Utilization of long-term finance is a new problem in Maharashtra or other parts of India. The problem has, at present, acquired added significance in view of the paradoxical situation facing the country, under which, on the one hand, considerable long-term finance from land development banks is being made in the sinking of irrigational wells for securing the much-needed increase in agricultural production, but on the other hand, no adequate finance was issued by the land development banks for sinking of irrigational wells and also no proper use of the finance made available was made by the farmers. Public interest in the problem of non-full utilization of long-term finance has, unfortunately, not yet manifested itself in a systematic effort to study the various aspects of the utilization of long-term finance by the farmers.

In this work I have made a modest effort to fill this vacuum by conducting a study on the economic problems associated with the utilization of long-term finance issued by the Land Development Bank in the district of Ahmednagar, particularly in the famine-stricken talukas, in Maharashtra State. The study is based on the data collected by me from the owners of 277 selected wells.

The present study was conducted under the guidance of Professor V. M. Dandekar, Director, Lokhale Institute of Politics and Economics, Poona, 4. I take this opportunity of recording my deep sense of gratitude for making valuable suggestions. To work under him was, indeed, a privilege.

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