



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Vol XIII  
No. 2

ISSN 0019-5014

APRIL-  
JUNE  
1958

# INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF  
AGRICULTURAL ECONOMICS,  
BOMBAY

## BOOK REVIEWS

*Small-Farm Financing in Jamaica*, C. S. McMorris, Institute of Social and Economic Research, Jamaica, 1957. Pp. xiv + 128. (*Not Priced*).

Jamaica which is one of the West Indian islands has always been predominantly agricultural, producing most of its food and depending as well on its agricultural produce for the purchasing power with which to pay for its imports. This predominance is also reflected in the fact that agriculture provides employment for nearly one-half of the effective labour force. Small farmers play a vital role in her agricultural economy. In 1943 statistics showed that 21 per cent of the land under agricultural use was occupied by some 60,710 farms of 25 acres and under, which represented about 42 per cent of all land under cultivation. A study of small-farm financing in such a situation is, therefore, likely to be of particular interest to Indian students because of the similarity—at any rate apparent—in background conditions.

The present study, in fact, forms but a part of a more comprehensive scheme for research into the economics of small-scale farming in Jamaica as such. The purpose of the study is (a) to investigate the means adopted by selected groups of small farmers in Jamaica for meeting their requirements of capital, and to obtain some indication of the extent to which these requirements are met by available facilities; and (b) to compare the operations of the main formal institutions supplying credit to these farmers, viz., People's Co-operative Banks, the Yallahs Valley Land Authority and the Mid-Clarendon Development Co-operative Ltd., the last two of which were recently set up in special development areas.

A striking feature revealed by this survey is the overwhelming dependence of small farmers on savings for the acquisition of land and the financing of farm operations. Such savings had been obtained mainly from the sale of farm produce, though some farmers and their "wives" were able to supplement these funds with income from other sources, including off-farm labour. Loans played a much less important role as against savings in the financing of operations of most of the farms. Such loans were used mainly for cultivation and non-farm expenses, and less often for land and livestock purchase or the erection and repair of buildings. Many of the loans for the erection and repair of buildings were obtained under Government hurricane rehabilitation schemes.

The main study indicated that income from all sources on these small farms was relatively low and that surpluses in the form of savings that would be available for investment were correspondingly low and quite inadequate to meet requirements for operation at high levels of efficiency. Under these circumstances, one might expect that greater use would be made of loans, particularly because few of the farmers were heavily indebted. But there are a number of factors which delimit the use of loans. A general lack of experience in the handling of long-term loans, reluctance to use loans for purposes involving high level of risk, inability or unwillingness to meet the security requirements of the main credit agencies and above all, the general inadequacy of the loan assistance available—are some of such factors. Summing up the position it has been stated that the great dependence on, and relatively low level of, savings on the majority of the farms, together with the inadequate use of loans and the limited grant assistance available had combined

to produce a situation of gross under-capitalisation on these farms and few farmers had been able to achieve anything approaching maximum production from their small holdings.

When we turn to the recommendation part of the Report we move in more or less a familiar world, particularly because of our acquaintance with the discussion in the reports of the Rural Credit Survey of our own country. It has been stated that if one were concerned with building up a type of organisation which might be expected to undertake independent operations, then the most appropriate type to start with would be fairly small associations of farmers on co-operative lines under the control and direction of a central organisation. The existing People's Co-operative Banks numbering over one hundred and located in small farming areas throughout Jamaica provide a good basis for this type of organisation. Considerable degree of reorganisation in structure and methods of operation to meet the needs of the existing situation seems necessary. These Banks should provide short-term production credit and repayments should be related to the harvesting and marketing of crops. The encouragement of thrift and savings would form an essential part of the operations of these Banks and, wherever possible, they might also undertake marketing operations.

Then there would be need for a central organisation which would operate as an intermediary in the allocation of any funds provided by the Government. This organisation should operate through district branches and would also provide specialised knowledge, educational and training facilities for members and staffs of unit organisations, supervise loan operations and co-ordinate loan, thrift and marketing operations. The existing Agricultural Loan Societies Board is already undertaking many of these functions in relation to People's Co-operative Banks. It should, therefore, be possible to extend the scope of operations of this organisation to take in additional functions proposed.

