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BOOK REVIEWS

Agricultural Taxation and Economic Development in India, E. T. Mathew, Asia Publishing House, Bombay, 1968. Pp. 204. Rs. 28.00.

In view of the massive amount of financial resources required for productive investment and uncertainties regarding foreign assistance, mobilization of domestic saving, whether forced or voluntary, has become the focal point of Indian fiscal policy. Since the possibilities of increasing revenue from direct taxes on the non-agricultural sector is limited, the agricultural sector may have to contribute much more than what has been the case hitherto. There may not be any other alternative. But is it economically desirable? What precise role agricultural taxation can play in furthering the cause of economic development?

Appraisal of the potential role of agricultural taxation in promoting economic development is still in an embryonic stage. That is one reason why the title of the book appears so tempting. However, it is only on going through the book that it dawns that the title is a misnomer. It is not a treatise on the role agricultural taxation has played/can play in economic development. As a matter of fact, except for a chapter on agricultural taxation in relation to national goals where the author discusses some economic effects of increased agricultural taxation, particularly the relevance of steadily increasing marketed food surplus in the early stages of economic development and how far increased taxation can be used as a tool for enlarging it, there is hardly any discussion on the role of agricultural taxation in promoting economic development in India. For the greater part, the book discusses the net and gross burden of agricultural taxation, whether agricultural sector is inadequately taxed and how it can be made to pay more. Thus, in short, what he is more concerned with is how agriculture can be taxed more heavily than why it should be so.

The case for the increased agricultural taxation can be build up only on the ground that the agricultural sector is under-taxed in the sense that it can pay more. In other words, whether or not the agricultural sector should pay more depends upon its capacity to pay. The author summarily rejects the taxable capacity approach on the ground that "the concept is not acceptable to many economists." Furthermore, though he has attempted to estimate the tax burden, he fails to put forward any conclusive or convincing argument to prove that the agricultural sector is in fact under-taxed in the absolute sense of the word. As he himself admits, the coefficient of rank correlation between the "crude index of economic well-being" of the agricultural sector (the index is crude indeed) and the changes in its tax (direct) contribution, though positive, is not significant and, therefore, not conclusive. Moreover, the mere fact that the rural households manage to save about 3 per cent of their disposable income or that one-tenth of their expenditure is on non-subsistence items does not in any way prove that they can bear more taxes. It is, however, rightly pointed out that there is inter-sectoral inequality in the tax burden and that the agricultural sector is relatively under-taxed though it is doubtful whether the tax burden, as estimated, on the two sectors with different levels of income and different standards of living are strictly comparable. Moreover,

being relatively under-taxed does not necessarily prove that there is economic justification for increasing the burden of taxes on the agricultural sector.

It is true that since there is inter-sectoral and intra-sectoral inequality in tax burden and since the present land assessment is based on out-of-date data, there is urgent need for rationalisation of agricultural tax structure. In this connection, the author has rightly recommended two sets of measures, one consisting of immediate and the other long-run measures. Both these sets aim at increasing the tax burden on the agricultural sector in such a way that both inter-sectoral and intra-sectoral inequalities are reduced. The measures are worth considering. However, the procedure suggested for effecting changes immediately are so elaborate that perhaps it may not be possible to implement the suggestions immediately. His contention that the relevant information already exists may not be true in the case of all the States. His long-term solution in fact boils down to converting the present system of land revenue into an agricultural income-tax, his assertion notwithstanding that "it will be a true land tax for it is not based on the acreage of the holding but on the income from it." It would have been worthwhile to discuss the proposals in the context of "internal" and "external" purposes of agricultural taxation.

On the whole the book makes an interesting reading. Literature on taxation of agriculture in India is so scanty that any addition to it is most welcome.

AHMAD RAZA

Studies in Co-operation, No. 1, National Co-operative College and Research Institute, Poona, 1967. Pp. 123. Rs. 3.00.

This is the first booklet in the series to be published by the National Co-operative College and Research Institute, Poona. It contains summaries of two talks and results of five case studies. The two talks are delivered by Dr. V.K.R.V. Rao and Dr. D.R. Gadgil in the College in 1965. Although both these talks are educative, their inclusion in the book specially meant for case studies of co-operatives appears to be not appropriate. These talks should have been published separately. The case study of overdues of the Land Development Bank, Dhulia, deals in detail with the procedure adopted by the Bank in granting long-term loans and the purposes for which the loans have been sanctioned. But nowhere the specific causes of overdues have been studied by taking some specific cases. It is mentioned that "the quantum of advances was commensurate with the object and was well within the maximum amount fixed for such purposes by the Government and within the maximum limits recommended by independent authorities like the Block Development Officers in individual cases." Then why these overdues? Half the amount, *i.e.*, Rs. 50 lakhs, is for digging of new wells and for repairs, where the procedure was to give loans in two instalments and the B.D.O. had to certify proper utilization of the first instalment after which the Bank can give the second instalment. The author should have investigated whether the second instalment was misutilized. At a time when overdues of the land development

banks are mounting, such sort of intensive and detailed study would have been useful.

