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CAPITAL USE AND
FORMATION IN THE
AGRICULTURE OF
THE NETHERLANDS

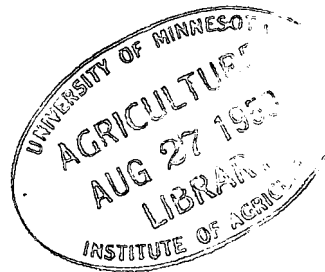
TOGETHER WITH REVIEW ARTICLES

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*CAPITAL AND CREDIT
IN AGRICULTURE*



REVIEW ARTICLES

E. M. H. LLOYD, *Food and Inflation in the Middle East 1940-45*. A publication of the Food Research Institute, Stanford University. Stanford University Press. London: Oxford University Press. Pp. xiv+374. 48s.

It is open to argument whether there is any such thing in the world as a Middle East, but the existence of a Middle East problem goes on sticking out like a sore thumb. During the Second World War a 'Middle East Command' was set up in Cairo by the British Army and became the centre of a vast fluctuating military province stretching from Iran to Tripolitania. All the diverse territories in this orbit, Asian and African alike, experienced similar war-time problems on which they needed outside help; while viewed from London and Washington they all had in common the need to be kept supplied by the long and difficult shipping route round the Cape. These territories, although their numbers grew or fell with the fortunes of war, were readily distinguished at any given time and for practical purposes they became the Middle East. There were eventually twenty-seven of them, but ten of these were subdivisions of Arabia and three of Somaliland. Persia, Iraq, Syria, Transjordan, Lebanon, Palestine, Cyprus, Egypt, Cyrenaica and Tripolitania formed the zone of greatest war-time activity, together with Malta whose status was exceptional. Turkey, Greece and British East Africa were also included for limited periods or purposes, but for convenience rather than as being parts of the Middle East. Egypt, Palestine, Syria, Lebanon, Persia and Iraq were the countries which called for most attention, and were politically and economically most advanced.

These territories threw up in bewildering profusion acute economic and social problems to which the authorities in London and later in Washington responded by letting loose on them such a varied cast of amateur talent as could perhaps only be matched by President Roosevelt's original Brains Trust. Mr. E. M. H. Lloyd has now in this volume most penetratingly and readably reviewed the development of these problems and of the inspired improvisations which restrained them from getting out of hand. Outlining the conditions which had to be faced he points out that the region is so predominantly desert or semi-desert that less than 3 per cent. of its area is cultivated; about half of it has a rainfall below 100 mm. which is the lower limit for barley, and most of the rest falls below 200 mm. which is the lower limit for wheat. Rainfalls equivalent to those of even the drier parts of Britain are reached only in three peripheral regions. Yet before the war the population was rapidly increasing above the 75 million mark and average annual *per caput* incomes appear to have ranged between about 30 U.S. dollars in Saudi Arabia and 100 in Palestine with Egypt (58) and Syria (63) about half-way between. Many cultivators had been forced by depression to sell out to landowners. In Egypt two-thirds of the holdings averaged only two-fifths of an acre. In one Lebanese village 2,140 hectares were subdivided into 32,643 separate plots. Towns were growing, twenty-five of them having populations exceeding 100,000. Even in some cultivated areas it was locally estimated that for every three 'good' barley crops there were three more 'partial successes, when one reaps little more than the seed sown, and one total

failure when the seed would have been more usefully consumed as food'. Although the home of pastoralism, the Middle East had next to no livestock industry in a Western sense.

Nevertheless, it is estimated that the pre-war diet yielded an average of some 2,200 calories a day, compared with under 2,700 for Italy, and was superior to that of some parts of Asia and South America, although undernourishment was common and local famines from total crop failure were not infrequent. In the First World War Syria and Lebanon while under Turkish rule suffered a disastrous two-year famine during which, it was reported, not less than 300,000 people died of hunger or of disease due to malnutrition. The weaknesses in production, distribution and local administration which had led to this calamity a generation earlier were still manifest in 1940, while the population to be fed had increased greatly, especially in the towns, and the military and political situation gave every incentive to hostile exploitation of civil discontents.