Lastly, there is the need for an intensive educational programme directed towards the farmer, combined with a high level of supervision and guidance from extension services, to ensure that the credit so made available would be used properly and to the best advantage.

The study is welcome in that it helps in the understanding of an important aspect of the small farm sector of the Jamaican economy and offers many concrete suggestions for policy formulation.

At certain places the reader finds the discussion rather too brief and cursory to be clear. Portions relating to the need to link credit with marketing or the need for an educational programme for farmers, or a type of credit organisation offered as an alternative to reorganising People's Co-operative Banks—are instances in point. Probably this is the result of the small compass of the report itself. Further, it should also be pointed out that throughout the report there seems to be an overwhelming emphasis on the "capital needs" of the farmer as distinguished from the current farm expenses, including the means for maintenance of the farmer, although one finds stray references to the latter here and there. Particularly because the study deals with the small farmers one cannot but feel that this aspect of the issue should have received much greater attention than what is accorded to it now.

N. A. MUJUMDAR

*Agricultural Marketing in India*, Vol. II, K. R. Kulkarni, The Co-operators' Book Depot, Bombay, 1958. Pp. xxvii+1075. Rs. 32.50.

The book under review is a second edition of the one published by the author earlier and is addressed as a text-book to the students of co-operative training course. Besides dealing with the main theme, namely, agricultural marketing in India with special reference to co-operative marketing, it includes other topics such as Reserve Bank and Agricultural Finance, Produce Exchanges and foreign trade in agricultural commodities.

For the beginners in the study of co-operation, the book is undoubtedly informative. The detailed discussion relating to the East India Cotton Association and Bombay Oilseeds Exchange would give the reader an insight into the complicated working of these institutions. So also, the chapter dealing with State-wise growth and development of marketing co-operatives is useful.

However, the present book suffers from some defects. Firstly, it seems that the size of the book could have been reduced considerably without sacrificing the essence. For example, it is doubtful whether it was necessary at all to reproduce over 52 pages (pp. 800—852) of the book the recommendations of the Bombay Expert Committee on Regulated Markets. Also there appears to be considerable scope for reducing the number of schedules, forms and appendices reproduced in Chapters IV, V and VI, which run into over a hundred pages.

The publication is also disappointing as an integrated piece of work. It is well-known that the source material on marketing consists of reports of various Committees and Commissions and a critical study of these reports is a pre-condition to the understanding of the present trend of thought on marketing in India. This book, however, fails even to summarise properly the recommendation of these reports. It need not be added that no critical evaluation is attempted. To quote only one instance, nowhere in the eight-page discussion (pp. 762-769) of the recommendations of the Bombay Expert Committee on Regulated Markets mention is made of the recommendation regarding suitability of separate Marketing Acts for commercial and non-commercial crops, which was one of the terms of reference of the Committee. Recommendations of the other Committees too are not only randomly spilt over at different places in the book but that their essentials are also either overlooked or poorly emphasised with the result that after reading the book the reader fails to know the essence of marketing in India.

Of course, one would appreciate the efforts put in by the author in producing such a book. At the same time, one is constrained to remark that had the scope of the book been restricted to the main theme the author could have presented it in an integrated form. Incidentally, it would have resulted in better returns to students for the time and money they would spend on this book.

S. S. MADALGI\*

*Economic and Social Effects of Jagirdari Abolition and Land Reforms in Hyderabad*, A. M. Khushro, Osmania University, Hyderabad, 1958. Pp. xii+240. Rs. 8.00.

With a view to fulfilling the two-fold objective of land reform, namely, to remove such obstacles in the way of attaining high level of efficiency in agriculture which arise from the character of the agrarian structure and to create conditions for evolving an efficient agrarian system which is based on equity, most of the States in India by now have enforced laws to remove all the intermediary right-holders from land, to confer proprietorship of land on *bona fide* cultivators, to regulate agricultural tenancy, to prevent excessive sub-division and fragmentation of farm lands, to promote their consolidation and to fix a ceiling on acquisition of land in future and on existing land holdings.