Two studies relate to the primary societies falling in different classes, *i.e.*, one is a labour contract society in Yeravada near Poona and the other is Chakan Vividha Karyakari Sahakari Society in Poona district. The study of Yeravada Gadi Wadar Mazdoor Co-operative Society is of particular significance, being of "backward community" organized as back as in 1949 by people like Dr. R. G. Kakade of the Servants of India Society. The Society had to face considerable difficulties in getting land for quarry. The major portion of the work consists of rubble and dabbar which have a ready market throughout the year; but the membership is steady at 222. The Society had no outstanding debt. It is worthy to note that the Society has done social work in establishing a school for the children of the Wadar community and a cultural centre and renders medical assistance. In the end the author has very rightly pointed out that unless the Society diversifies its activities the future progress may be halting.

The study of fertilizer distribution in Kolhapur and Poona districts brings out important facts such as distribution of fertilizers merely on the basis of mechanical calculations instead of working out the needs of each crop of the individual farmers. No attempt was made to break up the needs in respect of different varieties of fertilizers and by crops and ultimately whatever fertilizer was received was distributed to make it equal to the value of the kind loan. At a time all out efforts are being made to augment agricultural production these observations are pertinent. It is also reported that there is no co-ordination between the agricultural staff of the *Zilla Parishad* and of the primary societies. It is unfortunate that the basic links in the chain of fertilizer distribution are not only weak but they are still not properly interlinked. The figures published about fertilizer distribution have therefore hardly any meaning.

The study of Poona wholesale co-operative store throws light on important issues such as selling the articles at higher than market rates, absence of member education, lack of co-ordination between retail and wholesale stores, inadequate staff training, etc. If the co-operative consumer movement has to become a part and parcel of our daily life it must be people-oriented. The present consumer stores give an outlook of private departmental stores in the absence of proper "co-operative base." The study should have given some information as to what extent the store has helped in arresting the rising price trend. One should not measure the success of any co-operative store from figures of sales. The important point is how far the members have been benefited in getting the goods they need at reasonable prices. It is also imperative to establish some principles in the working of wholesale and retail stores. If the wholesale stores are allowed to open branches in areas where a retail store already exists, it would lead to unhealthy competition between the two societies. This should not be allowed to happen.

On the whole the case studies are useful to the co-operative workers and the Institute has done a good job in bringing them out. The area covered, however, in this book is confined to Poona district. Information from two or three States should be given so that it can be compared and a wide view can be taken.

Supervision of Primary Agricultural Credit Societies : Report on Field Study in Maharashtra, Mysore and Gujarat, Studies in Co-operation, No. 2, Vaikunth Mehta National Institute of Co-operative Management, Poona, 1968. Pp. iv + 163. Rs. 5.00.

The field study on supervision of primary agricultural credit societies in selected areas of Maharashtra, Mysore and Gujarat was undertaken by the Vaikunth Mehta National Institute of Co-operative Management, Poona. This report has made comparative assessment of supervision system prevalent in these States and has given guidelines for improvement.

While tracing the concept of supervision from the Maclagan Committee's Report to the Vaikunth Mehta Committee Report, an attempt has been made to discuss the significance attached to the 'agency for supervision.' In the opinion of the Standing Advisory Committee of the Reserve Bank, the long-term objective should be to transfer supervision to central financing agencies which should be strengthened for the purpose. The Rural Credit Survey Committee and the V. L. Mehta Committee have emphasized the promotional and developmental aspects of supervision with a view to ensuring business-like conduct of the affairs of societies.

In Maharashtra, there are four agencies for supervision, viz., (i) Co-operative Department, (ii) Central Co-operative Bank, (iii) Co-operative wing of the *Zilla Parishad*, and (iv) Taluka supervising unions. The study revealed that supervising unions were not very enthusiastic about arranging member education programme and conducting training classes for the personnel of societies. The working of primary co-operatives left much to be desired and slackness on the part of societies was due to the lethargic attitude adopted by supervising unions. The weakness of supervising unions has resulted in their inability to guide, educate, promote and supervise member institutions in their day-to-day working. The internal working of the supervising unions was also very unsatisfactory. The *ad hoc* district supervision committees were not working effectively. The scrutiny of credit limit applications was also a mere formality at the union level.

