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REVIEWS IN BRIEF

Policy Integration in Canadian Agriculture, Robert W. Crown and Earl O. Heady, The Iowa State University Press, Ames, Iowa, U.S.A., 1972. Pp. x + 238. \$ 8.50.

A non-commodity approach to agricultural policy in Canada is developed in this volume. It postulates the need for developing and directing the programmes specifically to tackle the income problems of commercial and non-commercial farmers and seeks government support for providing an arena in which adjustment can proceed at sufficient speed to allow agriculture to provide adequate incomes for families remaining as active participants in the sector. Concurrently with suggesting a more active leadership stance on government's part, the authors have made an attempt to capture genuine political acceptability by not challenging existing power structures of agricultural institutions. Divided into two parts, Part I consisting of three chapters traces the evolution of Canadian agricultural policy from pre-Confederation period to 1969 and examines the economic and political failures of the agricultural policy. Part 2 composed of four chapters discusses the directions of a new agricultural policy, an income policy for commercial and non-commercial farmers and the major economic barriers to adjustment within agriculture and the need for creating an economic environment in which ongoing adjustment could occur. It also deals with supply management problems associated with ongoing commercial agriculture. Evidence has been presented in this volume to show that the agricultural policy in the post-war period has failed to solve the fundamental problems of the agricultural sector, *viz.*, the agricultural adjustment problem and the intra-sectoral income distribution problem. The evidence for this claim is the presence of a persistent divergence between the average farm and non-farm per capita income levels. It is shown that the farm sector is operating in a sub-optimal position relative to the non-farm sector in terms of resource allocation, and adjustment is not effected. By classifying each of the policy instruments used to implement farm programmes in Canada into three categories, namely, input subsidies, subsidies per unit of output, and supply management and control activities, the study has shown in each case the influences of the mechanisms on (1) the adjustment problem as seen in the farm-non-farm income disparity and (2) the intra-sectoral income distribution. In no case did the mechanism help to close the intra-sectoral income gap, indicating the ineffective power of any mechanism to improve the lot of the poor farmers relative to the wealthier farmer. Social systems among farm groups in Canada have tended to insure success in achieving such micro level goals as stabilizing commodity prices or restricting the marketed surplus of commodities, in the mistaken belief that attaining these micro level goals guaranteed macro level goals such as adequate net farm incomes relative to non-farm incomes, or a decrease in sectoral income disparities. Emphasis is placed on policies which support farm incomes at a level comparable to incomes in the non-

farm sector by attaining the goals of greater resource mobility and freedom of adjustment in the agricultural sector, and eventually alleviate rural poverty through compensation to farmers for income depression resulting from structural transformation and any short run growth in supply capacity. The policy instruments proposed in this volume are directed toward these goals. The main programmes aimed at resolving the economic problems of agriculture are commodity-free programmes. Programmes are suggested for both the commercial and non-commercial farmers, attempting to provide the means of ongoing adjustment for the former and the means of immediate adjustment and relief for the latter. As it is likely that these measures could be frustrated if the many existing policy instruments were retained, the programmes include phased removal of subsidies for management inputs, transportation, and price-commodity manipulation schemes. The transitional income support and maintenance programmes for commercial farmers seek to help them adjust to free market operation and to achieve least-cost production, maximum competitive returns to resources and full economic efficiency for both consumers and producers. Other features of these programmes offer direct income support (on a pro rata basis) to compensate for the short run probable losses in welfare during the transition period preceding the attainment of full economic efficiency. To attain a longer run maintenance of income and welfare, a third programme is suggested for the commercial farmers who survived the transition period. This programme is directed towards removing the need to return to the kinds of commodity manipulative, income support programmes which have endured over the course of Canadian agricultural history. In the process, the cost of government involvement in commercial agriculture as a supporter of income would decrease. The programmes for non-commercial farmers facilitate the withdrawal of farmers and their resources or permit them to retire while continuing to farm on a small scale. Subsidies on income, retraining, guaranteed prices for liquidated assets, assistance in relocation and other provisions are included to complete the package. In total, the net effect of these programmes would be to quickly rationalize the use of resources within the agricultural sector by removing those resources which are in the least productive combinations. This would have the immediate effect of reducing aggregate supply by no more than 30 per cent, but it would at least be a positive reduction. Importantly, the farm families which are poorly rewarded by the operation of the market mechanism of agriculture would be given immediate relief without the rest of the sector experiencing the undesirable effects which have accompanied efforts to remedy low incomes in the past. Since the potential of Canadian agriculture to become increasingly productive is recognized as a threat to the usefulness of the income policies in actually solving the income problems of the agricultural sector, supply management programmes are suggested. The logic and suggestions contained in this volume have potential application in countries other than Canada.

