, by arranging for seeds, manures, farm implements, and, whenever possible, for machines and tractor stations. The Central Government will also guide and con-

trol the Central Agricultural Production Conference which should be elected by the Provincial Agricultural Production Conference. Thus, at the apex of the machinery which we have suggested will be the Central Agricultural Production Conference with an executive Committee whose task will be to co-operate with the planning authorities in fixing production quotas based on the estimates of the District Committees. Agonomists will be attached to these Production Conference at Central and Provincial levels to advise them on the schemes for pushing up production by following the principles of scientific agriculture.

This set-up may perhaps be fittingly called *democratic centralism*. Because it has a two-fold character: at all levels, the administrative machinery is controlled by the higher organ on the one hand and the lower unit on the other. Consequently, it does away with bureaucratism and red-tape as also with the chaotic "democratism" of the anarchic type. We may further point out that in working out a proposal for a new administrative machinery for rural reconstruction, we have implicitly argued against both the Panchayats and the multi-purpose co-operatives of the types prevalent in India.

In the end we must point out that for us at this stage the principles which have guided us in working out our proposals are more important than the detailed structure of the proposed machinery.

X AGRICULTURAL PRICE GOALS AND POLICY FOR A BACKWARD COUNTRY

by

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In this paper I wish to discuss two problems: goals of agricultural price policy, and its role in a backward country.

Unless we are clear as to what we want a price policy to achieve and also as to what it can and what it cannot achieve, any discussion about the various price techniques will be highly irrelevant. A need for a price policy arises only if we are convinced that, left to themselves, prices will not perform the task which they are expected to perform and are capable of performing. What is the economic function of prices? Briefly, prices allocate resources to their best possible use and in so doing determine relative incomes to different factors of production. But there are natural as well as system-generated circumstances in which the performance of this task is vitiated. Talking about agriculture, the biolo-