In November 1940, following the Italian invasion of Egypt and of Greece, the British Embassy and G.H.Q. in Cairo requested a regional authority to deal with supplies to Egypt and neighbouring countries. Mr. Lloyd describes how, on the initiative of the shipping authorities, the suggestion for an executive authority was rejected in London in favour of a less formal pattern based on shipping experience gained in the First World War. That experience rendered it unnecessary to persuade territorial governments to surrender any of their sovereignty. Given the virtual monopoly of shipping, any body in the Middle East designated by the shipping authorities as the one whose advice they would follow on shipments, and so staffed as to be able to produce reliable facts and judgements, would command all the power it could wish for, and its main problem would be to soften and make tolerable this power by stressing its constructive and helpful aspects. That was why the new agency was called disarmingly the Middle East Supply Centre, to the mystification and disappointment of persons like the first Minister of State in Cairo, Mr. Oliver Lyttleton, who wasted a good deal of time at a critical period trying to supersede it by a more grandiose executive organization. Such persons were slow to realize that the Centre had power, and therefore did not need powers.

If the civilian requirements of the Middle East were submitted and justified to it and included in its programmes, the Middle East secretariats in London and Washington steered them through the successive controls and saw that the goods were procured and shipped to the utmost practicable extent. If supplies were sought through other channels, or were not backed by M.E.S.C., or if the territories concerned were not making all reasonable efforts to help themselves and one another, the shipping authorities withheld their aid, and both governments and traders soon learnt that they got nowhere when that occurred. Mr. Lloyd describes with much administrative insight how this improbable system worked, even after its operation became complicated in 1942 by its transformation into an Anglo-American agency, serving as a regional representative of the Combined Boards.

'Anyone who had experience of the friction sometimes generated by conflicts of jurisdiction and interdepartmental rivalry [in Washington and London] could not fail to be struck with the co-operative spirit and single-minded interest in

the job that prevailed in Cairo. The importance of the work that M.E.S.C. was doing appealed to the most crusty and disillusioned of its temporary officials, but the majority of its staff were neither. They were either experts engaged in a job which gave them greater scope than they had before or administrators with a sense of mission and a flair for getting things done. Each in his own way found that working together in M.E.S.C. yielded a satisfaction that was enhanced rather than diminished by different national backgrounds. As an experiment in joint Anglo-American administration M.E.S.C. must be pronounced a success.'

This is true, and was due above all to the leadership of R. G. A. Jackson (who came, via Malta, from the Australian Navy) and the high quality of a team which included Keith Murray (now Chairman of the University Grants Committee) as Director of Food Supplies and Production, Marshall MacDuffie as Director of Materials, R. F. Kahn (now Professor of Economics at Cambridge), Dunstan Skilbeck (now head of Wye College), Jock Fleming of the Gezira Cotton Scheme in the Sudan, G. L. Bailey of Lake Copais and Sir Bernard Keen and Dr. E. B. Worthington as scientific advisers, to mention only a few.

If there is one important aspect which Mr. Lloyd does not perhaps fully bring out it is the strange duality of M.E.S.C.'s tough, tense everyday improvisation to get somehow through each successive crisis, to compete with innumerable rivals, and to frustrate its enemies, and yet at the same time the bold idealism and long-term planning which looked far beyond the war towards the mastery by science and sensible co-operation of the defects and backwardnesses with which the Middle East was cursed. Perhaps few large and powerful agencies have developed so far this starry-eyed Machiavellian quality which made M.E.S.C. irresistible within its field, but only so long as the war lasted. Many knives which had been well sharpened found their mark as soon as military necessity ceased to require so dangerous an organization, and the present state of the Middle East is a tragic demonstration of the opportunity which was not lost but thrown away. The Arab League itself borrowed the basis of its constitution from that prepared (and reproduced in the appendix of Mr. Lloyd's book) for the proposed Middle East Council of Agriculture, adopted at a conference convened in Cairo by M.E.S.C. in February 1944 and attended by representatives of ten Middle East governments. This and other co-operative Middle East bodies which could at that time have been launched with the greatest ease, and would have gone far to prevent the subsequent political and economic frustrations and divisions of the Middle East, were nipped in the bud by the hostility or indifference of the United States and to a less extent the United Kingdom Governments of the day. One has to turn to this book, and to such an outstanding survey as E. B. Worthington's officially published *Middle East Science* (H.M.S.O., 1946) to be reminded how completely all doors in the Middle East were open only fifteen years ago, and how widely and deeply accepted and welcomed were the advice and aid of British experts and British administrators working with the Americans and the Middle Easterners themselves, for their mutual benefit.