Supervision had become more or less routine and was devoid of essential elements of understanding the local problems. The Group Secretary scheme did not find much favour and the entire system has been reduced to post office agency for passing down the instructions and targets to the secretaries and collecting returns and data required at the district level. In the absence of proper job training, the supervisors have not been of any use to the co-operative movement. The work load attached to the supervisor has not been commensurate with the recommendations made in the Mehta Committee Report. There has been absence of leadership, which is partly responsible for inefficient conduct of supervision in certain districts. According to the field study, supervision has become a serious casualty in the existing organizational set-up of primary agricultural credit societies and as such, it has come to the conclusion that the structure of supervision needs to be streamlined in Maharashtra.

In Mysore, the State Government liquidated supervisory unions and entrusted supervision to the central financing agencies in pursuance of the recommendations of the Mehta Committee. The charge per supervisor was determined not on the

basis of operations but on the number of societies. There was no co-ordination between the central financing agencies and the departmental officials. There was dual control in regard to supervision of societies by the Registrar of Co-operative Societies and the Block Development Officers. Political interference was partly responsible for the slackness in the supervisory machinery. The taluka board did not evince any interest in the development of co-operative movement. There was, by and large, absence of awareness among the rural community about the development and welfare that was being brought to them through the co-operative movement partly due to indifferent attitude adopted by the different agencies for supervision.

In pursuance of the recommendations of Yuvaraj Udaybhansinhji Committee, supervision of primary agricultural credit co-operatives was transferred to the central financing agencies in Gujarat after April, 1964. The field study has concluded that there is a great deal of advantage in transferring supervision from the union to the central financing agencies. With a view to toning up the supervisory arrangements, it has been suggested that supervision should be made the responsibility of the central financing agencies. There should be close co-ordination between supervision, audit and inspection of the Department. It is desirable to have systematic allocation of work-load among the supervisors on the basis of turnover of societies.

The Vaikunth Mehta National Institute of Co-operative Management deserves praise for having brought an important aspect of co-operative movement, *i.e.*, supervision, to limelight. One of the serious problems confronting the co-operative movement in our country is that of mounting overdues. One of the reasons adduced for this state of affairs is lack of supervision or inadequate supervisory staff. The arrangements for supervision are neither uniform in our country nor within the State in some cases.

Taking into consideration the developing economy of our country and the important role to be played by the co-operative movement in coping with the demand for credit thrown up by the launching of high-yielding varieties programme in the country, it will be necessary to tone up the supervisory arrangements in the co-operative structure and in particular to make agricultural co-operatives at the base level viable units. If supervisory arrangement has been successful in certain areas within the State it will be useful to evolve ways and means to improve further and to take prompt remedial measures where supervision is either inadequate or lopsided.

R. R. PRADHAN

Study of Loaning Procedures in Package Districts, Studies in Co-operation, No. 3, Vaikunth Mehta National Institute of Co-operative Management, Poona, 1968. Pp. v + 81. Rs. 2.50.

The Vaikunth Mehta National Institute of Co-operative Management, Poona, has brought out its third research publication entitled "Study of loaning procedures in package districts." The study was undertaken at the instance of the Government of India. Three package districts, *viz.*, West Godavari (Andhra

Pradesh), Mandya (Mysore) and Bhandara (Maharashtra) were selected for the purpose. The main purpose of the study was to find out the cumbersome loaning procedure followed by co-operatives and the consequential delays occurring in the disbursement of loans.

The Foreword to the report rightly refers to the ritualistic approach to the implementation of package programme, particularly in regard to the preparation of farm production plans. The Foreword also makes mention of different applications for sanctioning different components (cash and kind). Presumably, this remark has a bearing on the practice obtaining in the West Godavari district, where loan applications are obtained from individual members separately for cash and kind components, even after the sanction of a credit limit statement. Such a procedure is no doubt redundant and irksome. As a matter of fact, the crop loan system advocated by the Reserve Bank dispenses with loan applications from the individual members. A credit limit statement serves not only as a loan application of the society to a central bank, but also as loan applications of individual members to the society itself. The Foreword also refers to the practice of obtaining signatures of all the borrowers on the drawal applications. In order to simplify the loaning procedure, it is possible to waive this requirement.

The study on loaning procedures in the West Godavari district mentions that as per the Registrar's circular, loans for *kharif* purposes could be issued in delta areas between May and July and in upland areas, between May and August and with his special permission, loans could be issued even up to September (page 15). Strictly speaking, it is not necessary to provide for the Registrar's special permission for the issue of loans in August or September, as loans for *kharif* purposes may be required even in the month of September or October in connection with the harvesting and marketing of crops.

