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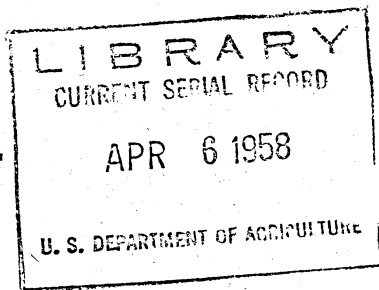
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# THE INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



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## BOOK REVIEWS

*Taxation and The Plan*, D. T. Lakdawala, Popular Book Depot, Bombay, 1956.  
Pp. viii+211. Rs. 5.00.

These days it is a rare experience for a student of Economics to come across a really good book on any of the variety of subjects in Economics without having to battle with a profusion of technical jargon and a disconcerting array of mathematical presentations. The mature experience of the author as a Teacher has endowed him with the art of lucid expression even while discussing complicated issues. Added to this, his capability to take a balanced view on controversial matters, which necessarily abound in a subject like Taxation and the Plan, has greatly enhanced the utility of the book not only for the students, but also for a layman who desires to keep himself well informed on current economic problems.

The book examines in detail the recommendations of the Taxation Enquiry Committee in the context of the economic situation arising out of the programme of development envisaged in the Second Five-Year Plan. Dr. Lakdawala proceeds on "the assumption of the maintenance of stable prices" and gives good reasons for doing so. Yet unfortunately the assumption is patently unrealistic—and he is aware of it. There is, therefore, an urgent need of a discussion on the actual consequences of the combined impact of economic development, inflation and the taxation policies in operation on the generation and distribution of incomes. Are the current taxation policies apposite for the dual purpose of economic development and moving towards a welfare State and to Socialist Pattern of Society?

Chapter II and IV on "For Equality" and "Development With Stability" do provide a frame for answers to the above query. The various tax measures have been examined for their effectiveness in achieving the above policy objectives. But for want of adequate data, it has not been possible to assess the net results. A continuing review of the developing situation is, therefore, clearly indicated. It is to be hoped that the author will continue his efforts at such constant evaluation, which is so well begun in the present volume.

M. L. DANTWALA

*Working of Bombay Tenancy Act, 1948—Report of Investigation*, V. M. Dandekar and G. J. Khudanpur, Gokhale Institute of Politics and Economics, Poona, 1957. Pp. xii+194. Rs. 7.50.

The book under review is a report embodying the findings of an investigation into the working of the Bombay Tenancy Act, 1948, which was undertaken with a view to studying the extent to which the provisions of that Act were effectively implemented and its objectives achieved. The investigation was conducted in a sample of 105 villages spread over sixteen districts belonging to the Maharashtra and Karnatak regions of Bombay State (as it was constituted prior to the recent reorganization of States) and covered a period of five years ending May 1953. The investigation was confined mainly to a study of the extent of changes in owner-

ship and tenancy, transfers of agricultural lands, changes in tenancy and in its terms, investment on land improvements on owner-cultivated and tenant-cultivated lands, etc. The overall result of the investigation indicates the general failure of the Act to promote its principal objectives. Data relating to changes in ownership and tenancy during the period of five years covered by the investigation pointed out a decrease in the proportion of tenant-cultivated area to the total cultivated area. Of the area which was tenant-cultivated in 1948-49, by 1953, about 50 per cent continued to be tenant cultivated by the original tenants ; on nearly 20 per cent the tenants were changed ; nearly 27 per cent was resumed by the owners and only 3 per cent was acquired by the tenants. The extent of resumption of lands for personal cultivation by landlords and of changes of tenants even after the enforcement of the Act showed that the protection given to the tenants could not be effective in practice.

Another finding of the report is that the large extent of area resumed by the land-owners was voluntarily surrendered by the tenants. Commenting on this the report states that "the failure of the Act to protect the tenant adequately was on account of a certain inherent weakness of its provisions in this respect ; the Act permitted the landlords, without any restrictions, to retain the lands when they were voluntarily surrendered by the tenants. With the amount of social and economic power that a majority of the landlords possessed over their tenants, it was obviously not very difficult for them to induce voluntary resignations from the tenants and effect either resumption or change of tenants at will."

Data on sales of land pointed out that despite the tenancy legislation the market in land was left very much unaffected both in respect of the volume of business and its character as a free market. Thus the provisions for promoting the transfer of lands into the hands of tillers were not quite effective.

Regarding the terms of tenancy it was found out that more than 50 per cent of the tenanted area was share-rented for half crop share and nearly 30 per cent was under cash rent. In the Kolaba district only the share rent was in a large number of cases about the ceiling rate prescribed. The overall position regarding the mode of rent payment seemed to have remained more or less unchanged. There was, however, some evidence of enhancement of rents. The report states that "quite obviously, except in Thana and Kolaba districts, the provisions of the Act relating to the fixation of the maximum rent have made no effect whatever." There was an almost complete absence of any signs of lowering the share or cash rents or of any changes in the tenancy practices.

