



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

*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 XVIII
No. 2

ISSN 0019-5014

APRIL-
JUNE
1963

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

BOOK REVIEWS

Land Tenure, Industrialization and Social Stability : Experience and Prospects in Asia, Walter Froehlich (Editor), Marquette University Press, Milwaukee, Wisconsin, 1961. Pp. xv + 301. \$9.00.

Land reforms continue to command the attention of the planners and the people in Asian countries, particularly in countries like India where the vast majority of the population is dependent on agriculture for its livelihood, as long as the principal objective of land reforms, *viz.*, evolving a new socio-economic order relating to ownership and utilization of land is not fulfilled. That the fulfilment of this goal is the most difficult task in the context of acute land hunger, illiteracy and inadequate administrative machinery needs no elaboration. What really needs to be considered is whether the measures taken are adequate and in the right direction, whether these measures are implemented speedily and effectively and whether measures in other related fields, necessary for the ultimate success of land reforms, have been simultaneously undertaken. The essays contained in this publication throw some useful light on these issues.

This book, the second volume in the series of the Marquette Asian Studies, is a collection of essays submitted at a symposium held at Wisconsin in September, 1959 under the joint auspices of the Institute for Asian Studies, the Graduate School and the Department of Economics of Marquette University. The symposium represents an inquiry into the problem of land tenure, confronting the economies of Asian countries, and its relationship to economic, political and cultural change. The volume is divided into three parts. Part I sets out the background of the problems. In Part II, progress of land reforms in some Asian countries (Taiwan, Japan, the Republic of Korea, the Philippines, Vietnam, Thailand, India and Pakistan) is discussed with special reference to the problem of land reform and economic development. The third and the last part is designed to show the implications of land reforms in Asia for the United States. A perusal of the publication reveals how complex are the issues involved.

Apart from considerations of economic and social justice, which are the fundamental goals of land reforms, the significance of land reforms also arises from the need for a change in economic and social structure which is necessary for rapid development of an economy characterized by an inadequacy of agricultural resources in relation to the farming population. However, the effective implementation of the land reform programme itself becomes a problem under such a situation, unless proper administrative arrangements are made and it is also assisted by the simultaneous development of non-agricultural resources and the orderly transfer of people from agricultural to non-agricultural pursuits. The success of land reforms in Japan and Taiwan, as against tardy progress in other Asian countries, stresses the importance of this point. The accomplishments in Japan and Taiwan are the outgrowth of firm determination, adequate laws, and effective enforcement. Enforcement was made possible by assigning this task to agencies at different levels of Government, including local land commissions of elected representatives of tenants, owners and landlords. Other factors contributing to the success included substantial funds towards meeting expenses of programmes, technical assistance and increased education among farmers. In

Japan, for example, hundreds of thousands of farmers keep farm accounts. In Taiwan, Japan and the Republic of Korea, Government purchased a large part of the leased land and resold it to tenants. Few, if any, of other Asian countries have had this combination of factors to ensure translation of legislation into effective action. Absence of more rapid and solid progress in other countries is due to (1) the law not being mandatory, (2) insufficient decentralization in executing the programme, (3) adverse attitudes of both the landlord and the tenant and (4) the inadequate attention to the interests of landlords, who, though in minority, wield a powerful influence on the Government and its administrative personnel. Where these shortfalls have been avoided, the success has been remarkable. In Taiwan, for instance, the interests of both landlords and tenants were taken into consideration. For the land purchased, the Government paid the landlords 70 per cent of the price in land bonds (to be redeemed in kind) and 30 per cent in the shares of four Government industries. The land bonds were specially designed and issued to protect the value of the payment from possible inflation while the shares of Government industries aim at transferring to industry private capital so far tied up in land. For the land resold, the farmer repurchasers also made their payments to the Government in kind (rice or sweet potatoes).