It is stated that if the figures in Table 1.7 are juxtaposed with the figures in Table 1.4, it is noticed how with an increase in overdues, the central bank loses its borrowing capacity year after year (page 19). But, the converse does not necessarily hold good. Thus, from Table 1.4 it is seen that there was a fall in total overdues from Rs. 65 lakhs in 1963-64 to Rs. 49 lakhs in 1964-65; but the funds drawn from the Reserve Bank did not register a corresponding increase. In this connection, it may be observed that though it is broadly correct to say that an increase in overdues adversely affects the borrowing capacity of a central bank, the actual utilization of credit by a central bank from the Reserve Bank will depend partly upon the central bank's ability to absorb overdues within its own resources and partly upon the effective demand for funds. The latter is dependent upon adequacy as well as timeliness of monsoon and/or irrigational facilities and also upon timely availability of supplies of fertilizers, improved seeds, etc.

It is stated that the preparation of a credit limit statement takes ordinarily 20 to 30 days, depending upon the number of members (page 19). It is not known why such a long time is required. If a general meeting of all the members of a society is convened and the requirements of loans of individual members are ascertained vis-a-vis the cropping pattern, acreage and the scales of finance fixed and if the land register is maintained properly, preparation of a credit limit statement may not take more than 3 or 4 days.

It is reported that during *kharif* 1966, the societies had taken normally around 30 days to disburse loans after the sanction of credit limit statement by the central bank and that in the case of one society, there was an abnormal delay of 82 days (page 21). Strictly speaking, the period between the sanction of a credit limit statement and actual disbursement of loans to members is not very relevant inasmuch as a credit limit statement of a society has to be prepared *much in advance of the sowing season* and naturally there will be a wide gap between the preparation and sanction of a credit limit statement and the actual disbursement of loans. The time elapsed from the sanction of a credit limit statement till the disbursement of loans should not, therefore, be considered as a yardstick indicative of delay.

The study on loaning procedures in the Mandya district observes that there was no relationship between what was recommended in the farm plan and what was actually sanctioned by the central bank (pages 48-49). Thus, in the case of four societies, the proportion of kind component drawn was found to be lower than that recommended. This is not much objectionable, as the members have liberty to use a smaller dose of fertilizers than that recommended in the farm plan. In the case of three societies, however, the total advances are stated to be markedly higher than those recommended. It would have been better if this matter had been probed in depth by reference to loan papers at the central bank and the primary society levels.

In the case of sugarcane financing in the Mandya district, the loaning procedure obtaining is stated to be very elaborate and complicated. A sugarcane cultivator has to submit a detailed loan application giving full particulars of his sugarcane cultivation. He has also to give separate applications for getting sugarcane sets (seeds), fertilizers, advances for cane cutting, etc., and a letter authorising the sugar factory to remit the sale proceeds of cane to the credit society towards the repayment of loan. No doubt, some of the aforesaid procedures are redundant and there is good scope for simplification.

It is suggested that in the case of 'A' class societies which are managed by the bank's supervisors as their secretaries, there is no need to subject the loan applications to the scrutiny of another bank supervisor or the co-operative extension officer (pages 56-57). Strictly speaking, there should not be any objection to subjecting such loan applications to the scrutiny of the bank's another supervisor or the co-operative extension officer, since the bank's supervisors who work as secretaries of credit societies would quite often be influenced by the managing committees of such societies.

A general conclusion of the study is that the delay in supplying credit and other inputs to cultivators in the Mandya district could be attributed more to administrative and managerial failings than to procedural bottlenecks (page 57). This observation appears to be realistic.

The chapter on Bhandara does not throw light on the cumbersome procedure obtaining, if any. The main purpose of the study, therefore, remains largely unfulfilled, in so far as the experience relating to this district is concerned.

Certain statements made in the report relating to West Godavari district do not appear to be in proper perspective. Thus, on pages 25-26, it is stated that the

component 'A' for HYVP paddy was reduced from Rs. 140 per acre in 1966-67 to Rs. 100 per acre during 1967-68 at the instance of the Reserve Bank and that it acted as a disincentive to members joining the HYVP. The scale of Rs. 100 per acre for paddy under the HYVP was suggested by the Government of India and not by the Reserve Bank. Again on pages 30-31, it is stated that the Reserve Bank was firm in its view regarding disbursement of component 'B' by societies only in kind and *not in any other manner*. Actually, in the letter addressed by the Reserve Bank to the Registrar referred to at the bottom of page 29 of the study, it was suggested that where it was not possible for a marketing society to supply fertilizers owing to inadequacy of stocks and where the members of credit societies could obtain the required types of fertilizers from the private dealer/s, such purchases should be made by members through the credit society, *i.e.*, the credit society should issue cheque/s in favour of the said private dealer/s. The words 'not in any other manner' are, therefore, not quite apt.