Time is now ripe to undertake research studies to evaluate the land reform measures in order to find out whether the goal aimed at has been attained or not and the obstacles in the achievement of the goal. So far no publication has come out on the scientific evaluation of land reforms except the two reports on the working of the Bombay Tenancy Legislation published by the Gokhale Institute of Politics and Economics, Poona and the Indian Society of Agricultural Economics, Bombay. The technique of evaluation of land reforms is still in the process of crystallisation and therefore the book under review may perhaps be considered as a precious contribution in this field of research.

The '*jagir*' was a free grant of one or more villages from the ruler of the State to the grantee as a reward for some meritorious services, either military or otherwise. The grantee called the '*jagirdar*' had the right to collect land revenue from the land holders and generally retained the whole of it without passing it on to the State. About 40 per cent of the total area of the former Hyderabad State was under the jagirs. The jagirs were abolished under the Jagir Abolition Regulation of 1949. The Hyderabad Tenancy and Agricultural Lands Act which was passed in 1950 was another landmark in the changing pattern of the agrarian set-up of the State. In view of the important nature of the reforms concerned, the Osmania University decided to take up a research project to investigate the economic and social effects of jagirdari abolition and land reforms. The project was approved and financed by the Research Programmes Committee of the Planning Commission. The investigation was launched in July 1954 and completed in November 1955.

The former Hyderabad State consisted of three linguistic regions, viz., Telangana, Marathwada and Karnataka. For the purpose of sampling, the jagir villages in each region were grouped separately and each regional group was further stratified into six sub-groups on the basis of administrative and socio-economic characteristics. On the whole, 43 ex-jagir villages were selected by the method of random sampling. In addition, 10 non-jagir (*Diwani*) villages were selected for investigation so that it may be possible to compare the rate of change in non-jagir areas (which have been subject to many influences but not jagir abolition legislation) with the rate of change in jagir areas (which have been influenced by all factors, including jagir abolition legislation). The list of households in each selected village was prepared and then sub-divided into four groups, viz., (i) landlords and predominantly owner-cultivators, (ii) predominantly tenants,

(iii) predominantly agricultural labourers and (iv) non-agriculturists. From each such sub-group a random sample of 15 per cent of the households was taken for detailed investigations. The enquiry was many-sided covering selected households, village officials, a few leaders in each village, a sample of protected tenants and their landlords, a sample of plots of land, heads of various nation-building departments of the State Government and a few selected jagirdars. However, the main source of data was the sample of households about which information on composition of household, composition of cultivated holding, yield from land and gross annual family income in kind, employment, annual money income and savings, borrowings, etc., before (*i.e.*, in 1948-49) and after (*i.e.*, in 1953-54) the abolition of jagirdari was collected.

Under the Hyderabad Tenancy and Agricultural Lands Act of 1950, every tenant who had cultivated land on lease for a minimum period of six years was declared as protected tenant which mainly meant protection with regard to occupation of the land and right to purchase that land subject to other conditions laid down in the Act. The survey reveals that a considerable number of protected tenants were deprived of their status under various pretexts. Thus in the ex-jagir villages, out of every 100 protected tenants created in 1951, 12.42 per cent had purchased their lands and become owners, 45.39 per cent had continued to be protected tenants at the time of enquiry, 17.83 per cent had voluntarily surrendered their land, 2.58 per cent had been legally evicted and 22.14 per cent had been illegally evicted. The corresponding figures for non-jagir villages were 61.38, 19.69, 6.39, 0.79 and 6.65 per cent respectively, thus indicating that the protected tenancy was more effective in the non-jagir than in the jagir villages. While dealing with the causes of evictions and surrenders the author, instead of stating that sometimes the surrenders are genuine, sometimes there have been offers of money, etc., should have quoted number and percentage of cases of eviction falling under each one of the causes so as to be more precise (pp. 46-47). One of the interesting points brought out by the Report is that the annual rate of evictions of tenants has been constantly on the decline since 1951-52 but the evil of evictions has not yet ceased completely (pp. 44-45).