As the aim of the Act was to promote full and efficient use of land, data were collected on investment in land improvements. It was found that the scale of expenditure on land improvements has increased considerably. The scale of expenditure on land improvements of the owner-cultivated lands was found to be very much higher than on the tenant-cultivated land and the proportion of distribution between these two categories of cultivators did not show any significant variation. It is stated, therefore, that little evidence can be put forward to show that as a result of the protection given to the tenants the tenant-cultivated lands are now better cultivated than before.

The report is also interesting from the point of methodology for measurement of changes consequent on the tenancy legislation. The basis of investigation was a two-fold sample, a sample of plots and a sample of landowners and cultivators. The sample of plots was chosen by the random sample method from the village records, which probably seems to have resulted in under-representation of tenant-cultivators. It would have been illuminating if the reasons for the adoption of the sampling method followed in preference to the stratified random sampling technique, with stratification according to, say, the type of tenancy or size of plots or both could have been detailed in the report. The report does not mention the mode of selecting 10 per cent of land-owners. The extension of inquiry in the case of Schedule IV to the lands owned and cultivated by a landowner in other villages does not appear to be consistent with the overall sampling design. Instructions which accompany the schedules have not been published as it would have helped the reader to understand the concepts and definitions used, particularly when replies to certain questions involve subjective answers.

The report is a valuable document which attempts for the first time to assess the effects of land reforms and tenancy legislation. The usefulness of it is further enhanced as it is published at a time when a very radical legislation on tenancy reforms is being implemented in the same State. It is hoped that the report would also provide a lead to other States for undertaking similar studies.

V. M. JAKHADE

*Improving Agricultural Tenancy—An FAO Land Tenure Study*, John F. Timmons, Food and Agriculture Organization of the United Nations, Rome, 1957. Pp. viii+59. \$ 0.60.

The paper embodies a refreshing summary of the farm tenancy problems and reform measures in most of the major countries of the world. The account is brief yet comprehensive. Not only does it deal with all important aspects of tenancy problems, like lease period, terms, rents, etc., but also covers all related problems. Those acquainted with land problems in underdeveloped countries know that with land relationship are tied up such other economic activities as credit, marketing and diffusion of improved technique of cultivation. Prof. Timmons deals with them in so far as they have a bearing on farm tenancy problems.

Some of the observations made by Prof. Timmons, in his interesting study, are of special value. He observes that the success of land reforms lies in their implementation and he considers the establishment of separate administrative tribunals, outside the regular courts, for hearing matters pertaining to land tenure very desirable (p. 52). The Saurashtra experience in the matter of tenure abolition supports this observation. Prof. Timmons believes, and rightly so, that implementation of tenancy reforms is likely to affect credit supply adversely, creating a credit gap. To fill this gap it is not sufficient merely to open out another source of credit supply. He commends the introduction of supervised credit for tenancy, even though costly. We must have a programme to raise the land pro-

ductivity and the tenants' income and we should supervise it being carried out to the last specification. Low income means low credit (p. 48), and low credit would mean slow progress or no progress. He believes that the co-operative credit should cater to all credit requirements including those for maintenance and specific consumption and hence the need for supervised credit. Like all other economists, Prof. Timmons would stress the role of land reforms as a part of the overall development programme which aims at progressive reduction of pressure on land and raising the bargaining power of the tenant.

The reviewer would differ from Prof. Timmons on the question of the form of rental. He favours share-rental with not too low a ceiling. His arguments are mainly three. He considers that the share-rent arrangement will make available to the tenant of the management skill, and production resources. Further, it would enable the tenant who has a low risk-bearing capacity to share his production and price risks with the landlord. Though the share-rental may not be the best arrangement for encouraging individual initiative and operation at the maximum production level, the foregoing benefits are, according to him, likely to be, on balance, of greater value. At one place, he implies that share-rent conforms to the custom and tradition (p. 33) which will make implementation of share-rental (with ceiling on the landlord's share and floor for the tenants' share) more successful.

The reviewer feels that the crux of the tenancy reform lies in complete severance of the tenant's relations with the landlord. Any loop-hole in this will result in the perpetuation of exploitation under various guises. It is only on this basis that there is a case for supervised credit and comprehensive credit (and even the efficient extension services, and price stabilization programmes) oriented to meet the needs of the tenant. The feel of independence and the real benefit of the rent-reform will be provided mainly by cash-rental which resembles the land-tax which the land-owner pays. Even the collection of rent by the Government on behalf of the landlord (and thus removing the last semblance of the tenancy relationship) will be facilitated by the system of cash-rental. As the economy progresses, the functionless landlords may be provided with alternative avenues of employment and income and the rent burden taken off the shoulders of the tenant and made a full-fledged owner-occupant of the land. This stage has to await conditions when within a full competitive frame rent plays the role of allocating land to diverse competing uses to realize maximum output. This, however, is a far cry for many underdeveloped countries. Even in some of the most advanced countries, rent is very unlikely to fulfil this role.