Some of the sentences in the report do not read well. Thus, line 12 on page 18 may be suitably modified so as to read "Further, it has to *maintain* non-overdue cover.....etc." In line 15 on the same page, the words "to the apex bank (including Reserve Bank of India)" may be inserted after the words "the existing outstandings" and in line 17, the word "societies" may be substituted for the words "the society (or bank)." Again, in line 3 on page 26, the word "non-HYVP" may be substituted for the word "HYVP" and a full-stop put after the word "non-HYVP." The next sentence may commence with the word "This." Lastly, in line 21 on page 51, the word "forms" may be substituted for the word "farms."

Loaning procedures differ from State to State and at times from district to district within the same State. Based on the experience of two or three package districts, it would be hazardous to generalise about the cumbersome procedures and the consequential delays occurring at various levels in the three-tier co-operative credit structure. It will, therefore, be better if the loaning procedures obtaining in the remaining package districts are studied and the cumbersome procedures pin-pointed precisely. This aspect assumes particular importance when it is alleged vaguely that the loaning procedures followed by co-operatives are very cumbersome and time-consuming and that this has resulted in thwarting the growth of co-operative credit.

B. K. BAPAT

REVIEWS IN BRIEF

The State of Food and Agriculture 1968, Food and Agriculture Organization of the United Nations, Rome, Italy, 1968. Pp. viii+205. \$5.75.

This annual report reviews the food and agricultural situation and policies in the developing and developed countries of the world during 1967-68 and has devoted two chapters to the study of problems relating to (1) raising agricultural productivity in developing countries through technological improvement and (2) improved storage and its contribution to world food supplies. Reviewing the food and agricultural situation and outlook, the report observes that there was a large increase in agricultural production in each of the developing countries in 1967 in contrast to the poor results of the two previous years. According to FAO's preliminary estimates, the combined production of crops, livestock, fishery and forest products in the world rose by about 3 per cent from an index of 137 in 1966 to 141 in 1967 while the index of per capita production remained at 109 in 1967 as in the previous year. It is observed that between 1966 and 1967 fishery production increased by 5 per cent but forest production failed to expand for the second year in succession. The developing countries as a whole recorded an increase of 6 per cent in food production in 1967 which was the largest for many years. In most of the individual developing countries, food production has been increasing faster than population in recent years. Of the 33 developing countries for which production index numbers are calculated by FAO, food production during 1952-56 to 1962-66 exceeded or kept pace with the growth of population in 22 countries and fell behind it in 11. The good production performance reported in the developing regions in 1967 was to a large extent due to much better weather conditions than in the two previous years. But other factors have also contributed to increased food production. These include more emphasis being placed on agriculture in a number of national development plans than in the past, fructification of long-term investments in agricultural infrastructure under earlier plans in some cases, farmers' incentive to produce more as a result of the scarcity prices that prevailed in 1965 and 1966 and increased use of fertilizers and high-yielding varieties of cereals in some countries, especially in Asia. The course of production in the developed regions was less uniform in 1967. Western Europe recorded an increase of about 6 per cent in food production while North America reported only an increase of 3 per cent in food production. Production in Eastern Europe and the U.S.S.R. fell by 1.2 per cent from an index of 167 in 1966 to 165 in 1967. Due to the drought in Australia, the index of food production in Oceania declined by 11.4 per cent from 158 in 1966 to 140 in 1967. The overall level of stocks of major agricultural products in the world hardly changed during 1967-68. Wheat stocks in the five major exporting countries rose by about 6 million tons to about 38 million tons during the 1967-68 season. Stocks of coarse grains increased by 5 per cent but rice stocks remained small. World cotton stocks were drawn down to a minimum level while stocks of wool, especially of the coarser grades, continued to be excessive. Stocks of fats and oils increased, butter stocks were in surplus and soyabean stocks again increased sharply. Stocks of coffee, sugar, natural rubber and tobacco were large.

With few exceptions, the annual rates of growth in the developed market economies fell short in 1967 of those attained during 1966, although expansion had generally been resumed by the end of 1967. In the United States and the European Economic Community, the real gross national product increased by only 2.6 per

cent and 2.5 per cent from 1966 to 1967, as compared with 5.8 per cent and 3.9 per cent from 1965 to 1966 respectively. In the United Kingdom, the slight revival in economic activity in the second half of 1967 brought an increase in real gross national product of only about 1.2 per cent from 1966 to 1967, as compared with 1.7 per cent from 1965 to 1966. The slackening in the rate of economic growth in most of the developed market economies does not appear to have had significant adverse effects on the demand for food generally, though this factor coupled with increased competition from synthetics adversely affected the demand for industrially-used raw materials. Most of the developing countries, in contrast, appear to have at least maintained their 1966 rate of economic growth during 1967, and many of them to have exceeded it, partly because of the recovery of agricultural production.