Economic Planning or Revolution, Peter Harsany, Academic Publishing Co., Montreal, Canada, 1972. Pp. 114. \$ 5.90.

The main objective of this brochure is to describe the basic characteristics of the planned and unplanned (market) economies and to highlight the advantages in economic planning and the perilous consequences of *lesse faire lesse passe* policies in the non-planned economies. A chapter each is devoted to the discussion of the concept of planning or revolution, economic planning in centrally planned economies with special reference to the Soviet Union, planning for destruction, the theory of economic planning, planning against hunger, the green revolution, and economic planning in practice with reference to Canadian agriculture. Demonstrating the importance of economic planning, it is pointed out that countries with planned economies need less input to reach the same target than countries without economic planning. The waste of goods in unplanned economies compared with nations with centrally planned economies is so great that it finally may result in an economic crisis, poverty and discontent. Analysing the economic planning in the agricultural sector in the Soviet Union, it is noted that the state farms are organized like industrial firms, but the collective farms enjoy more freedom. It is suggested that the system of machine and tractor stations can be adopted in market economies, thus reducing the working capital needs of small farmers. Another conclusion of this study is that a centrally influenced general economy and planned agri-business is not only needed but is the only way of survival. A distinctive contribution of this brochure is the formulation of agricultural targets for Canada for the year 2000 for achieving a transition of the producing system in accordance with the needed production adjustments and deriving benefit from the increasing international demand for agricultural products.

Policies, Planning and Management for Agricultural Development—Papers and Reports, Fourteenth International Conference of Agricultural Economists, held at the Byelo-Russian State University, Minsk, U.S.S.R., August 23rd—September 2nd, 1970, Oxford Institute for Agrarian Affairs for International Association of Agricultural Economists, Oxford, 1971. Pp. xvi + 616.

In addition to the President's Address and Welcome Addresses, this volume contains the papers and proceedings of the plenary sessions, special group meetings and discussion group reports relating to the main theme of the Fourteenth International Conference of Agricultural Economists, namely, "Economic policies, planning and management of agriculture—national and international." An innovation for this conference was the presentation of nine contributed papers dealing with different aspects of the main theme. Papers included in this volume deal with the following broad topics: (1) Agricultural development and planning in the under-developed countries outside the socialist sphere, (2) Planning Soviet agriculture: current problems, (3) Economic planning for regions within countries : purposes, methods,

difficulties and results, (4) International economic policies in aid and trade, (5) Criteria in the international finance of agricultural development, (6) Methods of economic analysis of large Soviet agricultural enterprises and programming in the organization of large farms in the U.S.S.R., (7) Problems in finance of intensification and amalgamation of farm business in Western Europe, (8) Recent advances in farm planning in North America, Oceania and Western Europe, (9) Agriculture in relation to monetary problems and policies, (10) Methodology of price formation of farm produce, history of price formation in U.S.S.R., (11) International trade policy and agriculture and (12) Commodity agreements : purposes, types, successes and failures. Specific issues relating to the broad topics examined at the plenary sessions were discussed at the special group meetings.