As regards sale and transfer of land, the enquiry reveals that in the ex-jagir villages, 1.34 per cent of total owned land (exclusive of inams) of the selected families had been sold and another 3.75 per cent had been transferred within a period of five years. On the basis of investigation of plots of land, it is stated that out of all the plots investigated, 13.6 per cent saw change in ownership, 5.9 per cent due to sale, 6.1 per cent due to transfer and 1.6 per cent due to donations.

Another fact revealed by the study is that there was exodus of families from ex-jagir villages. Thus, in the 43 villages, the number of families declined from 6,825 to 6,240, *i.e.*, by 8.6 per cent during the five years from 1949 to 1954. It appears that mainly on the basis of conjectures, some reasons are given for such migration; but this part of the enquiry could have become more concrete had the survey attempted to make a list of families which had left and the reasons for their migration by asking village officials and knowledgeable persons of the selected villages (p. 58). Another interesting point learnt from the Report is that there is a close similarity in the pattern of land holdings between the jagir



and non-jagir areas, thus indicating that the jagir system had not given rise to any significant deviation in the pattern of land holdings (including prevalence of tenancy) (p. 70).

The most difficult part of evaluation of land reforms is to find out whether they have promoted agricultural efficiency and increased production and income from land. Since many variables having effects on agricultural production are at work simultaneously, it is almost impossible to isolate the effect of land reform on land productivity. The practical way is to ascertain whether the reforms have promoted improvements and investments in land and for this purpose it may suffice to consider the investment in land in various forms of land improvement as an indicator of better care and efficient use of land. This was broadly the method followed by the Gokhale Institute of Politics and Economics, Poona to find out the effects of the Bombay Tenancy Act on agricultural efficiency. The Report under review, however, after admitting that an estimate of incomes and changes in incomes before and after the land reform measures is quite hazardous, goes on to estimate income changes. After all, in this study, one is actually interested to know what is the effect of land reforms on agricultural incomes and as it is not possible to isolate and estimate this fact, there is no point in dealing in general terms with income, production and productivity in a survey of this kind. For this and allied reasons, it is not correct to draw any conclusions regarding these points. For instance, such statements as that "the change in the relative shares of village occupations may be laid at the door of land reforms and the rise in labour incomes from 18.5 per cent to 20.8 per cent of total village income may be treated, at least partly, as a counterpart of the increase in the number of evictions and surrenders" (p. 96) do not lead us much farther. Hence, in the opinion of the reviewer, chapters eight, nine and ten of the Report could have been omitted without reducing the value of the volume. This would have helped not only to reduce the bulk of the Report but also to enhance its readability.

The Report has also attempted to find out the changes in investment in land. The definition of investment adopted by the survey does not appear to be correct for the simple reason that it is wrong to include expenditure on seeds and manures (which form current farm expenses) in investment. As to conclusion on this point, the Report says that even allowing for a difference in the price level of investment goods and services between 1948-49 and 1953-54, an increase in real investment seems to be indubitable (p. 112). However, figures of investment are not given separately for tenant and owner cultivators and therefore it is not possible to compare the relative extent and pattern of investment of the two categories of cultivators.

About rent we come to know that during the five years preceding the enquiry rents increased to the extent of 19 per cent. It is added in the Report by way of comment that "so long as the settlement of rent is left to customary methods and practices and so long as market conditions are unfavourable to tenants it is clear that there cannot be a general reduction in the rent structure" (p. 104). But the Hyderabad Tenancy Act of 1950 had stipulated that rents were not to exceed four times the land revenue on irrigated lands and dry *chalka* (sandy loams) lands and five times land revenue on other dry lands. It is clear that these maximum rates of rent were ineffective and the Report could have served us better had it given



us the idea as to whether the tenants were aware of these rates and as to why they were paying rents at illegal rates. The reviewer fails to understand how the Report concludes that the subtleties of tenancy legislation are responsible for rise in rents (p. 105).