As regards international trade in agricultural products, preliminary data for 1967 showed that world trade in agricultural, fishery and forest products failed to increase. For agricultural products, a decline both in the quantities exported and in prices reduced earnings to their 1964-65 level. Earnings from fishery products remained at the high level of 1966, and those from forest products increased. The economic difficulties in the main industrialized countries caused a decline in the import demand for raw materials and earnings from exports of these products fell back to the depressed level of 1958-59. While both the developed and developing regions suffered a decline in earnings, the impact on the developing regions was somewhat greater because of their position as the main supplier of raw materials. The combined earnings of the developing regions declined by more than 2 per cent for the second year in succession to a level about 4 per cent below that attained in the peak year 1965. Because prices of manufactured goods did not increase in 1967 (for the first time since 1960), the purchasing power for manufactured goods of the agricultural exports of the developing countries also declined by 2 per cent. Intensive discussion has continued on many aspects of international trade policies, especially in connection with the Second Session of the United Nations Conference on Trade and Development. With the main exception of new commodity agreements for wheat and coffee, progress has continued to be limited.

A major feature of the recent agricultural situation has been a much more rapid increase in many developing countries in the use of production requisites such as fertilizers, improved seeds, farm machinery and pesticides. It is reported that increases in prices received by farmers were less widespread in 1967 than in most recent years. Mainly because of large harvests, farm prices remained stable or declined in almost half of the 23 countries (mostly developed) for which indices of prices received are available for 1967 or 1967-68. There were, however, large increases in farm prices in some of the Scandinavian countries, where income developments in the rest of the economy have an important influence on decisions concerning farm prices. Farm price increases are reported in many developing countries. Few of the increases in farm prices in 1967 were greater than the increase in the overall cost of living. In real terms, farm prices are reported to have declined in many countries. In most of the countries where data are available, the increase in prices paid by farmers outweighed the change in prices received.

Reviewing the agricultural policies and development plans, it is reported that few new development plans were introduced during 1967-68 and agricultural policies in general continued along the lines of recent years, although with some important changes in emphasis.

The problems of raising agricultural productivity in developing countries by means of technological improvement are discussed in Chapter III. It reviews the trends and levels of agricultural productivity in different countries, the factors that contribute to increased productivity and the special difficulties involved in raising productivity in developing countries. The technological possibilities are reviewed in turn for each of the main aspects of crop production, viz., crop improvement, water use, fertilizers, crop protection, machinery and implements, and of livestock production. Although each of the main fields is dealt with separately, it is stressed that they have full impact only when combined in a suitable package. The main requirements in respect of research, extension and training, seed production, input supply services, finances and credit and incentives for farmers are indicated. Some suggestions are made as to the overall strategy needed to promote technological improvement in agriculture in the developing countries. It is pointed out that perhaps the basic element in a strategy of technological improvement is the package approach itself. The complementarity of the various inputs for agricultural production and the need to introduce them in an integrated rather than a piecemeal fashion have been amply demonstrated. The same approach is needed to the numerous services involved in agricultural development. In all this, the government's role is crucial in most developing countries and rapid technological improvement in agriculture implies giving a high priority to this sector in national development plans. It is however pointed out that the appropriate strategy will clearly differ according to the stage that has been reached in a country's development. Also related to a country's stage of development is the appropriate mix of foreign aid for agriculture, as between financial aid, technical aid, food aid, or production requisites. With the rapid increase in the use of purchased inputs, especially fertilizers, now occurring in many developing countries, it is noted that aid in the form of production requisites is likely to assume special importance in the immediate future.

The last chapter examines the economic aspects of storage and discusses the role of storage in the marketing chain from producer to consumer and some of the storage problems encountered in developing countries. It gives an account of the food losses resulting from inadequate storage. The need for adequate preparation of products for storage and the difficulties involved in ensuring this under the conditions existing in the developing countries are then reviewed. This is followed by an account of the problems posed by the changing demand for storage and some of the special difficulties of storage planning in developing countries. It deals with storage structures for durable products and with the methods of preventing and controlling losses due to storage pests. It then discusses the improvement of storage at successive stages from producer to final consumer. The technical and marketing problems of refrigerated storage are treated separately. The last section deals with storage policy.

Price Behaviour and Resource Allocation in Indian Agriculture, Sharad Chandra Jain, Allied Publishers Private Limited, Bombay, 1968. Pp. vii + 158. Rs. 12. 50.