In his Presidential Address, Nils Westermarck stressed the need for problem oriented research and advocated the development of specific techniques of analysis for tradition-bound farming. The paper by Gunnar Myrdal draws pointed attention to the serious problem of 'dualism' in developing countries, to the widening gaps between the developed and less developed regions and between the modernizing and backward social groups within these regions. It highlights the urgency of certain basic changes in the economic and social policies, especially land policies of developing countries, and aid and trade policies of developed countries. Another paper by Sushil Kumar Dey deals with some aspects of international aid and trade, with particular reference to the World Food Programme. Attention is drawn in the same paper to the problems of dualism and poverty, both within nations and between nations but different remedies are suggested by way of special trading arrangements between groups having equal economic power and development of intermediate technology based on experience at the macro level under the World Food Programme and at the micro level with a village exchange scheme in West Bengal in India. A. M. Rummyantsev discusses in his paper the principles and current problems of planning Soviet agriculture, chiefly in collective farms while two other papers by S. Sergeyev and P. G. Kravchenko consider respectively the methods of economic analysis and programming in the organization of large Soviet agricultural enterprises and a system of models for programming for an individual agricultural enterprise with separate but inter-related models for long range (10-15 years) forecasting of development of an enterprise, long-term planning (5 years), current planning (a year or periods within a year) and operational planning and management. Another paper by I. Lukinov traces the history of price formation of farm produce in the U.S.S.R. beginning with the Government decree of 1918 and describes the theory behind farm price formation in the Soviet Union. From the very start, the Soviet Government determined the price level and price ratios for farm products and manufactured goods bought by farmers. Three levels of farm prices in the Soviet Union are identified, one for deliveries to the state under the plan (procurement prices), one for contract deliveries (purchase prices) and one for free market transactions (which is higher than the first

(two). Four stages in the planned regulation of price levels and the correlation of prices of farm products and manufactured goods are described. The group discussion reports have highlighted the second generation problems thrown up by the Green Revolution, the role of research, both crop based and area based and fundamental and adaptive, the use of econometric models in both market economy and socialistic countries, the problems of small farms in terms of farm management and extension problems, and the need for development of managerial and executive skills, education, teaching and extension, especially in the developing countries.

Index of Indian Economic Journals, 1916-1965, Vimal Rath, Gokhale Institute of Politics and Economics, Poona-4, Orient Longman Limited, New Delhi-3, 1971. Pp. liv + 302. Rs. 25.00.

Prepared on the model of and adopting the classification evolved in the Index of Economic Journals published by the American Economic Association, this volume contains an index of over 6,000 selected articles published in 31 quarterly and monthly Indian economic journals and the Economic Bulletin for Asia and the Far East during the period 1916-1965. In the classified index the titles of articles are arranged by subject according to a classification scheme devised and used in the Index of Economic Journals. The authors are listed alphabetically under each sub-class, and arrangement of titles under each author is chronological. In the author index, the authors are listed alphabetically throughout. Instead of the titles of articles, only the classification numbers of the articles are given in brackets following the author's name. The classification system consists of 23 main classes with a total of nearly 700 sub-classes. The main classes included in this index are (1) scope and method of economics, (2) economic theory, including monetary theory, (3) economic systems, planning, (4) history of economic thought, (5) economic history, (6) general contemporary economic conditions, policy and planning, (7) mathematical, statistical and other tools of analysis, (8) social accounting, statistical data, (9) money, credit and banking, (10) public finance, (11) international economics, (12) economic fluctuations, stabilization policy, (13) war and defense economics, (14) business organization, managerial economics, (15) industrial organization and public policy, (16) agriculture, (17) natural resources, land economics, (18) population, (19) labour economics, (20) consumer economics, (21) health, education, welfare, (22) regional planning and development, housing and (23) unclassified. This Index will prove useful to students of economics both in India and abroad and particularly to those who intend to take a review of the development of Economics both in relation to the Indian economic problems and the more theoretical aspects of the subject.