

Review Article

ASIAN ECONOMIC DEVELOPMENT

by

KEITH B. GRIFFIN*

Nearly three-fourths of the poor people of the world live in Asia. Of these, more than a third live in the six countries of Burma, Ceylon, India, Malaya, Pakistan and Thailand. All these nations, except Thailand (which was merely in the British sphere of influence), are former colonies of the British Empire. Thus, from several points of view, it would be of interest to read a description of the economic progress these countries have experienced during the last two decades.

Cranley Onslow has attempted to provide us with a volume which does just that [1]. His book is divided into two parts. Part I contains six essays by distinguished Asian economists, each discussing the recent economic history of his country. The remaining quarter of the book consists of a long essay by the editor in which he tries to compare the six nations and derive some implications for development policy. This is clearly the least successful part of the volume.

I. COUNTRY STUDIES

a) Burma: the Search for Viable Institutions

More than any of the other five nations in this survey, the Burmese economy was severely damaged during the Second World War. Half the capital stock (excluding land) was destroyed; by the end of the War the real gross domestic product was 61 per cent lower than the pre-War level, and the decline in per capita income was, of course, even greater. During the Japanese occupation, Burma had been cut off from her traditional export markets and as a result the nation reverted to a subsistence economy. Thus, the tasks of the authorities on the eve of independence were multiple: to restore per capita consumption to the 1938-39 level as quickly as possible; to replace and repair the capital installations which had been destroyed or damaged; to bring idle agricultural land back into cultivation; to re-establish commercial channels with the rest of the world and to increase exports.

These tasks had to be accomplished by new nations poorly equipped with administrators and technicians. Moreover, in view of the sharp decline in

* Mr. Griffin is Fellow of Magdolen College, Oxford.

income, reconstruction and development in Burma had to take place under conditions in which the savings capacity of the community had been enormously compressed. Yet the Burmese were able to steadily increase gross domestic capital formation, until in 1953-54 it reached a peak of 22 per cent of gross domestic product. Unfortunately, the ratio has tended to decline since then. The investment effort in the early period was made without the help of foreign assistance. Until 1955-56 no more than 6 per cent of gross investment had been financed with foreign resources; in that year the proportion doubled. The investment boom was all the more remarkable because it happened to coincide with a decade of insurrection which began in 1948 and which was particularly serious during the first three years.

Output increased at an annual rate of 5.4 per cent up to 1956-57, when the pre-War level of production was again reached. Since then, output has grown at about half that rate, although recent performance indicates that growth may be accelerating. Over the 15-year period, 1946-47 to 1961-62, real gross domestic product increased by 82 per cent. U Tun Wai considers the rate of recovery to have been "slow", and in a sense it was. On the other hand, the obstacles facing the nation were formidable and the results achieved compare favourably with her Asian neighbours.

Ever since independence was achieved, the Burmese Government has been committed both to socialism and to economic planning. The Two-Year Plan of Economic Development, announced in 1948, was never implemented because the insurrection began almost immediately. With the help of American engineers and economists an Eight-Year Plan was announced in 1950. The target was to double income by the end of the plan period. The plan, however, assumed that the price of rice—Burma's principal export—would remain near the peak achieved during the Korean War. When the export boom collapsed, shortages of foreign exchange forced a cutback in the investment programme, and the Eight-Year Plan was abandoned after only three years of operation. The last half of this plan was revised and reorganized and became known as the First Four-Year Plan. A Second Four-Year Plan covering the period 1961-62 to 1964-65 followed. Political instability, once again, disrupted the beginning of this plan.

A list of the sequence of plan documents, however, sheds little light on the social forces which underlay economic policy in Burma. The entire post-independence period may be viewed as a search for viable political and economic institutions. In the sphere of foreign affairs, the government wished to avoid entanglement in the cold war between the Soviet Union and the United States of America without, at the same time, becoming a satellite to either China or India. It had to

avoid both "neocolonialism" and a foreign-imposed communism. These considerations led to a policy of "neutrality". Internally, the government wished to "Burmanize" the economy while simultaneously securing rapid growth and a more equitable distribution of income. This led to "planning" and "socialism".