Another interesting set of data presented in the publication concern borrowings and indebtedness. It is instructive to note that the cultivators had increased their annual rate of total borrowings by 108 per cent in the ex-jagir villages. We learn that credit facilities and credit-worthiness have not made an altogether worse show since land reforms than before it (p. 121). It is also revealed that the role of money-lenders and jagirdars as a source of finance has diminished while that of co-operatives, relatives and friends has increased.

One may in the end legitimately ask, what is the lesson that we can profitably draw from the survey? It is obvious that many of the conclusions of the survey were already known to us on the basis of 'a priori' analysis. What is expected of such a study is to have clear cut and practical policy indications. The book does not, however, fully discuss the policy indications. The value of the book could have enhanced further had it made a thorough analysis of implementation of various provisions of such land reforms as the tenancy law which are yet to be introduced more effectively in many of the States. Thus the survey ought to have thrown more light on the issues like ineffectiveness of rent provisions, failure of protected tenants to purchase lands, extent of land sales and transfers in each village since the land reforms, to whom sold and transferred, etc. Without this kind of more constructive approach, the Report though logical and comprehensive, has become less purposeful. The overall impression one gets about the Report is that some of the portions and data which have only remote connection with land reforms and which have thrown up too obvious conclusions could have been omitted, so that the essence of the survey and its implications for policy could have been brought out more prominently. Nevertheless, the path which this research project has paved in the unexplored tract of evaluation of land reforms is certainly going to be very useful to the country at large.

H. B. SHIVAMAGGI\*

*The Problems of Land Transfer*, K. M. Mukerji, Santiniketan Press, Birbhum, 1957. Pp. xx+275. Rs. 10.00.

'The Problems of Land Transfer' by Dr. K. M. Mukerji deals with some aspects of land transfer problems in Bengal before the partition. It is full of detailed statistical information concerning the investigations that were carried out by the author specially in the various parts of the Faridpur district of East Bengal during 1944-45. The investigations were primarily concerned with the study of the alienation of cultivators' holdings and allied problems with a view to evolving more or less precise and correct picture of land transfer problems considered in light of certain developments. But his observations on the conditions prevailing before and during 1944-45 seem today quite out of date and one wonders

---

\* This review is contributed by the reviewer in his personal capacity and, therefore, the responsibility for the views expressed is that of the reviewer himself.

why the author has postponed its publication till 1957 when the whole of the perspective as well as the problems of agriculture have changed a good deal.

The author has taken considerable pains in studying the problems of land transfer from 1920 to 1944. The period marks the aftermath of first World War, covers the years of the Great Depression of the 'thirties, tries to study the effects of different tenancy laws on the land and the farmer and finally sums up the impact of Bengal famine of 1943-44 on agricultural holdings. The author has dealt at length with the effects of Bengal agrarian legislation specially the Bengal Tenancy Acts of 1928-1938, Agricultural Debtors' Act, 1935, etc., on the transference and concentration of holdings, specific causes of land alienations, their effects on the agriculturists and how far the conferment of occupancy rights have changed the complexion of agriculture. He has detailed the terms of land transfers, their variations in different periods—specially the impact of famine on this, the causes and the consequences of transfers, the correlation between the general price level and the transfer, etc.

In doing so, he has studied the influence of tenancy legislation and of other legislation relating to rural moneylending and agricultural debts on the nature and changing forms of land transfers. He has systematically studied different periods from 1920 onwards including the period covering the historic Bengal famine of 1943-44 and notes that the positive cause of increase in land transfers was the overall change in the economic situation during 1939-44. "The wartime inflation, food scarcity and high prices increased, on the one hand, the market value of land, and, on the other, reduced a considerable bulk of small cultivators into virtual paupers." He further brings out the severity of famine, the economic distress caused by it resulting in 'distress' sales of lands during the period. As usual with the poor agricultural economy, the rent arrears, old debts, uncertain livelihood, small and fragmented holdings, the general poverty of the land and the cultivator, etc., have been associated with the transfer of occupancy holdings in Bengal.

The author has approached the subject quite in earnest and tried to bring together all the relevant factors that have contributed and accelerated land transfers. He has also tried to link up the effects of price variations on the same and has given a picture of the rural economy of Bengal during these years. But elaborate statistics of small villages could have been very well avoided.