Among the devices and expedients which Mr. Lloyd describes are the little-known and surprisingly successful gold sales of 1943-4 designed to mop up excess purchasing power and to check inflation—a bold experiment for which, although he gives no indication of the fact, Mr. Lloyd was himself largely

responsible. Another to which he made a large contribution was the pioneer Points Rationing Scheme in Palestine, introduced in 1942 and recast in 1943. Cereals collection, a notorious pitfall for civil administrations in occupied peasant communities, was a constant source of anxiety, but even the wily and recalcitrant Syrians were finally persuaded to co-operate. Indeed after General Spears had exerted his great influence to induce the Syrian Prime Minister to visit the affected areas with the British and Free French co-directors of the Wheat Commission, grain rolled in after the 1942 harvest faster than it could be handled—a record which had probably hardly been equalled over fifty centuries of Syrian history involving numberless campaigns by rulers and armies for the same purpose.

Stocks and safety margins were, however, often hair-raisingly low—much lower at times than they ever were in India, which nevertheless suffered an appalling famine, as several Middle Eastern countries would have done but for the foresight, resourcefulness and toughness of the M.E.S.C. and its capacity for rapid improvisation under threat of breakdown of supplies. Even so, bread riots occurred in Tehran in 1942. However, as Mr. Lloyd shows, the methods adopted enabled the Middle East during the critical three years 1943–5 to hold down total imports of wheat and flour from overseas to 208,000 tons annually, which were more than counterbalanced by exports of barley and rice from Syria and Egypt. This relief to the shipping shortage well repaid the keen interest and support given by the Ministry of War Transport as the parent department of M.E.S.C., and was the more valuable in view of the drying up of supplies from India which, it seems odd to recall, was early in the war a source not only of rice but of wheat exports. East Africa, from which supplies had been hoped for, proved a broken reed, and the skill and effectiveness of the supply organization in and for the Middle East more than once proved a vital stabilizing factor in a world shipping situation so tightly stretched and precarious that the need even for limited emergency diversions over long hauls could easily have proved the last straw.

Mr. Lloyd's book is not only an important and reliable contribution to the history of the war and to the history of the Middle East, it is also a detailed and informative analysis of economic and agricultural problems which have rarely been encountered in so sharp a form or faced with such varied and flexible techniques. As such it is of permanent value, and we are much indebted to the Food Research Institute of Stanford University for arranging its preparation and publication.

London.

E. MAX NICHOLSON

GOVERNMENT OF INDIA, Publications of the Directorate of Economics and Statistics, Ministry of Food and Agriculture, New Delhi, 1956:

Studies in Agricultural Economics, vol. II.

Indian Crop Calendar (third issue).

Agricultural Statistics of Reorganised States.

Commodity Series: *Cotton in India, 1950–51 to 1954–55*;

Jute in India, 1954–55;

Oil Seeds in India, 1954–55;

Sugar in India, 1953–54 (Supplement).

Agricultural Legislation in India, vol. I: *Regulation of Money Lending* (revised edition).

WE have here a collection of publications of the central office of agricultural statistics of the Indian Union for the year 1956, a collection not complete but fully representative. Let us begin with the *Studies in Agricultural Economics*. This is a selection of reports and studies which for the most part appeared in *Agricultural Situation in India*, the monthly review of the above-mentioned office, or else are transcripts of speeches held at international conferences, thus concentrating in a single small volume those materials deemed of main interest for a broader audience. Author of a considerable part of the selected studies is Dr. S. R. Sen, Head of that office and Economic and Statistical Adviser of the Central Government's Ministry of Food and Agriculture. Every economist who studies the economic problems of under-developed countries would be well advised to read Dr. Sen's review of the evolution of statistical inquiries into India's agriculture. The exigencies of economic planning have been the driving force that has made India advance to the very first line, at some points, in the application of modern sampling methods in gaining primary statistical data on agriculture—while, at the same time, the attaining of a uniformly sufficient standard of the most fundamental data is still a target incessantly to be striven for. Out of the rich contents of the volume, we should further mention reports about what is going on in agricultural co-operation in India as well as about systematic fertilization experiments.

The *Crop Calendar* constitutes a type of handbook that would be highly appreciated in the case of quite a number of other countries too. Synoptic tabulations give the means to follow from month to month, separately for each state of the Indian Union, the sequence of crops and of the different operations on each of them. For the more important crops, this is supplemented by one diagram each, showing in lucid manner the season each crop covers the soil from seeding to harvest, separately for every state of the Union. Here, the geographical division still is the old one that was discarded in 1956.

