

Letters to the Editor**Economic Aspects of Large Scale Farming****A Reply**

THIS is in reply to the observations made by Shri P K Rao of Indian Statistical Institute published in this Journal Vol IX No 7, P 251 dated February 16, 1957, on my paper published in the same Journal Vol VIII Nos 49 & 50 dated December 8 and 15, 1956.

Shri Rao starts with the impression that I have "deliberately omitted" irrigation as a factor in agriculture. Irrigation as a factor in farming is well-known to the students of agriculture even at the elementary stage. To believe that a research student could neglect and say that in this study it has been "deliberately neglected" is absolutely wrong. As was mentioned (P 1428) the paper was an extract from a thesis. Therefore it could not include everything contained in the study.

The fact is that the extent of irrigation is almost the same on the different farms studied except case No 1 where it was a bit more and No 9 where it was a bit less. In the remaining cases, the variation was between 47 per cent and 51 per cent and taking the groups the difference is not such as to make any significant difference in the cropping pattern. In the selection of cases, the uniformity of irrigation was given the maximum weight. The index of crop intensity which Shri Rao also accepts as statistically insignificant proves that the extent of irrigation was a uniform factor in all the cases studied.

The second observation of Shri Rao that "diversification is largely a measure against natural calamities" needs examination. Let us not go by impressions. Moreover, this point was not discussed in the paper.

Shri Rao further observed that, "U P leads in sugar production and this is because U P has very well developed canal irrigation system". May I draw his kind attention to the fact that in U P there are three distinct sugarcane zones which can largely be treated as one belt and that the developed system of canals exists in only one of them?

Another observation made by Shri Rao is that the index of crop intensity is not statistically significant to conclude that "... on the larger farms land is not being put

to maximum use, and (ii) for increasing total farm business activity intensification is a better remedy than larger size." About this I have only to say that attention towards a socio-economic problem can be drawn even before the degree of maladjustment becomes "statistically significant". Our study only throws a hint on measures which (among others) can prove helpful for attaining better land-use and to increase total farm business activity. There may be a difference in the view points of an agriculturist and a statistician.

About the last observation of Shri Rao regarding labour I have to say a few things:

(1) Reading of the whole section (p 1473 col three and p 1475 col one) from which Mr Rao has taken two extracts (not even complete sentences) would have given him a definitely different impression.

(ii) What the scope of the study should have been and an inquiry in the motives of the author are, to my mind, irrelevant issues.

(iii) I have no reason to suppress the feelings and ideas of the farmers whose cases are studied.

(iv) Difficulty arises when one begins to read between lines.

A N Sharma
Institute of Social Sciences,
Agra University,
Agra.
March 6, 1957.

Struggle for World**Markets****A Protest**

THE article on the "Struggle for World markets" published in your journal of the 2nd instant is remarkable in many ways, not the least of which is the number of controversial statements strewn over it.

1. To begin with, a too general statement such as this: "Foreign trade has a far greater impact on production and income in the underdeveloped countries than in the developed" hardly bears examination when one thinks of such highly developed countries as the UK and Japan which almost live on foreign trade. On the other hand, underdeveloped countries such as Greece and Turkey are surely not too much

affected by their foreign trade. A country is at the mercy of the vicissitudes in its foreign trade only if a substantial proportion of its national income is derived from foreign trade; and where this is the case, the degree or stage of its development scarcely matters.

2. One also does not know what to make of a truism like this: "The main difficulty stems from the fact that the favourable position of West Germany concurrently implies an unfavourable position for many of her trade partners, primarily the countries of Western Europe." One would like to know of an instance where a country's favourable position does not imply an unfavourable position for its trading partners!

3. Later on, it is stated that "Two such initiatives are currently under way in West Germany. One is headed by the European Coal and Steel Pool, namely a political forum known as "Little Europe". While the precise meaning of this is not quite clear, if what is meant is that West Germany has taken the initiative, in setting up the European coal and Steel Community, or that it is largely her own show, that, surely, is not correct. The initiative in this matter was taken by M. Robert Schuman of France - in fact, the plan was known as the Schuman Plan for quite some time.

4. In elaborating this, the author goes on to say that the idea was to set up a common market "in the form of a customs union". This also is not quite precise. For the concept of a common market is, in theory, at any rate, larger than that of a pure customs union of the Benelux type. Thus, the common market envisages the gradual elimination of all restrictions on intra-regional trade, including besides customs duties, quotas, exchange controls, double pricing, discriminatory freight schedules, etc. On the other hand, the commodity coverage of a customs union is usually very much wider than that of the common market which is confined, at present, at any rate, only to coal and steel.

5. Finally, it is argued that "the Commonwealth countries could easily broaden the market in the West European countries for their products through Great Britain." This is doubtful. Because it is only manufactured products which qualify for the privilege of movement