Besides being informative, the papers presented in the publication are also objective in approach. In his paper on land reform and development in the Philippines, Hugh L. Cook of University of Wisconsin has concluded that "in terms of development objectives, the contribution of land reform to increased productivity in the last five years has been small; the contribution has been more important in terms of income distribution and the long run development of the human resources." Regarding the land reform programme in Japan, M. Kaihara of Meiji Gakuin University at Tokyo says that "we think economic reconstruction and increased agricultural production have resulted from the land reform, reinforced by inflation and a flourishing black market in foodstuffs. The Land Reform was one of the most appropriate and successful among the Allied Powers' Occupation programmes . . . such a thorough-going programme could not have been carried out as easily by Japanese initiative alone." About the land reform measures in Vietnam which aim at establishing small farmer-owned holdings, R. W. Lindholm of University of Oregon comments that "this type of programme is not development oriented because it does not (1) seem to be a reasonable approach to the new aspirations of the peasant now that he knows of the opportunities that can be his and (2) because it does not provide the income and production base that modern agriculture is capable of developing." Explaining the evasion of tenancy laws in India, Raj Krishna of Delhi University observes that "the tendency for tenancy to persist and for rents to remain high cannot simply be outlawed so long as the pressure of population on land, and hence the demand for a patch of land to eke out a living, remains as intense as it is . . . The awareness of this logic of demand and supply does not in the least diminish the necessity of legal reform; but it must moderate the hopes of many well-meaning reformers who seem to think that an agrarian revolution can simply be legislated into being . . . we need to realise that while some land reforms are essential for economic development, economic development is essential for the success of many land reforms."

Though the value of the volume could have been enhanced further if comments of experts on the specific issues raised in the main papers had been obtained,

it fully justifies the editor's hope that the publication makes a useful contribution to the understanding of Asian affairs, both from the point of view of the student and the policy maker.

H. B. SHIVAMAGGI

Changing Pattern of Indian Villages, G. R. Madan, S. Chand & Co., Delhi, 1959. Pp. v + 405. Rs. 12.50.

The title of this book is misleading. If one expects to read an account of the changing rural scene with reference to structure, functioning and direction of the village economy, he will be disappointed. This book only describes various rural developmental programmes. In fact, as is indicated in the preface by the author, the book is an outcome of lectures delivered to Post-graduate students who took the course, 'Rural Welfare and Community Development.' Hence, the book has a more limited object than what the title indicates. It is intended to be a text-book for college students who take courses on Indian rural development, and that is what it is. The book is too general to be of use to those engaged in rural development. As a text-book, the publication covers an extensive ground which includes community development, co-operation, land reforms, panchayats and social welfare. It is to the credit of the author that he has brought together the basic ideas contained in a number of Reports, which are not generally accessible to the college students. The bulk of the material is however drawn from the Reports on the two Five-Year Plans. A basic weakness that this book shares with many other text-books on the subject, barring a few exceptions, is that the author does not provide a theoretical framework, which will enable the student to critically examine the objects and content of the programme under question. Nor, any attempt is made to raise issues on which an intelligent discussion could be promoted. Instead, the book contents itself with description and at places categorical assertions. The Chapter on "Critical appraisal of the development programmes" contains some useful ideas. It could have served a better purpose if the author had chosen to support his conclusions with evidence from the investigations said to have been conducted by him.

The Chapter on Land Reforms could have been made more useful by references to some of the valuable works done on this subject under the auspices of the Research Programmes Committee. The title of Chapter XV needs to be changed since the contents of this pertain to planning only and not to "Rural Reconstruction and Planning."

Inclusion of a list of further reading material at the end of each chapter will be of help in a text-book.

G. PARTHASARATHY

Family Living Studies—A Symposium, Studies and Reports New Series No. 63, International Labour Office, Geneva, 1961. Pp. 280. \$2.50.

