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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

in the following year and declined again below unity. Assuming that generally it takes about five years for irrigation to develop in a region, one would have expected the benefits to flow at a stabilized rate after the fifth year. However, these data indicate that the gestation period in the case of some projects is protracted for a longer period of time than is normally supposed. This is a note-worthy point.

The title of the book would arouse expectations in the mind of the reader about the fuller treatment of the theoretical portions of the benefit-cost analysis and the problem of water rates than those already attempted. The book could have gained in quality if the historical descriptions were excluded. Though a good attempt, the book has little new to add to the existing literature.

BASHIR A. DESAI