

**GOVERNMENT OF INDIA.**  
**DEPARTMENT OF AGRICULTURE.**

**REPORT**  
**OF THE**  
**PRICES SUB-COMMITTEE**  
**OF THE**  
**POLICY COMMITTEE ON AGRICULTURE, FORESTRY**  
**AND FISHERIES.**

**Price: Re. 1-8-0**  
**OF**  
**2s. 8d.**

**PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS, JA**  
**AND**  
**PUBLISHED BY THE MANAGER OF PUBLICATIONS, DEL.**

**PRICES SUB-COMMITTEE**  
of the  
**Policy Committee on Agriculture, Forestry and Fisheries.**

*Chairman :*

**SIR V. T. KRISHNAMACHARI, K.C.S.I., K.O.I.E.**

*Members :*

**THE HONOURABLE MR. HOSSAIN IMAM.**

**SIR FAZAL I. RAHIMTOOLA, C.I.E., Kt.**

**RAO BAHADUR N. R. SAMIAPPA MUDALIAR.**

**DR. L. C. JAIN.**

**SIR ROGER THOMAS, C.I.E., J.P.**

**SIR PHEROZE KHAREGAT, C.I.E., I.C.S.**

**MR. V. NARAHARI RAO, C.S.I., C.I.E.**

**MR. B. N. ADARKAR, M.B.E.**

**MR. N. G. ABHYANKAR.**

**DR. B. K. MADAN.**

*Secretary :*

**MR. W. R. NATU.**

## TABLE OF CONTENTS.

### Summary of the Report.

#### Introduction.

pp. 1-4

1. Appointment; 2. Changes in membership; 3. Terms of Reference; 4. Meetings; 5-6. Plan of the Report; 7-10. Acknowledgements.

#### Chapter I. The Need for State Assistance to Agriculture. pp. 5-10

11. Instability of the food economy; 12. Deficiency of production; 13. Targets of production; 14. Potentialities of production; 15. Proposals for agricultural development; 16. Lack of effective demand; 17. National income; 18. Deficit agriculture; 19. Growth of indebtedness; 20. Need for State assistance.

#### Chapter II. Survey of State Aid to Agriculture. pp. 11-25

21. Laissez faire; 22-27. The world depression; 28-32. India in the world depression; 33. Character of anti-depression measures; 34. Continuance of anti-depression measures; 35-36. Policy during war-time; 37-38. India during war-time; 39-42. Post-war State policy; 43. Post-war State policy in India.

#### Chapter III. Methods of State Assistance. pp. 26-42

44-45. Choice of method; 46-47. The technical problem; 48. The economic problem; 49. Reduction in costs; 50-51. Subsidies; 52. Adjustment of land revenue, water charges and rents; 53-56. General economic measures; 57. Necessity for all types of assistance; 58. Analogy with assistance to industry; 59-60. Need for special assistance to agriculture; 61. Agricultural incomes; 62. Consumption subsidies; 63. Deficiency payments; 64. Minimum price-guarantees; 65-67. The case for price-guarantees; 68-77. Importance of price-guarantees in India; 78. Comprehensive programme of assistance.

#### Chapter IV. Principles of Price Fixation. pp. 43-74

79-81. The concept of fairness; 82. Conflicting interests; 83-87. Unity of interests; 88. Goal of price policy; 89-90. Determination of the fair price; 91-94. Collection of data; 95-98. Determination of the fair price in the interim period; 99-102. The parity approach in the U. S. A.; 103-106. The fair parity price; 107. Minimum and maximum prices;

108. Transition and post-transition periods; 109-126. Fixation of the minimum prices; 127-128. Fixation of the maximum price; 129. Timing of announcement of the minimum price; 130. Timing of announcement of the maximum price; 131. Period for which prices remain fixed; 132. Revision of fixed prices; 133. Regional price differences; 134. Qualitative price differences; 135. Prices at different stages in marketing; 136-138. Recommendation of the Famine Enquiry Commission; 139. Commodities selected for price fixation; 140. Conclusion.