This book as the title denotes, is a symposium of articles on family living studies, conducted in different countries of the world under varying conditions with differing objectives and using a variety of techniques. The main features

and problems of each of the 15 studies undertaken in twelve countries are discussed in the fifteen chapters that comprise this attractive publication. Besides problems typical to the country, the organisation and agency for data collection, tabulation and analyses differ from region to region. The coverage, sample design, collection of data, period of reference, non-response, response errors and special features are the main heads under which discussion and description are found for the fifteen selected surveys.

The types of surveys are : (i) Budget studies in Sweden, United Kingdom, U. S. S. R., Urban Greece and rural (farm) Germany. International comparison is one of the objectives of the budget survey conducted by European Coal and Steel Community. (ii) Puerto Rico unemployment survey, the demographic survey in South India and the continuous population and labour force survey in the U.S. (iii) Health survey in Japan. And (iv) two multipurpose (levels of living condition) surveys in India and Ivorycoast.

The type, nature and extent of data collected invariably makes it possible to have numerous objectives and aims satisfied by a well-planned survey. As for example, in Sweden, the 1958 cost of living survey which has its main objective the revision of budgets underlying the different index series of retail prices, also estimates 'total private consumption,' economic situation of different population groups, evaluation of legislations (child allowance, taxation, etc.) for policy measures, for research purposes, for computation of income elasticities, besides the commercial uses of the survey (market research, etc.).

Some of the surveys are *ad hoc* in nature—the farm household budget survey in Germany (Federal Republic) is a study of this nature—a specific problem oriented study necessitated for the correct evaluation of the farm income and for the implementation of 'Agricultural Act' of 1955. Some budget studies are continuous (U. K., U.S.S.R.) where the field work goes on continuously. Yet another type is the 'repeat survey' where the survey is repeated after a specific time interval (one year—see Chapter XI). The advantages and shortcomings of each of these types of surveys are discussed by the authors who were directly responsible for the surveys.

The coverage of survey varies widely from country to country from a small State (Mysore in India—Chapter IX) to the unprecedented extent of coverage of the National Sample Survey in India. The organisation and agency for data collection is Government, independent survey organisations or research centres of Universities or a collaboration of all these institutions.

It is also educative to compare the emphasis laid on the training of field staff. The selection, training and orientation of each investigator requires not only experts in the field but the process is also time consuming and adds significantly to the survey budget. Some of the surveys (*e.g.*, Mysore Demographic Survey, Sweden Budget Survey) studied interviewer-response rates and bias.

Non-response is a great handicap in any statistical probability sampling. High degree of non-response and its concentration in typical group or groups tend to vitiate the final estimates. It is of interest to note that response rate is higher in under-developed countries and in such countries where it is compulsory

under the statistical law. Rewards for keeping accounts of daily expenditure either in monetary terms (Sweden, U. K.) or in kind (towels, pencils, etc., in Japan) considerably help the rate of response. Frequency of visits to households (varying from once a month to twice in a week) while conducting budget enquiries is also a contributory factor. Only in U.S.A. (where data are processed and tabulated by high speed electronic machines), the estimates are adjusted by proper re-weighting giving allowance for non-response. Willingness to participate in the survey determines (partly) the sample farms chosen for study in Germany.

The 'ideal' period of reference for any budget survey is still a controversial issue. A short reference period (week) has the advantage of accuracy (memory factor) but is not suitable for estimating major purchases (durable household goods, housing, etc.). Besides, it is noticed almost without exception that the very act of account-keeping in forms provided to the households, tends to result in a slightly exaggerated pattern of expenditure. Such and other practical problems (*viz.*, precise and workable definitions, processing equipment, etc.) faced while conducting any household budget survey are discussed with clarity and understanding in this book. How each country tackled the various problems, makes the book a useful and interesting study.

With the present day recognition of the importance of sample surveys, this I. L. O. publication is an invaluable book, to be read before conducting any large scale household enquiries. The list of useful references in the several articles and the selected bibliography at the end, enhance the value of this book.