The Land Nationalization Act was passed in 1948, although for several years it was only partially enforced. The State Agricultural Bank was established in 1953. The textile, cement, and beer industries were nationalized, as well as others. In 1963 all the commercial banks were placed under state management, and direct government control of foreign trade was increased. Yet the increasing socialization of the means of production and distribution was not an orderly or planned process. As U Tun Wai stresses, there were frequent changes in industrial organization. The authorities "were full of good intentions and ideas but sufficient time was not allowed to test or permit any method to succeed" [1, p. 17]. Co-operative societies, corporations, joint ventures with foreign interests, and finally joint ventures with domestic business firms were tried in an attempt to "Burmanize" the foreign trade sector. Similarly, the state-managed industries were at first over-centralized, but more recently have become more decentralized. Marketing boards, development corporations, and decentralized commercial type organizations have all been tried in this sector. Government administration has been poor, the planning agency has frequently been reorganized, and "the methods used to implement the plans have also been inconsistent" [1, p. 16]. Thus, no area of economic life has been immune to the search for institutions appropriate to Burmese aspirations and capacities.

Not surprisingly, economic policy has not always been ideal. Investment has been misallocated: in some periods too much has been spent on social services and infrastructure, while agriculture has generally been neglected. The internal price of rice has remained unchanged since 1948 and as a result the profitability of rice farming has declined. Farmers have reacted to this by reducing rice acreage and switching into groundnuts and sessamum. Yet it is the profits of the State Agricultural Marketing Board on rice which have financed a large part of public investment in Burma and which account for 25 to 40 per cent of total government revenue.

Similarly, the government has had to cope with an acute shortage of technicians to manage the nationalized industries. At the same time its wage policy is such that remuneration in the civil service and the nationalized enterprises compares unfavourably with that obtainable in the professions or private business.

Perhaps the most surprising thing about Burma is that it was able to make so much economic progress during a period when institutions were unstable and

political life was disorderly and even violent. Once its transitional problems are solved, Burma's economy may become the most interesting in South-East Asia.

b) Ceylon: A Premature Welfare State

Dr. Gamani Corea's study of Ceylon is the most stimulating essay in the book. He has constructed a model combining rapid population growth and declining terms of trade which—in a democratic context—produces a premature welfare state.

Ceylon is heavily dependent upon foreign trade. The exports of her plantation sector, *viz.*, tea, rubber and coconuts, account for about a third of the national product. In return, the country relies on imports for supplies of manufactured goods and a large proportion of her food requirements. Gross domestic product has increased at an annual average rate of about 3 per cent since 1948, much of the gain being attributed to an increase in yields on the tea plantations and in the rice fields. This rate of growth has been insufficient to absorb the additions to the labour force, and as a result, unemployment has increased substantially.

A major difficulty has been that "in the years since 1948, with the exception of two brief intervals, the price trend of Ceylon's exports has been generally downwards" [1, p. 37]. Between 1948 and 1963 Ceylon's export volume grew at an average rate of 2.1 per cent per annum; at the same time, the purchasing power of her exports increased at an average rate of only 0.9 per cent per annum. Moreover, the prospects for her exports are rather bleak. First, natural rubber faces increased competition from synthetics and rubber prices are expected to fall. Second, tea producers face *i)* a low income elasticity of demand, *ii)* greater competition due to increased supplies from new competing regions, such as East Africa, and *iii)* the possibility of a curtailment of tea consumption in Middle Eastern countries as their growing balance of payments difficulties force them to reduce imports. Third, coconut products are threatened by the development of synthetic detergents and increased competition from natural substitutes, such as soya oil and fish oil.

The nation is faced with a dilemma. On the one hand, increased investment in the plantation sector in the form of new strains (rubber and tea) and fertilizers (coconuts) could greatly raise yields and increase output. On the other hand, increased output is likely—particularly in the case of tea—to result in a further deterioration of the terms of trade. A combination of investment plus acreage restrictions is not feasible because remunerative alternative crops are not available. Finally, a failure to invest in this sector might mean that Ceylon's share of the world market would contract.

The second major difficulty in Ceylon has been the high rate of growth of the population, *viz.*, about 2.6 per cent per annum. The population explosion is due to a dramatic fall in death rates associated with the eradication of malaria. Dr. Corea claims that the high population growth rate has had three effects: first, it has directly lowered the rate of growth of per capita income to about 0.4 per cent per annum¹. Second, the population explosion has led to a lower level of capital formation, as a large part of any increment to income has been diverted from savings to consumption. Third, it has led to an allocation of investment in favour of projects with long gestation periods and relatively low productivity, such as housing, health and education. For these reasons the author places considerable emphasis on the need to formulate and implement an official policy relating to population.