The author stretches the old controversy whether it is desirable to give tenants the unrestricted right of transfer. The objective in restricting the right of transfer is to keep the land to the actual cultivator and to prevent its passage to non-cultivating rent-receivers and non-agriculturists as well as to make efficient use of it. Modern legislations seek to achieve these objectives by different measures, and over and above conferring the occupancy rights, assist the cultivators by facilitating easy agricultural credit by providing for and encouraging a network of credit institutions. The author observes that occupancy raiyats have been endowed, in the two decades under reference, with all their legal security and rights; (including the right of transfer) and still they "have economically suffered the worst and have been deprived largely of the benefits of occupancy rights through sale, lease, pattas and mortgages." He advocates a regulated transfer-right with

a view to proper utilisation of the lands and the stabilisation of the household economy of the cultivators, specially of the small holders.

However, the observations lose much of their practical value as they relate to the area which has ceased to be a part of the Indian territory since last ten years. The second world war, the partition and with the advent of independence and the national Governments at the Centre and the States, the approach towards agriculture in general and agrarian reforms in particular have undergone a radical change. Even though all federating States of the Indian Union have not marched forward with the same speed and intensity, various legislative measures and developmental activities aimed at increasing the efficiency of Agriculture and making it an 'Industry' have put the whole problem of agriculture in different light, and the 'land to the tiller' has become the accepted norm of agriculture; even though in practice we may not have yet achieved it. So in the light of the changed and the changing situation specially after the First Five-Year Plan and our efforts to increase the agricultural output, this study retains an academic interest only.

It would have been much better if the author had dealt with the cultivators' right of land alienation in light of agrarian reforms legislation enacted by the different State Governments since independence and their effects on agricultural economy in general. With the background of his enquiry and experience, such an attempt would have rendered this book more useful.

The agricultural conditions vary from State to State and from place to place in a big country like ours; and such studies seek to emphasise again and again the abject poverty and the deplorable conditions of our agriculture. The author's zeal for minutest details and the steady interest with which he has presented his observations are praiseworthy.

C. B. AKKAD

*The Land Problem of Reorganised Bombay State*, G. D. Patel, N. M. Tripathi Private Ltd., Bombay, 1957. Pp. xviii+466. Rs. 12.50.

Like his other works, the publication under review attempts to present a well-nigh complete picture of the land problem of re-organised Bombay State. In writing this book the author has kept before him the requirements of Government, administrators, agricultural economists, political and social workers and candidates appearing at the Revenue Qualifying, the Revenue Lower and Higher Standard Examinations. Thus writing for a variety of people, the author has attempted to be less rigid, and has offered a more general treatment of the problem.

Social background to the land problem has been provided by the author through a thorough discussion of land systems in the Reorganised Bombay State.

Starting with the geographical details with due emphasis on regional variations, history of land tenures and land administration, the book provides a good background of the land problem of Bombay State.

One finds in this book complete details of the land reforms which have been undertaken for the rationalisation of the land system, land tenures, prevention of fragmentation and consolidation of holdings. These measures aim at cutting down the tall-poppies and making the sons of the soil the owners thereof and, therefore, these measures are significant.

The author traces the complete history of land revenue system in our country from 1576 onwards and shows how the present system evolved. He believes that all land tenures in the past originated in the exigencies of administration and the overriding considerations of political expediency which arose out of necessity to provide backing to the existing rule and more or less permanent revenue.

After describing the tenures in Konkan, Vidarbha and Marathwada, the author deals with the future pattern of land reforms, and he asserts that the future of land reform is the establishment of ryotwari system in the end.

The author's suggestion about the future pattern of agricultural development is realistic.

The author has indicated the problems that the new State of Bombay will have to tackle, following the abolition of intermediaries.

Co-operative farming, the author says, has failed to show any spectacular result, because of the inferior quality of land. As a means of increasing productivity co-operative farming is not likely to prove itself. The author, although inclined to believe that with proper educative experiments co-operative farming can be made a success, has a warning for unthinking enthusiasm.