(MISS) M. MEENAKSHI MALYA

Food Policy and Economic Development in India, S. C. Joseph, Allied Publishers Private Ltd., Bombay, 1961. Pp ix + 207. Rs. 12.00.

The book under review, which in its original form was awarded the B. Litt. degree by the University of Oxford in 1958, is an admirable analysis of the food policy pursued by the Central Government during World War II and after. Divided into nine chapters, the first five deal with the pre-war and post-war aspects of this problem. They give a comprehensive picture of the various measures adopted by the Government to tackle the food problem and a critical examination of them, covering the period 1939-54. Chapter VI deals with the problem of foodgrains production. The next two chapters elucidate the various features of the standard of food consumption and economic development. The last chapter deals with livestock development.

Chapter I strikes the key-note of the thesis. It shows how Government failed to deal with the problem squarely. It was not only foodgrain shortage but also an all-round backwardness and poor economy. The author observes: "It is a necessary consequence of the vicious circle of poverty and disease. The Indian people are sick because they are poor and ill-fed and they become poorer because they are ill-fed and sick." (p. 5). Apparently, therefore the short-term measures adopted by the Government failed to meet the crisis.

According to the author, the problem could be solved by increasing the consumption standards of the people, which pre-supposes an increase in the real in-

comes. In other words, it implies the provision of fruitful employment to the people. In India, the pace of industrial development is not fast enough to absorb all the unemployed people. Hence the only alternative is to incorporate them in the agricultural sector of the economy. In this regard, he points out that, "By employing the idle man-power in the farm sector of the economy through stock husbandry, real income and standard of consumption may be raised at one stroke Labour intensive stock-raising provides fuller and continuous employment besides improving the quality of the soil and food."

Unemployment constitutes an important problem of our economy. If we could solve it even partially by making a practical use of what the author has suggested, it would be a big achievement. However, case studies showing how an illiterate and poor farmer depending upon the vagaries of nature could take to stock husbandry and increase his real income, are but necessary.

Chapter II sets the background of the food situation as it existed before the controls were imposed. While the population was rising very fast during that period, the extensive and intensive use of land was not properly made. Added to it, the low productivity and traditional methods of cultivation kept the production at a low ebb. The partition of the country aggravated the position further.

In the next two chapters, the author has dealt with the evolution and mechanism of controls. In the fifth chapter is examined the case for and against food controls. The experience of the working of food controls reveals that controls in India were launched half-heartedly and, therefore, proved to be a failure. In fact only free trade should be practised in foodgrains. But as and when there is some difficulty, the Government may take corrective steps without actively entering the market. However, if the situation totally goes out of hands, the Government may be justified in instituting controls as the last resort. There are, according to the author, two prerequisites for the successful operation of the controls, namely, (1) pursuing a uniform policy throughout the country and (2) an equitable sharing of the sacrifice involved.

Chapter VI outlines the various steps taken by the Government such as the G.M.F. campaign, to increase the supply of foodgrains. Production in agriculture is inelastic in the short period in general. In India, it is true even in the longer period because of the peculiar nature of its agriculture—a gamble in rains. Hence the result on this score was not encouraging. Even the economic relationship of price, acreage and yield has little significance in deciding the course of production though prices of various crops do exert some influence in deciding the pattern of production. In the next two chapters, it is suggested that an increase in the standard of consumption would not only provide a permanent solution of the food production but would also solve a much greater problem of economic development and unemployment.

Studies have shown that the standard of food consumption in India is appreciably low both in terms of calories and nutrient value. In order to solve the problem of food both the above deficiencies—under-nutrition and mal-nutrition—should be tackled together. It could be done by including more protective foods in the diet such as proteins, fats, vitamins and mineral salts. In other words,

the production and use of milk and milk-products, meat, fish, eggs, pulses, vegetables and fruits should be enhanced.