During the colonial period emphasis had been placed "on the needs of the modern plantation and commercial sectors of the economy and a relative neglect of the traditional rural sector based on peasant farming". Consequently, "the traditional sector was sparsely provided with educational and health facilities, with transportation and communications systems, and so on" [1, p. 45]. Universal adult suffrage, however, has existed since 1931, and once independence was achieved in 1948, democratic political forces were set in motion to redress the inequality.

A more egalitarian society was achieved not by restricting the consumption of the privileged groups and increasing public investment and growth, but by expanding public consumption. Expenditures on health and sanitation facilities grew rapidly. The government introduced a system of free public education through the university. The rapidly expanding state-owned enterprises were used as instruments for lowering prices to consumers and for raising the wages of the workers engaged in them. Finally, the government, as sole importer and distributor of rice, has pursued a policy of subsidizing food. The result of all these schemes was a redistribution of consumption in favour of the lower income groups—and a reduction in the level of savings and rate of growth. An emphasis on welfare programmes before the country has the productive base to support them is pseudo-progressiveness. In my opinion, an ideal policy in an underdeveloped country would ensure that all groups have low (not high) levels of consumption. In the interests of growth all citizens should be *equally ascetic*.

It is indeed sad that because of the emphasis on public consumption expenditure in Ceylon, the investment ratio is no higher than 12 to 13 per cent of

¹ On page 29 [1] it is stated that per capita product increased by about 0.7 per cent per annum, but this appears to have been an arithmetic error.

national income, "despite a relatively successful effort on the part of the government at mobilizing financial resources, particularly through taxation" [1, p. 58]. It is true that the high rate of growth of population both lowered savings and led to a poor allocation of investment. It also is probably true that the low private savings effort can be attributed in large part to the falling terms of trade and the consequent failure of income to rise in the highly productive exports sector. Yet it still is clear that a substantial economic surplus exists and that the government is capable of mobilizing it. This growth potential, however, was not used to increase productive investment but to subsidize consumption. A political choice was made in favour of present as opposed to future consumption. One wonders whether the nation will come to regret this choice.

c) Malaya: Free Trade and Prosperity

Malaya is similar to Burma and Ceylon in several respects. Like Burma, Malaya was occupied by the Japanese during World War Two; trade with her traditional markets was cut off, the export industries were closed, and the country "entered a period of economic ruin" [1, pp. 95-96]. The immediate post-War period was characterized by political instability and, again as in Burma, an "emergency" erupted in 1948. Like Ceylon, the economic health of the country depends upon foreign trade, for in Malaya the export sector (rubber and tin) accounts for nearly half of the gross domestic product.

Malaya, in contrast to the other two countries, has placed reliance on free trade and private enterprise to secure development. As Lin Chong Yah indicates, the government's economic policies were "deliberate and conscious" [1, p. 102]. Adherence to a laissez-faire philosophy, however, has not been complete. For example, in 1952 the government initiated a large programme to replace the aged and unproductive rubber trees, to increase efficiency in the industry, and to stave off competition from synthetic rubber. Approximately half the total Malayan rubber acreage has been replanted and the programme has been described as a "spectacular success" [1, p. 103]. There is little doubt that the 1950-60 decade was the most profitable period in the history of the rubber industry in Malaya.

The overall performance of the economy is determined by rubber and tin prices. "The level of these prices governs national income, internal prices and consumption, the levels of imports and capital formation, the levels of wages, and last but not least the amount of revenue available to the Government" [1, p. 108]. Having decided to follow the principle of international division of labour to its logical conclusion, the Malayan authorities have relinquished control over (and immediate responsibility for) the major variables affecting the nation's prosperity. The government can neither be praised for boom nor

damned for bust: economic performance depends, entirely on the so-called impersonal working of the market mechanism.

The world market has treated Malaya in a cavalier but, on the whole, benevolent manner. Growth has been marked by pronounced cyclical fluctuations, but each forward surge has raised the economy to a higher level of income. During the period 1947-60 there were three major forward movements. The first surge coincided with the outbreak of the Korean War and the sudden increase in stockpile demand for strategic raw materials. Between 1949 and 1950 real gross domestic product increased by over 60 per cent, but in the big downswing of 1952-54 it fell again by over 20 per cent. The second surge occurred in 1955 and the third in 1959. These surges coincided with periods of high prosperity in the industrialized nations and sharp increases in the prices of tin and rubber.