In the booklet *Agricultural Statistics of Reorganised States*, however, statistics of areas cultivated and areas harvested have been compiled according to the boundaries of the new states which were constituted on the principle of linguistic units. With highly gratifying effort, the whole mass of figures was converted to the new territorial units retroactively for the years from 1949-50 to 1953-4. Irrigated crops are dealt with separately in much detail, which is exceedingly welcome. An offhand test shows that the annual statistics of areas cultivated in India offer a picture more differentiated than in any other country of a comparably complicated cropping pattern; while, on the other hand, even here—on the basic level of the simplest inventory—many a question rests unanswered. In 1953-4 among a total cropped area of 352 million acres (excluding current fallows as well as tree crops and groves) there were 54 million acres of irrigated area. Those 39 million acres which were seeded more than once in that same year, formed part of the irrigated area, probably without exception; on no more than 6 million acres, however, were both crops of the year irrigated. Unfortunately, the distinction of irrigated and unirrigated field crops has not yet been extended to quantities harvested or to yields per acre. Half the irrigated area

(i.e. 26 million acres) is planted to rice. That is to say, of the total rice area (76 million acres, of which a few million acres at most represent a second annual rice crop) one-third only is irrigated. In the plain states below the Himalaya mountain range, of the rice area of 38 million acres only one-fourth is irrigated; while in the Deccan states, half the remaining rice area of again 38 million acres is irrigated. To what extent 'unirrigated rice' means paddy rice in natural inundation areas in the great river estuaries, and to what extent it means rain-fed upland rice, cannot be learnt from the statistics of crop acreages.

As to the booklets of the Commodity Series, these compile all available statistical data of official and business origin, from cultivation to industrial processing or export, for a number of important agricultural products (not including rice as yet). Each of these booklets contains a textual chapter giving concise information about later events in price policy, development policy, &c., in relation to the respective commodity sectors.

Lastly, the revised edition of vol. I of the *Agricultural Legislation in India: Regulation of Money Lending*, is of great documentary value. In the main, this is a complete collection of the laws on moneylending valid in each state of the Union. There is added an introduction, however, based largely on the All-India Rural Credit Survey Report of the Reserve Bank of India, which offers an excellent condensed 18-page survey of the structure of India's traditional village credit, of the history of the pertinent legislation and of the limits of the efficacy of those legal measures.

This whole package of publications, issued in a single year, well shows the extended realm and the deepening scope, at key points, of the activities of the staff of statisticians and economists of the Indian Ministry of Agriculture.

Institut für Weltwirtschaft, Kiel, Germany.

MAX BIEHL

B. H. FARMER, *Pioneer Peasant Colonization in Ceylon. A Study in Asian Agrarian Problems.* Oxford University Press, 1957. Pp. xxvii+387; 12 maps, 29 tables and 24 photographs. £2. 15s.

THIS study of the government-sponsored colonization schemes is divided into three parts. The first is geographical: three chapters describe the Dry Zone of Ceylon, 'the scene of peasant colonization, as a region characterized by past glory and recent difficulty', and attempt to analyse its physical, economic and social character. A fourth chapter introduces the rural Wet Zone, considers its economic and social problems and contrasts these with the problems in the Dry Zone.

Part II sketches the history of peasant colonization and the evolution of a policy for land development. The author had spent six months in Ceylon in 1951 on field work and in documentary research and, consequent upon the delay in actually writing the report, was able to include a review of achievement in colonization up to 1953. The Dry Zone, the scene of the ancient civilization of the north and west, covers about two-thirds of the land area. In spite of malaria, indifferent soils and uncertain rainfall, the construction of large earthwork tanks for water storage had made possible an agriculture sufficient to support the

population. But these ancient irrigation works went into decay and since the Middle Ages population had declined and the land become mainly waste. The extension of British rule in the early nineteenth century led to a rapid development of plantation agriculture in the Wet Zone, but did nothing to restore the Dry Zone to prosperity. Up to 1914 there was very little colonization. From 1914 to 1931 the government sponsored experimental schemes, but little was achieved. From 1931 to 1955 there was rapid and successful colonization. It was based on a restoration of the ancient tanks and irrigation works and had the advantage of improved health conditions and better communications. Incentives were used to attract settlers, and at the end of the period there were thirty-one colonies with 16,500 colonists. In the period up to 1939, 'a phase of discussion and initial somewhat hesitant achievement', only four new colonies were established, but after 1939 the 'New Policy' of aided colonization led to accelerated development. In addition a number of state farms which were cleared from jungle during the war eventually became colonies.