Prof. Timmons has done a valuable service to students of Agricultural Economics and the governments of the countries who have undertaken or intend to undertake comprehensive land reform measures by providing a clear statement of some of the vital and complicated issues connected with the problem. The book will, therefore, command an international audience.

*Rural Development (Report On A Foreign Tour)*, D. G. Karve, Reserve Bank of India, Bombay, 1957. Pp. 75. Re. 1.00.

This extremely useful brochure is a fruit of the foreign tour by the author to contact several foreign scholars for arranging a deputation of four or five amongst them to Indian Universities. The author roved from Tokyo in the East to Rome in the West, met over thirty scholars in different countries, discussed with them, besides the scheme of inter-university co-operation in research, large number of problems of methodology, organisation and analysis and obtained intimate knowledge about the working of the co-operatives, the edifice of rural finance, enforcement of land policies, agricultural extension programmes, etc., in those countries.

When economic thought in our country is sharply divided on the feasibility and advisability of co-operative movement, the bird's eye review of international co-operative business is timely and useful. The author describes cases of successful co-operative activities, particularly in the sphere of co-operative marketing and processing, in the countries he visited, such as for instance, the Grain Terminal Association at St. Paul controlling about 25 per cent of the marketable wheat of the area. Though co-operative farming societies do not picture in the whole array of co-operative institutions surveyed, the working of co-operative factories, creameries, etc., illustrate the business-like management of many successful co-operatives abroad. The secret of their success lies, besides other causes, in the resilient thinking and adaptative attitude of their promoters. The author quite correctly remarks that "where people have shown a tendency to stick to outmoded forms, co-operation has fallen on evil days."

Planning and decentralisation have engaged the minds of modern governments for various reasons. Different approaches to its solution therefore serve as useful guide to countries which are initiating industrialisation. At such a time, location and size of industrial establishments can be allowed to take care of themselves only at the peril of the welfare state they want to usher in. The efforts at regulation and channelling industrial growth in California, Puerto Rico, France, Switzerland, Denmark as described by the author make instructive reading.

The policy of rural finance in industrially advanced countries is oriented towards stabilising the potentially creditworthy farmers. The non-creditworthy section of cultivators are considered as a transitional phenomenon in the U.S.A. and it is the policy of the State to hasten their transformation into non-agricultural wage earners. This has been possible due to the overall favourable employment situation in that country. On the other hand, countries like Greece and Italy, where alternative gainful employment is scarce ration their scarce and valuable credit resources among some of the non-creditworthy farmers to mitigate their hardships. Though the problems of rural finance in our economy demand long-term solution, and therefore a different approach, the co-ordination between the agricultural and non-agricultural sectors in the structure of financial systems achieved in the U.S.A. and Europe should indicate a possible line of efforts.

Agricultural extension experience of various countries, especially the U.S.A., has many glorious chapters. Tremendous work done by the agricultural colleges in this sphere and inter-changeability between research, training and extension jobs



have played a vital role in the farming business of these countries. Such frequent exchanges of personnel also help agricultural research. It is true that the extension activity has bypassed the poorer and handicapped sections of the agricultural communities. The author also remarks 'in fact the extension activity, by itself, with its emphasis on the use of machinery and scientific methods tends to make the lot of the small producer less and less attractive.' This perhaps is not a serious threat in the countries where alternative employment avenues are abundant and therefore, there is no need to provide service to the uneconomic farmers on a long-term basis. The important feature of the extension service in these countries, however, lies in the comprehensive approach that they have adopted to rural problems.

In the countries with rapidly growing population, food and agriculture constitute major problems. All countries strive in their own way to maximise the production potential in agriculture. India too is bending her energies in this direction. Publication of this valuable brochure, outlining of the efforts of different nations for their rural development is, therefore, very timely and it will arouse further interest in this vital question.

(MRS.) TARA SHUKLA

*Agris—A Socio-Economic Survey*, D. N. Kale, Asia Publishing House, Bombay, 1952. Pp. 411. Rs. 16.50.

"Agris"—A Socio-Economic Survey by Dr. D. N. Kale is an intimate, live, detailed and many-sided account of a community composed mainly of agriculturists and distributed over the Northern and Central Konkan on the Western Littoral of India.