There is one sector, however, which has not participated in the rising incomes which the economy as a whole has enjoyed. The rice sector employs nearly a fifth of the economically active population. Total output in this sector has grown sixteen times faster than rubber production. Between 1947 and 1960 rice output increased by 118 per cent, but because of a sharp decline in prices, the *value* of the crop was only 3 per cent higher than in 1947. "Indeed, since the general purchasing power of money in 1960 was about 12 per cent lower than in 1947, in terms of real income the 1947 position was in fact far better than the position in 1960" [1, p. 113].

The increasing misery in one of the poorest sectors of the economy is associated with increasing population density, high rents, land fragmentation, acute indebtedness, and insecure tenancy arrangements. Mr. Yah informs us that: "In Kelantan State, farm tenancies changing hands in a single year have been known to reach a figure of 47 per cent" [1, p. 114]. The government's efforts to deal with landlordism and indebtedness have been unsuccessful, and legislation to protect tenant farmers has been "half-hearted".

It is far from certain that Malaya's present strategy will be sufficient to ensure a rising standard of living for her rapidly growing population. Between 1954 and 1962 tin prices rose over 26 per cent; it is very unlikely that they will increase further. On the other hand, rubber prices are likely to be considerably lower than the 1960 level of 108 cents per pound. Thus, a new strategy may be essential even to *protect* the present relatively high level of per capita consumption. If the prices of the nation's two major exports start to decline it will be essential a) to rapidly expand production of alternative exports, e.g., palm oil, b) to increase production of food for local consumption, and c) to begin a serious programme of industrialization. To be efficient, however, the latter must be based on a larger assured market than Malaya (or a disintegrating Malaysia) can offer. It is

jute, kenaf, maize and tapioca rose spectacularly. Production of rice, the traditional export commodity, failed to grow as rapidly as the population, and as a result, the surplus available for export declined. Prospects for the Thai rubber industry are bleak because a large proportion of the rubber trees in production are over-age. Production of teak has been declining steadily due to a decreased stock of mature trees.

Progress may have been greater in the social field. We are told that "vast improvements have taken place in...health" [1, p. 158]. Moreover, "...the education programme seems to have so far achieved satisfactory results on the quantity side but not so much on quality..." [1, p. 159]. Yet, for example, an official publication indicates that only 10 per cent of the students enrolled in grade one reach grade five [2].

In a statement that is typical of a Governor of a Central Bank, as the author of this particular chapter is, Dr. Ungphakorn concludes that "among many prerequisites to economic development in countries like Thailand, the two most important are peace on the political side, and monetary stability on the economic side" [1, p. 171]. In a region such as Asia, that is seething with political unrest, it might be more fruitful to consider peace as dependent upon economic development, and development as dependent upon social reforms and a high rate of public capital formation.

e) India: the "Anaemic Compromise"

India is the largest of our six nations. Her constitution declares her to be socialist. She has been seriously engaged in economic planning, without interruption, since 1951—longer than any of the other nations. And today the Indian economy is in serious difficulty. Has socialism failed? Has planning hampered growth?

V.K.R.V. Rao, although he does not pose these questions, provides some information on which tentative conclusions can be based.

Planning in India has occurred within the context of a "rather anaemic compromise of a mixed economy" [1, p. 71]. With the exception of the modest First Five-Year Plan, the government's development policy has been strongly oriented toward encouraging industry, and particularly heavy industry. The responsibility for undertaking investment in manufacturing enterprises, however, has remained largely in private hands. Professor Rao argues that "the bulk of public investment has been devoted to the creation of economic and social overheads..." [1, p. 81]. Investment by the State "is not only of a non-competitive character with the private sector but is actually aimed at providing investment opportunities for the private sector and facilitating a larger return for private

enterprise than it would otherwise have made" [1, p. 81]. He notes that "the biggest item of investment outlay in the public sector is on the consolidated item of transport and communication. ...Even in regard to public investment in industry proper, it is almost exclusively concerned with minerals and basic industries requiring investment on a scale that is beyond the reach of the private sector in India" [1, p. 82].

The government's policies, however, were not confined to merely investing in projects which the private sector would not or could not undertake. The State also provided positive incentives to individual entrepreneurs in the form of double depreciation allowances, development rebates and tax holidays. Moreover the State, by providing credit to private industry, has financed nearly 28 per cent of all investment in that sector. Not surprisingly, industry has responded to these incentives. Between 1950/51 and 1960/61 the output of "factory establishments" increased by 140 per cent, faster than any other major sector³.