**Chapter V. Principles of Price Enforcement.** pp. 75-86

141-144. Necessity of enforcement measures; 145-151. State purchase and sale; 152-160. Enforcement of minimum prices; 161-163. Enforcement of maximum prices; 164-166. National reserve stocks; 167-168. Monetary policy; 169. International machinery; 170-171. Nature of the commodities selected; 172. Need for a comprehensive programme.

**Chapter VI. Price Policy for Food Crops.** pp. 87-103

173. Importance of food crops; 174. Consumption subsidies; 175-176. Price policy for food crops; 177. Selection of food-grains for price-fixation; 178-185. Size of reserve stocks; 186. Location of reserve stock; 187-191. Storage accommodation; 192. Turnover of stocks; 193-208. Cost of implementing policy; 209-210. Benefits of price policy.

**Chapter VII. Price Policy for Commercial Crops.** pp. 104-119

211. Importance of commercial crops; 212. Price policy; 213. Survey of previous attempts at regulation; 214-219. Jute; 220-228. Cotton; 229-238. Sugar; 239-249. Lessons of survey; 250. Application of policy.

**Chapter VIII. Price Policy for Animal Husbandry Products.** pp. 120-131

251-252. Importance of animal husbandry products; 253-259. Milk; 260-263. Fish; 264-267. Eggs; 268-272. Principles of price policy; 273-275. Price policy in the U. K.; 276-277. Price policy in India.

**Chapter IX. Administrative Machinery.** pp. 132-160

278-279. Necessity for special machinery; 280. Constitutional difficulties; 281. Central control during war-time; 282. Powers and responsibility of centre; 283-292. Division of powers in other countries;

293. Increase in powers of Central Government in India; 294. Grants-in-aid to Provinces; 295-297. Inter-provincial cooperation; 298-303. All-India Agricultural Prices Council; 304. Executive organs of the All-India Agricultural Prices Council; 305-306. Price determination; 307-310. Price determination commission; 311. Price enforcement; 312. Defects of departmental administration; 313-314. Merits of a business corporation; 315. Single commodity or multi-commodity corporation; 316-327. Commodity corporation; 328. Advisory committees; 329-331. Essential preliminary measures; 332. Conclusion.

**Chapter X. Ancillary Measures.** pp. 161-183

333-335. Net income of the cultivator; 336-337. Difficulties in marketing; 338. Implementation of minimum price guarantees; 339. Enforcement of the maximum price; 340-343. Reform of marketing; 344. Sale of produce to the money-lender; 345. Regulation of money-lending; 346. Payments made by the cultivator; 347. Agricultural finance; 348-352. Land revenue; 353. Systems of tenure; 354-357. Reform of tenure; 358. Importance of the tenant-cultivator; 359. Obligations of the cultivator; 360-367. Agricultural labour; 368-372. Farm management and land utilization; 373-375. Size of holdings; 376. Education; 377-382. Representative committees; 383. Conclusion.

**Conclusion.** pp. 184-188

**Notes by—Sir Pheroze Kharegat.** pp. 189-192

Sir Fazal I. Rahimtoola. p. 193

Rao Bahadur N. R. Samiappa Mudaliar. p. 193

Sir Roger Thomas. p. 193

Mr. B. N. Adarkar. p. 194

Mr. V. Narahari Rao pp. 195-201

**Summary of Recommendations.** pp. 203-209

**Appendices.**

I. State Aid to Agriculture in the United States of America. pp. 211-229

II. State Aid to Agriculture in Canada. pp. 230-239

III. State Aid to Agriculture in the United Kingdom. pp. 240-254

IV. State Aid to Agriculture in Australia. pp. 255-264

V. Questionnaire. pp. 265-267

VI. Attendance of the Members of the Prices Sub-Committee at its meetings. pp. 268-269