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Much of such criticism is of course the result of a genuine ignorance regarding the mechanics of large-scale sample surveys and the limitations within which they were organized and executed. The criticism also often suffers because of a sincerity of purpose marred by a lack of sense of proportion. But this was not all. Unfortunately, there are also instances of a failure to adhere to the standards of objective criticism. For instance, because for certain reasons of operational convenience of field work, which were not difficult to understand, the RCS defined a sampling frame comprising of all cultivators and proposed to canvass what was called the farm business schedule, Thorners accuse the RCS of regarding every peasant a business entrepreneur. Thorners surely knew what they were doing. Their final verdict on the RCS, emphasized in the Postscript, was: "The Rural Credit Survey failed to make a scientific contribution because in every important aspect it was moulded by the predetermined policy favoured by the Committee." This might be true. But one suspects that Thorners' criticism of the same also failed to make a scientific contribution because in many important respects it was moulded by the requirements of a brief they were holding.

One admires nevertheless the energy and purpose which Thorners brought to bear and the amount of hard work they put into every bit of their writing. In India, they enjoyed a wide circle of readers and many of them would treasure this collection of their writings though, with one notable exception, there is probably not much that would stand a second reading. The one exception is of course the celebrated article "Ploughing the Plan Under". Apart from providing an excellent illustration of the energy and vehemence with which Thorners characteristically attacked, it also offers evidence that they did not altogether lack a sense of humour. In this devastating review of the report of the Ford Team, Thorners compare the Ford Team with a Bullock Team, for instance, and finding nothing to choose between, conclude: "Under the guise of an assessment of problems of food production by a panel of experts, we find a judgement against industrialization in India by a bench of amateurs." Altogether, the article is a superb specimen of the performance of a bull (or a pair of them ?) in a china shop.

V. M. DANDEKAR

Survey of Capital and Credit in Agricultural Co-operative Societies in Great Britain, William Morgan, Basil Blackwell, Oxford, 1960. Pp. xii + 143. 15s.

Great Britain has experienced a rapid development of agricultural and horticultural co-operation since the war and a continuing need for capital to finance it. The present survey inquires into the sources and uses of capital of these Societies and their adequacy to meet the Societies' own development and the legitimate credit needs of their members. The report falls into two parts: The first surveys the supply and use of capital in the agricultural co-operative movement between 1950 and 1958. The second part consists of short studies of selected societies with particular reference to their capital and development problems.

The important findings of this survey are as follows: The turnover of the British agricultural co-operatives has increased since 1950 by 0.5 per cent a year at constant 1950 prices and by 10 per cent at current prices. The growth in the

trade of the requirements and multipurpose group was about twice as great in real terms as that of the marketing sector. The big societies in both sectors tended to grow in membership and turnover much faster than the smaller or medium-sized societies. A large part of growth since 1950 was due to 30 or 40 of the largest societies. The wider range of activities and services performed by the big multipurpose societies gives them a turnover per member about twice that of small societies with a limited range of services.

The owned capital resources have increased faster than trade, and the movement is relatively less dependent on outside borrowing, including bank overdrafts, though it is relying slightly more on trade credit than in 1950. However, some 10 per cent of the societies do not cover the book values of their fixed assets by their net worth—these are mostly small and medium societies—they must therefore obtain their working capital by borrowing or by relying on trade credit.

In general, it is the expanding societies which have been faced with the greatest problems of capital and credit. The very big societies have developed sophisticated and successful techniques of capital raising, and, on the whole, they have been able to avoid any serious curtailment of their development plans for financial reasons. The societies which have the greatest difficulties are the small and medium-sized societies which have to expand rapidly to supply services as demanded, or to increase turnover in order to become or to remain viable trading bodies.

Improved efficiency in stock management kept the burden of stock carrying from rising proportionately to turnover during the last decade. But the amounts owed to the societies by members rose faster than trade, and in 1958 the 'debtors' figures were almost twice as high as the 'creditors.' A large proportion of the trading capital and internal resources of the movement is thus used for financing the trade debts of the members. At peak credit periods, 50 to 60 per cent of all the assets of some societies are tied up in this way. The average length of credit given to members on sales of requirements was two months in 1958, about five days longer than in 1950. This increase in debts owed by members has undoubtedly added to the capital and credit problems of societies. Such debts have absorbed a large part of the new resources flowing into the movement and have reduced the amount available for investment in new equipment and machines.

The average annual new investment (excluding the financing of stocks) is less than the average sum distributed in bonus, and is lower than the level of investment in other industries of comparable size. In 1958, two-thirds of the gross investment (depreciation allowances plus the increase in fixed assets) in the requirements' group was made by the 10 biggest societies. In the egg group, between 50 and 60 per cent of the gross investment was carried out by five important societies. In a sizable section of societies it is clear that the investment made is for the maintenance and renewal of assets rather than for expansion.

The movement, as a whole, uses about £24 million of trading capital over the year. The peak period of needs is about 50 to 60 per cent above the average for the year. About one-third of this short-term credit is now obtained from commercial banks.

Operationally, the movement has shown a high degree of efficiency and success. A net surplus of over 3 per cent of turnover has been maintained. This margin of £4 to £5 million a year must remain potentially the main source of new capital. But in 1958, £2 million was distributed as trade bonus, while under £½ million was added to reserves. In many societies much of the distributed bonus is retained or returned as share capital, but altogether considerably less than half the bonus is returned to societies. It is therefore recommended that a firmer policy of reserve creation and schemes for the retention of bonuses could go a long way to provide the long-term capital needed for expansion in the next ten years.

It may be observed that co-operative movement is of less importance as yet to the whole agricultural economy in Great Britain than it is in a number of other countries. The co-operative share of all trade in feeding-stuffs, fertilizers, machinery and fuel is about 13 per cent, though the turnover has increased since 1950. Yet, the results of the survey on British agricultural co-operatives should be of great interest to all those engaged in agricultural co-operation.

N. V. A. NARASIMHAM

Economics of Irrigation and Water Rates under Cauvery Mettur Project, The Agricultural Economics Research Centre, University of Madras, Madras, 1961. Pp. 177. Rs. 8.00.

The book under review is divided into three parts. The first part outlines the historical background of the Cauvery Mettur Project. Part II deals with the benefits flowing from the project and an analysis of the benefits and costs of the project. The criterion adopted in fixing the water rates for the region and the system of levy in practice, are discussed in Part III.

Section two of Part II, wherein a benefit-cost analysis for the project is attempted, forms the core of the study. The benefit-cost analysis attempted is an application of the accepted notion of private and social returns. The implication is that, while with the project authorities the financial returns of a project may weigh more in judging the economic feasibility of a project, so far as the social benefits of a project exceed the social costs, the project may be worthwhile from the point of view of the society. On this basis the study works out the social benefit-cost ratios obtained for different years for the project.

While such an attempt is commendable in itself, it is likely to blur on the very nature of the problem involved. Benefits are a composite product and they flow over a period of time. Again, costs are joint costs. As such it is not safe to analyse the benefits and costs on an year to year basis. This point gains further strength when we consider the role played by the weather-factor in determining the yields in a particular year.

For instance, the benefit-cost ratios are worked out only upto 1949-50, a period of ten years from the inception of the project in 1939-40. This ratio exceeded unity in the first four years, became less than unity in the next two years, improved