This book deals with the strategy of planning in Indian agriculture and planning of resources, role of prices and incomes in resource allocation under improved technology, demand and prices of agricultural machinery and equipment, water rates and utilisation of irrigation potential, production, adoption and pricing of improved seed, fertilizer prices and fertilizer use, prices and cost of and response

from plant protection material and price policy in relation to resource allocation. The study points out that in the annals of India's agricultural development, the 'target approach' to planning has been given much wider attention than the 'resource approach.' It is contended that the strategy of Indian agricultural planning which only plans for production and not for resources (inputs) seems to be faulty. It is suggested that the right approach consists of a full planning of resources that are already available at the farm and planned to be created for the attainment of specific production targets. Such a strategy calls for a complete survey of the existing resource potential in the villages and fixation of plotwise production norms on the above-said basis, as well as on the basis of a systematic application of new resources. In this new concept of resource allocation, the role of prices, costs and income has been highlighted. The book contains a few guidelines for the fixation of production norms, prices and costs of new inputs.

Aid to Agriculture in Developing Countries, Organisation for Economic Co-operation and Development, Paris, France, 1968. Pp. 184. \$5.00.

This report represents a first attempt to analyse the agricultural aid policies followed by the Members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development and the international aid agencies such as the Food and Agriculture Organization (FAO) of the United Nations, the World Food Programme, the World Bank Group, Inter-American Development Bank (IDB) and the European Economic Community (EEC). Aid to agriculture defined in a fairly wide sense is broken down into the following major categories: (a) contributions for crop and livestock production, including supply of agricultural production requisites; land and water development, including irrigation; land settlement and rural development; agricultural institutions and administration; and agricultural education, extension and research; (b) agricultural direct processing industries, including marketing and storage facilities; (c) agricultural input manufacturing, e.g., fertilizer and agricultural machinery and equipment plants; (d) forestry, including forestry processing and (e) fisheries, including fishery processing. This report covers the developments in this field up to the end of 1966. The statistical data on aid flows are given on a commitment basis. Sectoral breakdowns of aid to agriculture covered capital project aid and non-project aid or technical assistance. Dealing with official bilateral aid efforts to agricultural development by DAC countries, the study shows that the share of the total volume of official aid devoted to agricultural development in recent years has been rather small, about 12 per cent of the total, but that it is rising significantly both in absolute amounts as well as in relation to the total aid flow. Differences in the approach to agricultural development which exist among various aid donors are often explained by historical accident, particularly by the past relationships between donors and recipient countries. It is reported that nearly half of the total agricultural aid of \$3.3 billion allocated during 1962 to 1966 has been provided by the United States, and more than 90 per cent by the United States, France, the United Kingdom, Germany, Japan and Italy combined. It is estimated that about one-fourth of the total aid was absorbed by the Latin American countries, about one-third by Africa and the remainder by the developing countries in Asia and the Far East. A breakdown of bilateral agricultural assistance of DAC Member countries showed that more than half of the total committed funds of \$ 689 million in 1965 has been devoted for assistance to agricultural production. Nearly two-thirds of total aid

in this category was provided in the form of direct supplies of agricultural production requisites, through investment in land and water development projects (mainly irrigation works) and through agricultural extension, education and research. In agriculture, shortage of experts and training facilities constitutes the major limiting factor to an expansion of aid efforts. Technical assistance efforts have, to an increasing extent, become the essential element of agricultural aid programmes. Geographically, technical assistance provided by DAC countries is heavily concentrated in Africa. This reflects partly the priority given to African agricultural development by former colonial powers and the relatively greater need for government and operational personnel in the administration of many African countries. Multilateral assistance to agricultural development in less developed countries in the form of both capital and technical aid has attained growing importance in recent years. The cumulative contributions of the FAO, the World Bank Group, the IDB and the EEC amounted to \$ 1.4 billion by the end of 1966. The assistance efforts of the FAO are solely devoted to the task of increasing agricultural production and combating hunger and malnutrition in less developed countries. The World Bank Group, the IDB and the European Development Fund have also given increasing emphasis to the financing of capital and technical assistance projects in the agricultural sector. Little functional specialisation is observed among multilateral aid agencies.

Research on Agricultural Development in Selected Middle Eastern Countries, Donald C. Taylor, The Agricultural Development Council, Inc., New York, U.S.A., 1968. Pp. x + 162.

