

*Vacancies.* Consequent on his promotion as Assistant Director of Agriculture, Salem, Mr. V. T. Subbiah Mudaliar resigned his secretaryship in the month of June 1935 and Mr. C. S. Krishnaswami was elected by the Committee in his place. Mr. S. M. Kalyanarama Ayyar was elected as Committee member in the latter's place. The Managing Committee take this opportunity to place on record their appreciation of the services rendered by Mr. V. T. Subbiah Mudaliar as Secretary of the Union.

*The Journal.* The conduct of this activity was as usual entirely in the hands of the Editorial Board. It is pleasing to record that the Madras Agricultural Journal has now firmly established itself as a periodical of high standing. The issue of the journal has been regular and the Editorial Board have faithfully kept up the standard set up in previous years. The Committee are glad to learn that there has been a good response from the mofussil as well as the Research Institute.

*Finance.\** The Auditor's Report and the Financial statement are before you. They cover a period of 12 months from June 1934 embodying the accounts rendered by two successive committees—this and the previous one, the financial condition of the Union cannot be said to be very satisfactory. The cash balance of the Union was only Rs. 873—4—0 on 31st May 1935 when the accounts were audited. This, the Managing Committee, beg to point out is due to the large amount of arrears outstanding against the resident members of the Union which if it had been realised before May 1935 would have found entry as income in the Balance Sheet.

*The Rama Sastrulu Munagala Prize.* The Committee regret that owing to the very brief interval between the two successive College days they were unable to call for papers and therefore no prize has been awarded this year.

*The General Body Meetings held in December 1934.* The Annual General Body meeting was held in the Freeman Building under the Presidency of Rao Bahadur D. Ananda Rao Garu when the Annual Report for the year 1933—34 was adopted and office bearers for the year 1934—35 were elected.

The Committee's thanks are due to M. R. Ry. Rao Bahadur D. Ananda Rao Garu who as Principal and later as Director of Agriculture evinced considerable interest in the affairs of the Union, and to Mr. R. C. Broadfoot, Principal but for whose great interest in the Union, the Managing Committee would not have been able to conduct the College Day and Conference at such short notice.

## AGRICULTURAL INDEBTEDNESS

By Rao Bahadur K. S. VENKATARAMA IYER

The ever-increasing indebtedness of the agriculturists of this Presidency as well as other Presidencies is a problem which has been engaging the attention of the Provincial Governments and Indian States.

Various causes have been contributing to this state of affairs. The world-wide economic depression, the low price of paddy and other produces of the land and the small margin left to the landholder are among the chief causes that have brought about this chronic indebtedness. The standard of expenditure even in rural families had been gradually rising as the prices were rising; and that scale of expenditure could

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\* Will be published in the next issue.

not be reduced when the prices fell down. The modern methods of eating and drinking which replaced the cheap and healthy diet adopted for centuries could not be given up for cheaper and healthier diets. As an example, coffee and tea-drinking costs as much as the ordinary meal of every family and coffee and tea have not fallen in price. The general effects of smaller income and higher expenditure can be seen in the increasing indebtedness and the result is the passing off of the lands from the hands of the landholder into the hands of the money-lenders, several of whom do not want the lands; but the lands are thrust on them through court sales. The consequence of such transfer of ownership from the man on the spot to the resident of the town or city is that the lands are let for the mere collection of rent and the lessor looks only to collect whatever he can and the lessee to get whatever income he can get without caring to maintain the fertility and the productivity of the land. In course of years the land gets deteriorated and whatever improvements the Agricultural Department were able to make are being gradually set at nought by the absentee landlords.

Government appointed Mr. Sathianathan as a Special Officer to enquire and report on the indebtedness of the agriculturists; his report has been or will be sent to Government for action. Some of the Provincial Governments and the Indian States have already taken action. The creditors want their money back and not the lands offered as security or attached for the debts and the debtors wish to retain the lands to enable them to repay the debts in easy instalments at a reasonable rate of interest. The only solution lies in the Government guaranteeing repayment to the creditor with 4 or 5 per cent. interest, the debtor being asked to pay with one per cent. more (to cover the Government's expenditure on establishment etc.). Government can, by legislation, hold the lands owned by the debtor as security. Government in helping the debtor should not be made to lose: I will suggest Government valuing the lands at 20 to 30 times the assessment of the land and can guarantee repayment upto 60 per cent. of the value of the land calculated on the basis of the assessment. If this remedy be adopted, the landholder will begin to work earnestly as he has hopes that he can gradually repay his debts and redeem his lands.