Part III is the major contribution, and its eleven chapters form three-fifths of the book. The administration and planning of the Dry Zone colonies are described and compared with other methods of peasant settlement and other South Asian colonization schemes. Some general problems of planning and preparation for irrigation and land development and of land use, and some current natural difficulties of disease and water supply, are examined. The chapter on the selection of peasant colonists describes both the methods used in the older colonies and the modern machinery of selection, and gives a critique of the present methods. Two chapters are devoted to the social factor and to some specific social problems. Four chapters are particularly important: chapter 8 deals with the colonization schemes today, chapter 13 with the economy of the colonist, chapter 16 with the costs and returns, and chapter 17 with the colonies, the population problem and the future. The final chapter draws the conclusions. It gives a résumé of the argument of the book, the main problems incurred by current policy and some suggestions for their solution, and discusses possible alternatives to peasant colonization as it is at present understood in Ceylon. Colonization of the Dry Zone is shown to be an inadequate solution to the population problem but one which, with improvement of detail, should be extended until all the land available is fully developed. The author's conclusions are broadly in line with those of informed local writers such as Don Michael, and it is interesting to note that the present policy of the Ceylon Government, as outlined in the current Administrative Report of the Director of Land Development, is broader and includes also the development, on a peasant colonization basis, of the wet and intermediate land for tea, rubber and coconut cultivation. Starting with a pilot scheme of 100 colonists in 1955, a five-year development programme for 25,000 acres in the highland areas is being implemented. During 1956 a further 3,200 families were settled on 14,000 acres of land in the Dry Zone and 1,260 families on 4,751 acres in the Wet Zone.

The uncertainty of the rainfall, to which full consideration is given in the early chapters, has been forcibly demonstrated by the failure of the north-east monsoon in both 1955-6 and 1956-7. This caused great hardship to settlers in the colonization schemes, and the government came to their aid with subsistence allowances

and other relief measures. Had these two years been within the period surveyed, the author might well have had to modify some of his conclusions.

The book deals with one aspect of the problems of agricultural development and agrarian study in Ceylon. Others require study. Alongside these designed developments, there is, however, a disruptive tendency for refragmentation in the estates. Coconut cultivation has been traditionally both estate and peasant, but tea and rubber mainly estate practice. Although fragmentation of these estates is under 1 per cent., the position in rubber at the end of 1954 was considered serious, some 32,000 acres, about 5 per cent. of the total rubber acreage, having been broken up into small units. The future depends on the replanting of old rubber with clonal high-bearing strains, and this is rendered increasingly difficult with small holdings. The author was appointed to serve on a commission to investigate land policy and we may perhaps look forward to a subsequent volume covering this broader canvas.

In the preface the author, who is a Cambridge don and university lecturer in geography, discusses the content and field of geographical study and the spheres of 'pure' and 'applied' geography. He observes that he has touched on 'much which lies outside my competence' and asks indulgence of fellow geographers, who may consider he has well over-stepped the bounds of geography, and of specialists who may see their subject maltreated. This preoccupation with the idea of exact limitation of the field of a particular subject or discipline, which is common among academic persons, is in my view unnecessary and unrewarding. Dr. Farmer, incidentally, deals competently with the many subjects which may lie 'outside his competence'. Geography has grown in the past forty years from the rather restricted presentation of maps or catalogue of facts printed in the school textbook of that period, to a subject aiming to gather in much from the fields of agriculture, economics, sociology, surveying, meteorology and the rest. That any useful study of resources and people will embrace knowledge and techniques from several disciplines is axiomatic. It is of little importance whether the researcher is engaged in academic work, government service or private enterprise, and whether his official subject is agriculture, geography, sociology or other. There are, for instance, many official reports of surveys and studies of agrarian problems, published by departments of agriculture in overseas territories, competently taking in their stride the geographical, statistical, ecological, economic and other aspects of the problem. The authors, agricultural officers and administrative officers, accept this as normal. There is in fact a great deal of common knowledge from many disciplines shared by all competent investigators of agrarian problems. A researcher, however eminent, confined within the limits of his particular discipline would be of little use in dealing with the simplest of agrarian problems, because of their inherent complexity. This book is a valuable contribution. It owes as much of its practical usefulness to the author's knowledge and experience outside his official subject as it does to his unquestioned knowledge within it.

The arrangement of the text is good and the conclusions at the end of several chapters and the concluding chapter enable the reader to get a rapid appreciation of the study. References are given in footnotes: the reprinting of these as a complete bibliography at the end of the book would be an advantage. The maps

are simple and clear. The tables are concise and well designed. There is a glossary of local terms used in the text and an index. The photographs are particularly helpful to the reader who has no first-hand knowledge of Ceylon, in giving a good idea of the type of country, the agriculture and the colonies.

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