In the meantime, very little was happening in the rest of the economy. The agricultural sector in particular was stagnating. In spite of the two favourable monsoons which led to bumper harvests in the last years of the First Plan, "agriculture, animal husbandry, etc." only increased its output by 40 per cent during the decade of the 1950's, *i.e.*, at a rate barely exceeding 3 per cent per annum. "Land reforms got blocked up in legal tangles and unwillingness of the landed interests to give up their privileged positions, and the community development programme...did not succeed..." [1, p. 73]. In some areas—notably West Bengal, Orissa and Assam—output has expanded much more slowly than population and per capita income has consequently fallen.

Social conditions in rural areas are as depressing as the economic performance. Approximately 23 per cent of the rural households own no land; another 24 per cent own less than one acre. Thus nearly half the rural population is virtually landless. The country is still predominantly an agrarian economy: over 80 per cent of her people live in villages and over 75 per cent of the cultivated area is under food crops. Yet India is unable to feed herself. Food crises have been chronic and the consequent need to import about 4 million tons of cereals every year has created a permanent balance of payments problem—in spite of massive PL 480 assistance.

The reaction of the authorities to the food crisis, the balance of payments crisis, the worsening inequality of income, the growing unemployment, and the appalling social conditions in the countryside has been to request more foreign

³ The fisheries sector grew by 150 per cent during the same period, but it is less than one-tenth the size of the industrial sector.

aid from the wealthy nations. Professor Rao's comments on the effects of this aid on political and social attitudes are quite interesting. He suggests that although foreign aid has given the government greater command over resources it has also contributed to "a strengthening of what may be called modern capitalist ideology. ...Social systems and social attitudes have been getting more and more similar to those prevalent in western capitalist countries and there has been little change of the nature of a social revolution" [1, p. 86]. "As for the proclaimed socialist ideology of the Indian Government, foreign aid, on the whole, has not been of much help; if at all its impact has been in the opposite direction" [1, p. 88].

f) Pakistan: A View from the Watershed

There is no need to survey Pakistan's economic history or to introduce Professor Nurul Islam to readers of this *Review*. Both are well known. My remarks, therefore, will be brief.

Professor Islam's essay reflects the attitude and pessimism prevailing at the time of the mid-plan review of the Second Five-Year Plan. He was, in fact, writing during a period when Pakistan is alleged to have "taken off", and his views make a nice contrast to the current literature which has hastily begun to speak of the Pakistani "model" or "miracle". Unfortunately, however, at the time of writing he was not (and could not have been) aware of either the export boom or the sharp acceleration of private investment in tubewells in West Pakistan. Thus, now, his lengthy discussion of the difficulties of increasing agricultural production appears out-dated.

On the other hand, he clearly outlines the development strategy pursued. "The major emphasis in the economic policy of Pakistan is on the promotion of private initiative and enterprise" [1, p. 137]. "The government...undertakes various measures of inducement and assistance to private enterprise such as supply of finance through a number of State-sponsored financial institutions, the establishment of industrial estates and the provision of tax incentives..." [1, p. 139]. As a result, "the achievements of the private sector have consistently exceeded expectations..." [1, p. 123].

The government has tried to influence the allocation of investment by introducing a large number of controls. These controls, however, "have developed in a haphazard manner and on an *ad hoc* basis, often in response to the immediate and compelling demands of particular situations in isolation, and this has resulted in over-lapping and duplication..... Many controls have been only partially effective owing to inadequate enforcement" [1, p. 139].

In general one has the uneasy sensation that Pakistan in 1965 (after the successful completion of her Second Plan) stands about where India was in 1956 (after the successful completion of her First Plan). The parallel, of course, is not exact, but the strategies are roughly similar.

II. COMPARATIVE ANALYSIS

The Editor's comments, in comparison to the generally high quality of the contributors' essays, are invariably disappointing, frequently silly, and occasionally outrageous.

Mr. Onslow is an advocate of the "night watchman" State. In his opinion the government should be concerned with conducting foreign affairs; providing for defence, internal law and order; preserving a stable currency; providing basic education, health and welfare services; and developing communications and public utilities. These functions "are sufficient to exhaust, if not to exceed," the governmental resources of all underdeveloped countries⁴.