There are, however, two difficulties which would stand in the way of raising the standard of consumption, namely, (1) low per capita income and (2) social and cultural restraints. As against the first, the author says, "In the subsistence sector of the farm economy domestic supply alone improves the diet without being much constrained by the problem of purchasing power as may be true in a purely exchange economy." As to the second, education and continued food scarcity would alter social habits and religious taboos. A specific mention has been made of the fact that when people migrate to other parts, even the orthodox change their diets.

It may be stated that the solution of our food problem as put forward by the author is not quite satisfactory. In the past suggestions had been made by economists and public men alike to bring about changes in the dietary habits of the people as a solution to this acute problem. But, when about thirty per cent of the population does not get two square meals a day, it would be idle to expect them to take to milk and butter.

The real problem of the whole economy is the heavy population pressure. Unless adequate measures are taken to reverse this rising trend of population, no permanent solution could be found of our subsistence economy, least of all food problem.

In short, the book is a good attempt to point out the close relationship between food policy and economic development. It makes an interesting study and contains a good deal of valuable data on the subject.

S. C. JAIN

The State and the Farmer, Peter Self and Herbert J. Storing, George Allen and Unwin Ltd., London, 1962. Pp. 251. 30s.

Agriculture accounts for a minor part of the British economy. However, precisely for this reason it becomes highly important in times of war, when the pressures on it are entirely disproportionate to its size. It is for this reason that state intervention in agriculture became necessary in Britain during World War I and in a more pronounced manner during World War II. This intervention did not cease after the latter war but was, indeed, formalised by the Agriculture Act of 1947. The book under review sets out to examine the course of these events during the post-war period, viz., 1945 to 1961.

The main instrument of state policy during this period has been the price guarantees for specific agricultural commodities. These guarantees were first given by the British Government during the later years of World War I, but at that time they were in operation for short duration—between 1917 and 1921. The policy of guaranteed prices implemented since the beginning of World War II seems to have become a permanent feature of the British economy, though with somewhat diminishing extensiveness and force since 1956. Another instrument of policy has been the institution of producer-elected marketing boards

for certain commodities under the Agricultural Marketing Acts of 1931 and 1933. These Acts were a sequel to the severe depression of the thirties, and the idea was to afford protection to agriculture through regulation of supplies and markets that would not be possible otherwise because of the dispersed, unorganised nature of agricultural production. When the price support policy came into force, the marketing boards became for obvious reasons of secondary importance.

Self and Storing trace out these developments in great detail and in the process present a wealth of information that would undoubtedly be of immense interest to students of agricultural policy in general and those of British agriculture in particular. They, however, do not confine themselves to a mere presentation of information but also attempt to examine and evaluate some of the issues involved in the formulation and the working of the State's agricultural policy in post-war Britain. There are three principal issues that have been examined. Firstly, there is the question of stability *vs.* efficiency. The object of the price guarantees has been to ensure stable incomes to agriculturists. But might this not have caused a certain lack of effort on the part of the British agriculture to meet the challenges of the times and to adapt itself to changing requirements? The authors do not offer an entirely explicit answer to this question but nevertheless suggest that probably farm incomes were unduly inflated in 1947 with the result that the retrenchment that was later necessary became extremely difficult to achieve. The basic problem seems to have arisen from the fact that agriculture, which in the ordinary peace-time circumstances would be a relatively unimportant and, what is more, a shrinking segment of the British economy, had to be provided special assistance in the abnormal circumstances of the war, which could not easily be withheld or suitably curtailed after the war was over because of the strong political influence that the Farmers' Union had come to wield in the process. Self and Storing are not entirely against state assistance to agriculture. Indeed, at one point they argue out the case for such assistance in view of the unorganised and weak competitive position of agriculture relatively to the organised, often monopolistically controlled, manufacturing industries. However, they seem to be of the view that sufficient flexibility of policy could not be attained. They also point out that because of the mostly generalised character of the assistance, the smaller fry who needed the assistance most tended to get the least of it.

