

Indian Economic Census

VOL. I.

Economic Planning

(AGRICULTURAL & TEXTILE)

For Madras, Bombay, Mysore and Deccan States

BY

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Mylarpatna, Nagamangal Post (Mysore State)



MAY 1936

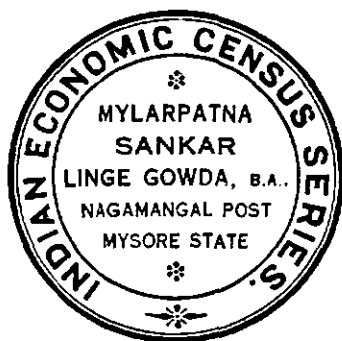
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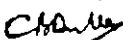
D.O. No. 3407 -G.M.

12th May 1936.

Dear Sir,

I am desired to acknowledge, with thanks, the receipt of your letter to His Excellency the Viceroy, dated the 4th May 1936 and copies of your books entitled "Economic Planning" and "Taxable Capacity of the British Indian Agriculturists", which were laid before His Excellency who was interested to see your views.

Yours faithfully,



Assistant Private Secretary to the Viceroy.

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DDS.

Views contained in my letter submitted to His Excellency The Rt. Hon'ble Marquess of Linlithgow, K.T., G.C.I.E., Viceroy and Governor-General of India, New Delhi.

1. I beg to state that I, with the help of a few South Indian Moderates, have made an Economic Survey and Census of various important places in South India, representing the various Economic Divisions. In my travels, I have heard varying statements regarding the average yield per acre, cost of production per acre and per capita food consumption required; and as such I am not in a position either to criticise the 'British Land Revenue Policy' in India or to suggest radical changes at random. As a matter of fact, **the per capita food consumption is becoming shorter in India**, owing to the enormous increase in population without corresponding increase in the acreage yield.

2. Dr. Gangulee gives six reasons in his book 'Indian Peasant' (Published in 1935) for a revision of the system of land revenue in India. Not even a single reason of his is supported by statistics. I also investigated as to whether the land revenue system in India requires a thorough overhauling. My investigation shows that the percentage of the gross produce taken as land revenue is only eleven in British India, during the depression period. Dr. Gangulee has not found out the percentage; but makes a sweeping remark without giving a definite idea as to how much per cent of the gross produce the Government is entitled to take. The late Mr. Romesh Chandra Dutt has consented that the demand of the Government should not exceed 20 per cent of the gross produce, when the Customs duty was only a few crores. Now the Customs duty is equal to Land revenue. Unless and until it is decided both by the Government and the Public as to **how much per cent of the gross produce the Government demand should be** without jeopardising the Public finance, it would be very hard for a sane Economist to criticise the British Indian land revenue policy.

3. I am of opinion that the acreage rate prevailing in India is much lower than the acreage rate in other countries; but the burden of taxation is heavier than that of other countries, if we take into consideration the proportion of gross produce taken as Land revenue. The Land tax is heavier in India on account of **low acreage yield** and for **want of better marketing facilities** on a co-operative basis as in Denmark. If these two defects are remedied and if the rural folk were to start themselves '**Better Living Societies**' with a view to cut down the '**unproductive expenditure**', the Land revenue will not be a burden.

4. The area of England and Wales is one third of the Madras Presidency excluding Indian States and the populations of both the countries are more or less equal. There are 28 millions of cattle and sheep to supply manure for seven million acres under crops in England and Wales; so four animals supply manure to one acre, whereas the same animals have to supply for 3 acres in the Madras Presidency. Further, in England and Wales the night soil and the city refuse are carefully converted into manure and supplied to the fields and six men supply manure for one acre, whereas the same number of men have to supply for seven acres in the Madras Presidency. Even this small quantity of night soil is not well utilised in India. Agriculture in England and Wales is successful as an industry, because of the adequate supply of animal manure and night soil besides cheap chemical manure. In the Madras Presidency, the agriculturists have not got adequate animal manure, the night soil is not utilised properly and the chemical manure cannot be applied to as nearly 73 per cent of the lands are not well irrigated but are purely dependent on seasonal rainfall. The only way to improve the acreage yield in India is by applying more animal manure, which has to be increased by increasing the number of livestock, that has to be fed properly by increasing the number of acres under fodder crops. Unless this **question of manure is solved**, there is no salvation for the Indian agriculturists, who can never depend upon chemical manures. If a portion, say at least, 25 per cent of the area under crops is set apart for fodder, that will go a long way to increase the number of cattle; and the quantity of manure will be increased, which when applied to the remaining portion of the lands under food crops, will make us derive more produce; besides, the extra income from cattle will be quite sufficient to meet the Land revenue.

5. A Non-official Committee is required to check the figures of the Settlement Officers, who generally err in calculating average yield, average land values, prices of crops and average rainfall. If these figures are correctly estimated by the Settlement Officers, I am sure that we will have a 'fair and equitable rent' under the present system of Land revenue. When the East India Company was ruling in a bureaucratic fashion, Sir Thomas Munro used to take the opinion of the Non-official Committee before fixing the acreage rate. Under the New Reforms '**Non-official Land Taxation Committee**' can easily be appointed till the Land revenue policy is placed on a Statutory basis just to have a fair and equitable rent during the Re-settlement.

6. According to the Census of Industrial Production (in 1930) the gross out-put of industrial production in England and Wales is 3,022 million £s; the cost of Production including the cost of materials is 1,607 £s; the net output is 1,352 million £s; the average number of persons employed in industry is $6\frac{1}{2}$ millions and the average net out-put per person is 210 £s per annum. An industrial employee in England and Wales is able to give a net out-put of 210 £s to his master, whereas

the proprietors of industrial concerns in India have to feed the employees even at a loss sometimes. Still, the Labour Leaders are encouraging the strike of industrial workers in India for higher wages just to spoil the Indian industrial concerns. Such is the position of the industry in India.

7. As regards agriculture, one field labourer manages ten acres of land in England and Wales, whereas one labourer manages $2\frac{1}{2}$ acres of land in the Madras Presidency. All persons returned as agricultural workers in the Indian Census Report are not the full-time actual workers in agriculture. I know that I am criticised for not recommending a general reduction in the Land revenue by the agitators. But my policy is to bring forward an **Economic (Agricultural and Textile) Planning** to increase the acreage yield and to give labour to the rural folk during the non-agricultural season.

8. The poverty of India can only be mitigated by introducing an Economic Planning with a view to increase the present acreage yield by fifty per cent and by concluding an 'Agricultural Trade Agreement between India and the United Kingdom' with a view to increase the value of net-export of agricultural and animal production of India, as the United Kingdom imports food, drink and tobacco worth 200 million £s from foreign countries. The United Kingdom exports its manufactured articles worth 150 million £s to foreign countries; so, the United Kingdom can import Indian food grains to the extent of 50 million £s, which she is now distributing among the foreign countries. Indians have got a special claim for this favour, since they are encouraging the British goods.

4—5—1936.

NOTE.

I appeal to all the economists and men well-versed in the study of rural problems and leaders of public opinion to point out my errors, if any. I welcome criticisms of all kind which go to enlighten me and I will be very thankful to those who come forward with their opinions on the proposals propounded by me after careful investigation and consideration.

CAMP: }
MADRAS. }

M. Sankar Linga Gowda,

20th May 1936.

H. I. M. EDWARD VIII

King-Emperor of India.



This block has been patronised

By Dr. SUBBARAYAN,

Zamindar of Kumaramangalam, Salem District.