

them. It depends also on whether they recognize administrative systems managed by public servants, and freedom of speech, the press and academic studies. Unless they do, they will only drive the people, an inseparable element in democratic government, to political indifference and escapism. The gap between those who rule and those who are ruled in these countries is already wide and deep. The moot point is whether the military, in their role of champions of their countries, can bridge this gap. (*Masanichi Rōyama*)

L.J. WALINSKY, *Economic Development in Burma, 1951-60*, New York, The Twentieth Century Fund, 1962, xxvii+680 p.

Problems pertaining to economic development in Burma have been reviewed and examined to a certain degree in literature already published. However, minute and systematic study on the subject seems to be lacking. L.J. Walinsky's current work, however, largely fills that void.

Walinsky is vice-president of Robert R. Nathan Associates, Inc., an economic consultant service in the United States. He went to Burma when his firm participated in the Eight-Year Plan (Pyidawtha Plan) of economic development in Burma, as a member of KTA (Knappen Tippets Abbett Engineering Co.) in 1951. Having finished preparing for the Plan, he remained in Burma until 1960 as Chief Economic Adviser to the Burmese Government. Therefore he was able to help blue-print the Eight-Year Plan, and also observe the process of its implementation. His knowledge of economic development in Burma is both comprehensive and detailed. In his book, Walinsky details his knowledge systematically, clarifying the whole picture of economic development in Burma, and pointing out very shrewdly the problems which underlie it.

The first part of the book deals with natural conditions in Burma, and her history until independence. The second part discusses factors which influenced the formation of the Eight-Year Plan and its content. The third and the fourth parts examine the working-out of the whole Plan and individual projects. The fifth part enumerates problems involved in the Plan, and the sixth part deals with the lessons of past experience and how they could influence the future development of Burma or other newly-independent countries. It also discusses the development of aid policies of Western countries.

Since there is not sufficient space to introduce the contents of all parts of the book, the reviewer will omit the items which could be found in other literature, and will examine a few observations which Walinsky alone could make.

As is well known, the Eight-Year Plan covered the period from 1952 to 1960. The target was to raise the GNP from K371 crores for 1950-51, to K700 crores by the end of the 1959-60 period, estimated at the basic year prices. The KTA team which was responsible for the formation of the Plan calcu-

lated the maximum possible rate of growth as 88 per cent in 10 years, according to Burma's economic situation then. Walinsky describes in the second part of his book the three hypotheses which were the basis of this calculation. They were that: internal security would be established in the country by the beginning of 1954; there would be elastic supply of economists, technicians, and skilled workers and there would be efficient activities on the part of the Government.

Walinsky clearly shows in the third and fourth parts of his book that actual development was short of the plan target. In the fifth part he shows that most basic reasons for this were that the three hypotheses mentioned above were not fulfilled. As a result of the conflicts among the leaders in the AFPFL (the governmental party), particularly between U Nu, and U Ba Swe and U Kyaw Nyein, the efficiency of the government's activities deteriorated and security in the country worsened. In the extreme nationalization of commerce and industry able foreigners were driven away from the Burmese economy. They might otherwise have served the country as economists, technicians, and skilled workers.

According to Walinsky, because of this situation, the hypotheses which were the basis of the Eight-Year Plan were made unrealistic, and the plan targets became merely ideals on paper. Of course, Walinsky is not unaware of the fact that there were problems in each individual investment project and in the over-all financial project. For instance, when the capital planning was done, the export price of rice was estimated optimistically high. As much as one-third of the capital needed was to be sought from abroad at the very beginning of the Plan.

Walinsky admits all these faults and yet he attributes the failure to the fact that the basic hypotheses were not fulfilled. It may have been the responsibility of the Government rather than that of the planners that the basic conditions were not fulfilled.

In short, the Burmese Government lacked the will and ability to accomplish its responsibility. This reflection is continued in the sixth part, where the author cautions on the future development of Burma and other newly-independent countries. Walinsky mentions good government and good leadership as the major factors for furthering future development in these countries. He also discusses how to put the Plan into effect, what the economic policies should be, and other factors which greatly influence the progress of economic development. He thinks that when there is good government and where there are good leaders, the Plan can be implemented efficiently and adequate economic policies can be devised.

Walinsky also refers to the defects of the aid policies of the Western countries. He points out that the biggest mistake the Western countries are making is to give aid to strengthen the position of the free countries, although they miscalculate the amount and timing of the aid. He contends that the Western countries' aid should aim at assisting economic development of newly-independent countries. Walinsky seems to base his opinion on the fact that

there is a tendency in Western countries to mistake the real aim of the aid and to be too sensitive to the minor changes in the country's social structure.

The above is a summary of Walinsky's view. He regards the "social factors" of development as important. The Burmese Eight-Year Plan is frequently criticized for capital planning based upon optimistic estimates of the export price of rice, easy-going dependence upon foreign aid and investment plans with too ambitious targets. However, Walinsky analyses the Eight-Year Plan from the standpoint of social factors constituting its basic conditions—status of security, supply of talents, and the Government's administrative capabilities. Herein lies the characteristics of his book. The book also points out the necessity of reviewing traditional theories on economic development which concentrate on the relationship between the ability to raise capital and the distribution of investment.

In this sense, the book represents an excellent case study on economic development.

On the other hand, the critical analyses in this book are aimed primarily at the processes of implementation of the Plan. There is scarcely any critical analysis of the processes of plan-making, i.e., methods of calculation of the targets, and their consistency, in which Walinsky himself was concerned. This is the point which leaves the reader somewhat dissatisfied when he expects a minute analysis of the whole picture of Burmese economic development. (*Shigeru Tamura*)

DANIEL L. SPENCER, *India, Mixed Enterprise and Western Business: Experiment in Controlled Change for Growth and Profit*, The Hague, Martinus Nijhoff, 1959, xi+252 p.

Mr Spencer's important book provides a unique contribution to the study of public enterprises in the underdeveloped countries. The author demonstrates how the dynamics of industrial growth are largely determined by the characteristics of a particular industrial society and economic system.

It may be asked why India has developed certain qualitative attributes, quantitative dimensions and ecologies of public enterprises and Japan quite a different type. This book is one of the very few systematic studies that develop the theory of public enterprise under a given context of specific industrialism.

The author's economic thinking is both relative and pragmatic. He develops a broad analytical framework in which the economics of mixed enterprise are thoroughly analysed and examined against the background of India's industrial policy; symbolically expressed as *the deep dualism* in which public and private interests are conceived as twin vehicles to arrive at a development goal.

According to his working concept, mixed enterprise is "any exclusively *domestic* combination of public and private elements" and is also treated "as