The second important question discussed by the authors is that of the appropriateness or otherwise of the controls exercised by the state over agriculture in return for the security afforded to it. These included the right to force the farmer to vacate his tenancy or quit his holding if he failed to satisfy certain minimum standards of husbandry notwithstanding persistent advice and warnings. The authors have emphatically justified these controls, and have pointed out that in view of the large subsidy given to agriculture it was but fair that a minimum of efficient conduct was also demanded of agriculturists. Indeed, even the Farmers' Union never objected to these controls. The extreme penalty of taking away the land seems to have been inflicted very sparingly. The authors have gone into the details of a few such cases and have shown how the provisions of the law ensured that such an action would be taken only when there was no hope whatever of reforming the person concerned.

Finally, the question has been raised of public and sectional interests involved in the policy of assistance to agriculture. In this connection an interesting ques-

tion of political theory has been discussed at some length, namely if it would at all be possible to define the public interest. The authors have strongly criticised the school which would only recognise group interests and would refuse to see that wider public interests also existed and could be identified with about as much precision (or lack of it) as the group interests. The principal issue examined by them is whether the large subsidy given to the farmers—amounting to as much as about two-thirds of their net income—could be justified on considerations of public interest. This is evidently a complex question, for the mere fact that the subsidy has been large does not mean that it has been unjustified. In order to show that the subsidy was unjustified it would be necessary to show, firstly, that the consequent decline of agricultural production could be offset through imports which in turn could be paid for through requisite expansion of exports and, secondly, that those losing their incomes from agriculture would have found suitable avenues of income and employment elsewhere and there would accordingly not have been any depressing tendencies in the economy as a result of agricultural contraction. These questions have not been entirely ignored by the authors but there has hardly been an attempt on their part to make a proper appraisal of the issues involved, with the result that this part of the discussion has been most inconclusive. Only, on general considerations they suggest that probably the subsidy was too large and unduly protected agriculture against the required contraction.

Evidently, the questions discussed in the book fall into the border-land of economics and politics and probably to a somewhat greater extent in the former than in the latter domain. However, the authors have basically confined themselves to the political and organisational aspects. There is nothing wrong in limiting one's domain of analysis as such, but in this case, because of the nature of the issues involved, this has detracted from the analytical qualities of the study and has made it primarily descriptive. But perhaps this was the object which the authors had actually set for themselves. In fact, they say so in the foreword.

NASIM ANSARI

Forty Years of Foreign Trade, P. Lamartine Yates, George Allen and Unwin Ltd., London, 1959. Pp. 255. 40s.

Ever since the problems of underdeveloped countries have come to the forefront in the wider academic circles and among the policy makers in both the advanced and non-industrialised countries, the international trade theory is being re-investigated to find a historical explanation for the backwardness of countries which are currently edging for economic development. At one extreme are those who advocate that international trade which acted as "an engine of growth" during the 18th and 19th centuries has failed to re-enact that role at the present juncture. Their explanation is that there has been an "export lag" with regard to the underdeveloped countries due to a variety of reasons, among which are the emergence of 'synthetics, the rise of economic autarchy, smaller income elasticity of demand for the products of underdeveloped countries, etc.' Further, even the argument of secular adverse change in terms of trade of the underdeveloped countries is harnessed to support the thesis. The main proponents of this school of thought are the late Prof. Nurkse, A. Lewis and Myrdal. This thesis is coun-

tered by Prof. Cairncross, Johnson and Bauer, by arguing that the real difficulties of the developing countries emanate not so much from the "export lag" as from the internal causes which make their competitive position weak.

The controversy reaches its acme when these larger theoretical issues are translated in terms of practical policy in many of the developing economies. And yet one is amazed how these matters are thrashed out with only tenuous links with facts relating to world trade. The merit of the present work under review lies not only in the author's very painstaking efforts to forge statistical tools for theoretical analysis of foreign trade but also in the ingenuity, resourcefulness and patience that any such work demands.