This monograph sponsored by the American Universities Research Program of the Agricultural Development Council contains an inventory, classification, and evaluation of recent and current research on agricultural development in seven Middle Eastern countries, namely, Iran, Iraq, Jordan, Lebanon, Saudi Arabia, Syria and Turkey. It is based on library study and field trips covering the seven countries in the region. It reports research on the economic, social and human but not the technical aspects, of agricultural and/or village, and/or rural development. This covers not only the researches in agricultural economics and rural sociology but also that in general economics, general sociology, economic geography, social anthropology, ethnology, psychology, education, extension, public health, human nutrition, public administration and demography which are oriented to the problems of agriculture and the rural community. Research in forestry and fisheries is excluded from the scope of the study. Literature published in English after 1950 is emphasized. With minor exceptions, Masters' and Ph.D. theses, both local and foreign, are not included. The coverage of the inventory generally relates to the year 1967. Divided into four chapters, Chapter I describes the role of agriculture in the region's economy and the major agricultural enterprises in the region. Chapter II deals with recent and current emphasis in agricultural social science research in the region and Chapter III contains an evaluation of the agricultural social science research and points to areas of deficiency which require additional research emphasis. The problems facing future research are briefly discussed in the last chapter. A list of institutions conducting research on the agricultural social sciences and an inventory of recently published research reports and current research projects on the agricultural social sciences in the region are given in Appendices A and B respectively. This study reveals that there is a wide subject-matter

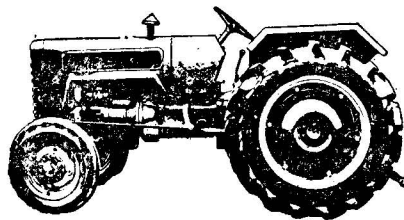
variety in the agricultural social science research in the region. No specific sub-category other than "economic development" and "agricultural development" occurs with a frequency greater than 5 per cent and these two exceptive categories are by definition broad. In terms of the "supply" of research in the region, there has not been over-concentration on too few topics. The subject-matter areas most emphasized in the region are (1) land and water use, (2) rural life and organization and (3) economic and agricultural development. Specific subject-matter areas requiring additional research emphasis relate to organizational analysis of administrative bodies connected with agricultural development and agricultural extension service, analyses of government statistical activities, studies of the rural society and culture to identify elements representing (a) possibilities and (b) impediments relative to future agricultural development, studies on the economic and social aspects of farm mechanization, rural-urban labour migration, agricultural under-employment, farm management, agricultural price analysis, farm credit, farm marketing and land consolidation. Besides these, two important modifications to research orientation are suggested, viz., more analytical and problem-solving studies and multi-disciplinary studies relating to the identification of input-output relationships in crop and livestock production, understanding the human factor in agriculture and the problems of human malnutrition.

Agricultural Development : Planning and Implementation (Israel Case Study), Raanan Weitz and Avshalom Rokach, D. Reidel Publishing Company, Dordrecht, Holland, 1968. Pp. xix+404. DM 55.50.

This book presents the background and varied facets of agricultural development planning in Israel and considers in detail all the related aspects of rural development. Composed of eight chapters, the introductory chapter of the book deals with Israel's initial experiments in forms of land settlement in the latter part of the 19th century, the influence of the Zionist organization in the early period of the 20th century and the impact on agricultural development of the achievement of statehood, in 1948. It also deals with the policies evolved to solve the socio-economic integration of mass immigration on an unprecedented scale during Israel's first years of statehood. The study then examines a ten-year comprehensive plan for Israel with a view to integrating development of agriculture, industry, and services within each rural area, with reference to the economic, social, organizational and environmental aspects of life. The plan is evolved at three interconnected levels—macro planning or national planning, micro planning of the individual farm unit and the intermediate level of regional planning. The objectives of the development plan at the macro level are to estimate (a) the demand for agricultural products in Israel in 1972-73 and (b) the resources for producing these products, and (c) to calculate the best economic combination of resources to meet the demand, taking probable trade-terms into account. These aspects form the subject-matter of the next four chapters. At the micro-level, the concern is with the production units and their organization including the reciprocity between the farmer and his farm at the village level. The most important farm type models proposed in the plan are presented and analysed in detail in Chapter 6. The co-ordination of macro and micro planning is carried out and implemented at the regional level and is discussed in Chapter 7. At this level, the national plan is adapted to the conditions of the farm units and vice versa and the plans are turned into concrete projects for implementation. In this kind of regional planning, emphasis is laid on the activi-

ties of a new functional unit termed a "Composite Rural Structure," first tried out in Israel in 1954 with the planning of Lakhish region. This composite rural structure is based on a number of co-operative villages, each one surrounding a rural centre containing economic and civic services. The composite rural structure plays an important role also in the integration of the different ethnic communities and bridging the patriarchal way of life with 'Western' modern technology. Stress is laid upon motivating new settlers towards the new farming systems and farm organization, and also upon the implementation of the development plan. The last chapter discusses three sets of activities necessary for implementing agricultural development planning in Israel, *viz.*, (a) the institutional framework of the authorities responsible for seeing that the plan is carried out; (b) the economic and fiscal incentives by which the farmers are induced to implement the micro plan; and (c) the research, extension and sociological activities.

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