Armed with this value judgement, Mr. Onslow proceeds to comment on Asian economic development. As regards liberal Malaya and interventionist Ceylon he states: "There were obvious similarities in the pattern and extent of economic development in Ceylon and Malaya in the pre-War period, and the striking contrasts in the subsequent performance of these two countries are certainly suggestive" [1, p. 180]. He, of course, fails to notice that Malaya grew *only* during periods of rapid improvement in her export prices, while Ceylon made considerable progress throughout the period *in spite of* a continuous deterioration of her terms of trade.

Similarly, he compares India's First and Second Plans. The First was "modest and moderate" and its overall targets were substantially exceeded. The second created an acute balance of payments problem, was accompanied by "severe restrictions upon the individual range of choice", and failed to achieve its overall targets. Once again, however, Onslow neglects to mention the essential facts, *viz.*, a) that national income increased more in the Second Plan than in the First, and b) the success of the First Plan was largely due to favourable weather, whereas the Second Plan was not so blessed—particularly in the first three years.

The gross simplifications evident in the above examples are continued throughout the essay. He glibly speaks of "the failure of comprehensive planning" [1, p. 184], but provides no evidence for this claim. Nor does he discuss such issues as whether individual savings preferences as reflected in the market should be accepted by the community; or whether a given income distribution should

⁴ It should be noted that such a statement of the functions of government would not be acceptable in any of the industrial nations.

be accepted; or whether the composition of investment (which partly reflects the distribution of income) should be accepted; or whether coordination of investment reduces risk, increases profit and leads to faster growth.

He argues, I believe correctly, that too much emphasis has been placed on the level of investment as a factor determining the rate of growth, and not enough emphasis has been placed on its productivity. He then goes on to suggest that a "preoccupation with investment expenditure...diverts attention from such major obstacles to economic progress as...a general lack of interest in material advance" [1, p. 186].

Onslow's views on social obstacles to economic development are equally extraordinary. He appears to believe that factors of a religious origin are "scarcely less significant" than problems associated with rapid population growth or a deficient educational system [1, p. 211]. He claims that "many of the causes of mass poverty in this area stem from roots which can broadly be described as religious" [1, p. 214]. Legislation prohibiting the slaughter of cattle, "legal prohibition of the consumption of alcohol" ("an important incentive product"), the caste system, "the encouragement of beggary", "Moslem prejudice against the pig", the "Buddhist's habit of expending much of his wealth in devotional displays", "non-acceptance of birth control", "retrograde linguistic policies", "inflammation of communal tensions", and a "fatalistic outlook" are cited as examples.

That religious customs prevailing in Asia seem peculiar to an Englishman is understandable; that they are inconvenient to an economist is undeniable; but that they are a major cause of poverty is patent nonsense. One cannot help wondering whether Onslow believes only Anglicanism is consistent with economic progress. Unfortunately, he appears to have completely missed the point.

Dr. Corea lucidly demonstrates [1, pp. 47-50] that the linguistic and religious conflicts in Ceylon are a residue from the colonial period. In virtually all cases "the antagonisms were directed against groups which, largely for historical reasons, had hitherto enjoyed positions of privilege in the community. During the period of British rule both the Tamils and the Catholics, who are mostly low country Sinhalese, were in a favoured position in respect particularly of the availability of educational facilities provided largely through the efforts of private religious bodies. The Sinhalese Buddhists in comparison were less well placed and began only relatively recently to receive the benefits of a State organized educational system. Together with the lead in education went positions of advantage in commerce, the professions and public service. For all these reasons it would perhaps be correct in large part to view the conflicts and antagonisms

of the period as a manifestation of an equalizing process through which the large sections of the community, hitherto relatively underprivileged, are striving to obtain correction and redress. It is because the privileged groups have happened largely to be linguistic or religious minorities that the conflicts have assumed as religious or linguistic character" [1, pp. 49-50]. Quite clearly it is social, and not strictly religious, clashes which are disrupting Asian development.

Onslow has virtually no constructive suggestions as to how such clashes could be resolved and development accelerated. Land reform "may well obstruct advance and not promote it" [1, p. 207]. Foreign aid is generally undesirable but the "less developed countries must pay special attention to...the encouragement of foreign private investment" [1, p. 199]. Apparently a policy of free trade is sufficient to ensure progress, as no mention is made of the desirability of regional integration, bilateral trading agreements, commodity stabilization schemes, or a reduction of tariffs on manufactured goods by the wealthy nations.

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