It may be said that the various Primary Banks which are being financed by the Central Land Mortgage Bank will go a great way to relieve the indebtedness. The rules and restrictions framed for the working of the Banks are such that they are not really useful to the land-holders who wish to be benefited by the Mortgage Bank. Under the rules no borrower can apply for and borrow more than Rs. 5000 and the borrower should not be indebted to the extent of more than Rs. 5000. There have been several instances in which a landholder who is a creditor to an extent of Rs. 20,000 from smaller landholders

from whom he cannot recover cash but only lands and who has had to borrow money for marriages in his family and for payment of debts incurred for the improvement of his estate relying on his outstandings and such landholders cannot take advantage of the help offered by the Land Mortgage Banks.

Hence a landholder who pays an assessment of Rs. 2000 a year, i. e., who may be said to own lands worth Rs. 50,000 at least and who has to recover in cash Rs. 20,000 from his debtor cannot utilise the Land Mortgage Banks if he has liabilities of over Rs. 5000. In these days of depression and low prices a small landholder will not be able to spare enough towards the repayment of instalment after maintaining his family, which is generally large. It is the will of God that a poor man is blessed with a large number of children as compared with a wealthy man who is often without children. I do not say that the smaller land-holder should not be helped. What I urge on the attention of the authorities is that the larger land-holder also should be helped, provided that the authorities are satisfied that the security offered is sufficient and that the borrower can be relied on for regular payments. Government can provide sufficient safeguards in the matter of granting loans of over Rs. 5000. The management of the banks can be entrusted with grants of loans up to Rs. 5000; and loans of over Rs. 5000 can be granted if the loan is recommended by the Revenue Department Officer of the division. The officer can be expected to know the borrower within his division and can be expected to be careful in making his recommendation. Government evidently fixed the maximum of the loan to Rs. 5000, to avoid big loans being granted to influential and wealthy landholders to the detriment of the smaller applicants. It is the duty of Government to equally protect the larger landholders who have during recent times been taking an interest in improved methods of agriculture. Thus the slicing away of big estates could be prevented by Government. Government had been trying even to legislate in the matter of the consolidation of holding to enable better management of the lands; but this increasing indebtedness has gradually broken up the holding, as small pieces here and there have been and are being sold to relieve the indebtedness.

If a census is taken of the sales of land from statistics of the last 5 years, to be collected from the Registration Offices it will be clear that big holdings are being gradually broken up and that the lands are passing on to the hands of absentee landholders. Indian States like Travancore are taking immediate and practical steps to relieve the distress of agriculturists. It is the duty of our Madras Government to adopt early measures. Let not the doctor be called in after the patient is past recovery.

I have avoided discussing if the landholder can save anything after paying the assessment for which a large share of the yield has to be sold

on account of low prices and low yield. That the yield is lower than what was originally fixed at the time of settlement of 1893 which has been adopted at the settlement of 1923 is a fact which can be proved beyond doubt. The gross yield fixed at 1893 may have been fixed on a correct basis: the causes for the lower yield should be found out by experts of Government after verifying my statement if needed. These are however matters which should be put forth elsewhere than in a Government College function presided over by the highest Revenue Official of Government.

### Discussion.

*The President* referred to the forthcoming Bill in the Legislative Council, and observed that the Agriculturist's Loans' Act would go a long way to relieve indebtedness. The point according to him was that with the finances of the Government limited, a larger number of smaller debtors could be benefitted with the finances available, and this was a more desirable thing than helping the bigger debtors.

*Rao Bahadur K. S. Venkatarama Iyer* said that he only wanted the restrictions under the Mortgage loan to be slightly relaxed. He also suggested that Government might raise a loan and then finance the bigger debtors and thus in addition to helping them, might also earn a profit.

*Mr. Sanderson* speaking of his experience in a village in Coimbatore District, remarked that barring half a dozen people who had debts of Rs. 1000 and more all the debtors in the villages were those with debts of 500 and less, and in his opinion, they were the people in need of immediate relief.

## AGRICULTURE AS A PRACTICAL PROPOSITION

BY C. S. NAMASIVAYAM PILLAY

The great Tamil sage Thiruvalluvar, in his immortal couplets called *Thirukural* has said

“ சுழன்று மேர்ப்பின்ன துடை மதனா  
உழந்து முழுவே தலை ”

meaning

“ The world revolves behind the plough, hence  
Ploughing is foremost in spite of difficulties.”

The truth of this statement was well realised by the industrial nations of the West a short while ago. During the last two centuries, western countries vied with one another in industrialising themselves. Industries sprang up in quick succession, resulting in the concentration of population in the cities. Villages were deserted. As a natural consequence, most of the lands had to remain fallow for want of cultivators. These industrialised countries were getting their supplies of food from foreign countries. But when communications were interrupted during the War, these countries were threatened with starvation, as local production was absolutely insufficient for their needs. Then they began to raise the cry of 'back agriculture.' They realised that it was necessary to give the most prominent place to agriculture in all their national enterprises.