It must be said on the whole that though a deep analysis of the land problem is not very marked the book is likely to be very useful by way of good collection of data.

N. H. SHAH

*Report of the Expert Working Party on Agricultural Support Measures*, Food and Agriculture Organization of the United Nations, Rome, 1956. Pp. iii+115.

With the recognition that free market prices of farm products are liable to fluctuate widely, the adoption of measures of agricultural price and income support has become widespread. But the significance of the indirect and secondary effects of price support measures both within the country and outside have not been fully appreciated.

The present Report of the F.A.O. expert working party set up in 1955 in accordance with a Resolution of the Eighth Session of the F.A.O. Conference is concerned with the appraisal of many different systems of agricultural support measures and evolution of general conclusions capable of fairly widespread application.

The Report is divided into four parts. The first part of the report is introductory. The second part considers (i) the measures to support agricultural prices which do not involve price guarantees, (ii) agricultural price guarantees and

(iii) measures tending to raise farm incomes other than by the regulation of prices. In regard to (i), it has been pointed out that agricultural price support measures based on the regulation of international trade and on the organisation of marketing are largely self-financing and can be of great value to farmers. But only some countries have made use of them. Price guarantee may take the form of (i) guaranteed minimum price, (ii) a guaranteed price range and (iii) a fixed price. The determination of actual price support levels involves a careful balancing of interests. The Report observes that though many countries have attempted to develop formulae for bringing certain factors in price fixing, some complicated and others simple, it is still true that in all countries, the final decision has a large *ad hoc* element in it.

Guaranteed prices can be implemented either by regulating the flow of supplies to market or by financial methods. The Report rightly emphasises the fact that "for exporting countries at least, the implementation of price guarantees by means of buffer stocks demands the provision of effective measures to control production or a readiness to sell, if necessary at a loss, should stocks become too high." Financial methods of implementing price guarantees are at present less various and less widely used than the regulation of market supplies. They include deficiency payments, equalization funds, and the adjustment of import taxes or exchange rates.

While considering the measures which raise farm incomes, it has been aptly pointed out that "it will not always be possible completely to replace price supports with measures to reduce costs and promote productivity since it may still be necessary to provide shelter against price instability."

In the third part of the working paper the various types of support measures are appraised from the point of view of producer and consumer and in relation to the problems of agricultural surpluses and international trade. Touching upon the controversial issue of price supports featherbedding the inefficient producer, the Report says, "it is certainly true that unambitious farmers may be able to make a tolerable living with less effort if prices are maintained by support measures. But it is equally true that higher prices and incomes enable the more ambitious farmers to invest more in their farms and in this way to raise their productivity."

In the under-developed countries measures of price support which are largely self-financing are desirable. For example, systems of limited buffer stocks coupled with the government regulation of imports and exports of basic foodstuffs have been resorted to in Indonesia and Philippines. But shortage of trained staff with the experience to carry through daily operation is an obstacle which should be overcome.

The impact of agricultural supports on consumer prices varies widely with circumstances and it is important not to exaggerate their effect. And the consumer prices do not depend exclusively on farm prices. The wide average marketing margin for foodstuffs means that changes in farm prices have a much less than proportionate effect on retail prices.

In conclusion, the Report lays down four criteria for the adoption of agricultural support policy: (1) the greatest practicable flexibility of agricultural production in its adjustment to consumer demand; (2) a balanced and expanding consumption of agricultural products; (3) the most rational use of the agricultural and other resources of the country; and (4) the greatest simplicity of operation with the minimum of cost to the community as a whole in relation to the results achieved.

The perusal of the Report makes one feel that the main part of it (2nd part) which tried to comply with conference resolution, was much too factual and not analytical enough. One would agree with the view of the French representative Mr. Janton that "the scope of these measures should have been evaluated."

The Report is a valuable document giving a fund of information on the various systems of agricultural support measures in different countries. It has also drawn attention to many complex problems involved, which indicate the direction of study and research that will be necessary.

(Mrs.) V. M. VISVESVARAYA