The main provocation for undertaking this work was in the author's dissatisfaction with the inadequacy of the international trade statistics. What was available was either the trade statistics in value terms on a country basis or in quantity terms on a commodity basis. This lack of connection between the value and quantity of world trade made it impossible to measure a change in any country's volume of export of a given commodity or to discover its share in world exports of any commodity. This called for a systematic statistical compilation of world commodity trade by value as well as by tonnage.

The approach of the book is simple and straightforward and yet it called for immense labour and resourcefulness. The author has presented for selected years the commodity composition of international trade in value terms and measured all types of changes that have taken place. By so doing, it has been now possible to analyse the changes in the size and location of commodity markets, changes in countries' share in these markets, etc.

The technique followed is somewhat like this : The author has made all these comprehensive calculations for the year 1913, in respect of ninety-three countries, and for commodities classified into fifty-seven commodity groups. The position as prevailing in 1913 is then compared with that in 1953—a lag of forty years—for which similar data have been published by the United Nations. The question why the author has chosen the year 1913 is clearly set out by him. If any base year is to be selected, it must be noted for its "normalcy" and other features which make it a stable period. The author has hit upon this as "1913, represents not itself; it represents an epoch." The period from 1870 to 1914 was one in which there was an enormous upswing in world population, production and trade which all occurred in a comparatively stable framework of internal prices, political frontiers, etc. Within this period, the year 1913 suggested itself because for any other earlier year in that period, the data in adequate coverage would not have been obtainable. On the other hand, 1953 was chosen purely because it was the year for which full data in a required form was available; that it was not an abnormal year was an incidental advantage.

The conclusions of the study are very illuminating. Firstly, world trade increased in volume by nearly 67 per cent between 1913 and 1953, the largest increase occurring after World War II. However, this compares with a forty-year period prior to 1913 when trade expanded by three times. Secondly, the regional character of foreign trade underwent perceptible changes between 1913

and 1953. Thus during the 19th century, the world trade was virtually identical with European trade. Since 1913, however, this was altered to such an extent that Europe's share in world trade declined to 40 per cent in 1953 from about 60 per cent in 1913 and about 90 per cent towards the end of the 19th century.

Perhaps the most important conclusion which throws a more penetrating light on the present trade controversy is that during the 1950's trade between industrial and non-industrial countries has been expanding notably less than trade *within* each of the two groups. In all probability, this trend would continue due to the emergence of synthetics which pare down the demand for raw materials from the advanced countries and partly due to the industrialisation of the underdeveloped countries which reduce their demand for the manufactured goods.

But a final verdict on this trend has to wait till the imponderables in the present technological world are obviated. One is not certain what precise form modern technology would take. It is quite probable that it might unfold new ways of utilising raw material provided by the developing countries. However, this by itself does not suggest that the trade between industrialised and non-industrialised countries would decline. As it is, the development of backward countries is predicated on the import of modern technology from the developed countries which would mean that the former's reliance on the latter for those goods would be growing in future. Besides, the aid, resulting from a greater international co-operation from the affluent to the poor countries, would be increasing; when the repayment of this aid would begin there would start a reverse flow of goods from underdeveloped to developed countries.

But the most disturbing conclusion that emerges from this study is the conflict that may be generated among the underdeveloped countries themselves. The two ways by which these countries can economise foreign exchange are (a) by exporting textiles, food or other light industry products or by (b) producing at home articles formerly imported. It is obvious that if the latter policy is followed the countries that would be most affected are those underdeveloped countries which seek a solution to their foreign exchange problems by exporting textiles or agricultural products. It follows therefore that the world trading organisation which is in the air at present should concentrate its attention on this aspect.

This book is a work of classic dimensions if only because of the manner in which the author has assiduously built up statistical conventions, marshalled sources of data and projected the whole picture of international trade in its various hues. All researchers in this branch of economics should be grateful to Lamartine Yates for this monumental work.

D. R. KHATKHATE