The study consists of two parts : (1) a survey of the life of the Agris contained in eleven chapters, including a conclusion wherein the author draws some of the inferences ; and (2) appendices composed of illustrations ; specimen life sketches, a list of varied types of fish consumed by the Agris ; dialogues and folk songs ; tables showing villages visited and the questionnaire issued by him to collect material on different aspects of the life of the Agris. In these two major sections of the work, Dr. Kale unfolds his survey as well as the technique and method which he adopted to study the community.

The study is based on a very extensive field work done by Dr. Kale. In the year 1943, Dr. Kale visited about a hundred places and prepared about three hundred life sketches of the Agris with a view to getting a general impression of their life and as a preliminary detour to his more intensive study. From 1944 to 1948, he spent his week-ends and vacations among the Agris, travelled over a distance of three thousand miles on a bicycle, or by boat and visited centres. He even footed out long distances to attend a number of Agri marriages, funeral rites and other socially important occasions, and studied their daily round of routine existence.

Dr. Kale studied their dialect, tried to prepare a skeleton grammar and collected 564 economic schedules, 284 songs, 203 dialogues, 86 medicines for men, 21 medicines for treatment for cattle and 14 sacred formulae.

Thus, the study is based on a very systematic application of numerous field work techniques and is founded on a very painstaking, sometimes even hazardous personal explorations by Dr. Kale. This point deserves mention to destroy some illusions and prejudices regarding the nature and quality of research work done and research scholars belonging to India and living in India. There still exists a great deal of glamour about foreign experts, foreign degrees and foreign research work in India. It is not yet realized that in India too, painstaking, methodical and sound research work is being carried out by Indian researchers and that too with formidable hurdles obstructing full concentration. Dr. Kale's work is a fine specimen of good work that is being done in the post-graduate departments of some of our universities. More so, because it indicates how scores and scores of our post-graduate research scholars are preparing and bringing out valuable works inspite of innumerable hurdles confronting them and inspite of great handicaps under which they work.

Dr. Kale's study is a contribution by a Sociologist to Social Anthropology. It provides a rich and multi-sided account of the life of an agrarian community, mostly of that of the poorer strata of farmers. It makes a searching analysis of the changes that are taking place among this community under the impact of numerous forces, objective and subjective, operating within it. One of the major points that focusses our attention is his narration of the ways by which small farmers are forced to rely more and more on other manual work. This slow transformation of small farmers into agricultural proletariat, or proletariat engaged in other vocations has tremendous significance for Indian social life. Will it lead to further polarization of classes in agrarian areas? If so, is not Indian social life heading towards a profound social collision ?

Dr. Kale's findings about Government measures like tenancy legislation, prohibition and others are also revealing. About prohibition Dr. Kale says, "on the whole the present picture of prohibition may be briefly sketched as follows : The people who do not drink have to pay additional taxes to make up for the deficit in the Government budget as a result of the prohibition policy whereas the addicts who must drink continue to get their peg of country liquor by hook or crook. Like a double-edged weapon prohibition has proved disastrous both for the people and government, firstly because there is little visible good done to the people and much less to the Government revenues" (pp. 294-295).

It is not possible to discuss fully the contents of the research work in short space of a review. However, one point may be emphasised. Dr. Kale's very useful work contains data for broader and bolder generalisations. I wish Dr. Kale projects such generalisations in the subsequent editions. It is only out of such conclusions that a new and more elaborate theory of social development in rural areas could be built up.

*Goals of Economic Life*, A. Dudley Ward (Ed.), Harper and Brothers, New York, 1953. Pp. x+470. \$ 4.00.

This book is the first in a series of six undertaken by the Federal Council of Churches in U. S. A. This series is to deal with the problem of ethical responsibility in American life and ethical principles of economic life.

According to the American pattern it is a book of readings, the contributions being by some prominent names in American academic circles, among whom may be mentioned Prof. MacIver, Prof. Bennet, Prof. Clark and Prof. Reinhold Niebuhr.

The book is divided into three parts. The first part deals with the Role of Values in American Economy. All the five contributors treat of economic ends and policies in the context of an ethical approach and ethical problems. There is an informative chapter on Comparative Economic Systems by Prof. Heimanu which critically reviews the aims of economic life by economists.

Part II deals with American economy in democratic perspective. Prof. R. M. MacIver contributes a chapter on Government and the Goals of Economic Activity.

The civils of free economy are sought to be set right in terms of freedom and justice, morality and law.

Part III views economics in other perspectives, the biological, theological and psychological. But the religious side is also tackled in Chapters XIII, XIV, and XV.

Each one of these three chapters is fraught with moral fervour not commonly associated with literature on economics.

The book dispels the notion that economic theory, activity and goals are basically material and have very little relation to the nobler aspects of life.

If the succeeding volumes maintain the standard set by this book and its contributors the hope of the sponsors for an economic life and organization founded on moral principles will be realized.

(MISS) A. J. DASTUR

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