

## BOOK REVIEWS

NAI-RUENN CHEN, *Chinese Economic Statistics: A Handbook for Mainland China*, Chicago, Aldine Publishing Company, 1967, xxxi+539 pp.

The greatest barriers for those who aspire to empirical studies of the economy of mainland China have been the absence of published data, and the fact that such available data are widely scattered. The primary aim of Dr. Nai-Ruenn Chen's work would seem to consist in eliminating the hitherto tedious but necessary steps preliminary to analysis—of determining whether the requisite data were available; locating it and collating it with other data; and attempting to compensate for China's unique use of statistical concepts by reconstructing the data so that the resulting information would permit comparative economic studies. The book will thus be of especial help in reducing the amount of work necessary prior to analysis, as well as in providing more extensive information to those who do not read Chinese.

This work has two goals. The first is to collect and set in order the official statistical data concerning all areas of the economy. The second is to comment upon these statistics and at the same time to clarify the area covered by the existing statistics. While a large number of specialized works relating to the economy of China has been published to date; and in these works both the ordering of relevant data and the clarification of statistical terms and concepts have been carried out, the present work is the first to collect comprehensive statistics ranging over all areas of the economy and to supply commentaries on each. The time and labour involved must have been considerable, and we wish to express our gratitude to the author, who has made such exhaustive efforts in compiling the information presented.

The author has organized his material into two major divisions. In Part I of *Chinese Economic Statistics*, explanations are given regarding the concepts and methods of classification used in Chinese statistical data; the mechanisms for the collection of statistics; the areas covered by the statistics available (i. e., available to foreigners); and the sources from which these statistics were obtained. Within each chapter, there is a more or less set pattern into which the material has been organized—definition; statement of sources and commentary thereupon; and commentary upon the statistical tables which comprise Part II.

Part I consists of eleven chapters: (1) Area and Population; (2) National Income; (3) Capital Formation and Related Estimates (explanations are given under the four heads of Fixed Assets, Industrial and Commercial Capital, Capital Accumulation, and Basic Construction Investment); (4) Industry; (5) Agriculture; (6) Transportation, Post, and Telecommunications; (7) Trade (on domestic and foreign trade; exchange rates are dealt with in

Chapter 10); (8) Prices (on domestic prices only); (9) Living Standards (social purchasing power surveys and family budget surveys are principally discussed); (10) Public Finance, Credit, and Foreign Exchange Rates; (11) Employment, Labour Productivity, and Wages (on employment, productivity and wages in the non-agricultural sector.)

As a specific example, we may look at Chapter 4, which is devoted to industry. The chapter consists, typically, of three sections; the first is concerned with clarifying the concept of "industry" as regards China, and noting the location of "industry" in reference to related sectors (such as agriculture) or related undertakings (such as construction). This section also presents the methods of classifying industries and the criteria used for classification.

In the second section of Chapter 4, Dr. Chen discusses the statistical sources he used and explains specific statistical concepts. In the case of this chapter, particular attention has been paid to an explanation of the establishment and development of the System of Regular Statistical Schedules, which provides the major source of Chinese industrial statistics.

The third section is comprised largely of commentary upon the tables relating to Chapter 4 which are presented in Part II. In addition to reviewing the types of data available (e. g., industrial output, production efficiency, etc.) as evidenced in the tables, the author has included explanatory notes where relevant, especially in regard to methods of classification and calculation.

Part II of *Chinese Economic Statistics* contains the statistics themselves. Here, a number of comments may be made which will delineate the scope and possibly the utility of the book. First, in terms of chronology, the statistics presented relate mostly to the 1949-1959 period. Though pre-war statistics are occasionally cited, these were not collected by the author himself, but have been quoted from the original sources to serve as points of reference for post-Liberation indices. Likewise, few post-1960 statistics are cited, because data itself is rarely available and what does exist is of dubious value. Second, Dr. Chen has been able to secure data for, in some cases, at least two levels of government—national and provincial—and in a number of instances, for a third level—the factories—as well. Third, the data given has been almost entirely restricted to that available in official sources, either as direct citation or as figures calculated directly from these published sources. Thus, with the exception of several highly reputable works, the author has not made use of the results given in secondary Western studies. (The secondary sources used include the studies done by Krotevich who worked on the population census research of 1953; or the work done by Chandrasekhar, who was given access to population statistics by the Chinese authorities.) Fourth, it must be pointed out that the author makes no attempt to evaluate the reliability of his sources or of the materials contained therein. In cases where he has found conflicting evidence he has presented both sets, without adding any commentary as to accuracy. Apparently, Dr. Chen has felt that such value judgements are inappropriate in this work and would be germane to the analyst rather than the collator.

The utility of the data given in Part II is seriously limited by the fact that Dr. Chen drew his figures only from official publications and did not in addition draw from such relevant sources as scholarly or technical journals. I would like to have seen a more assiduous use, too, of newspapers—in the odd corners of which even trifling figures may nestle. Or, if the use of journals and newspapers would prove too time-consuming, could not the author have incorporated the statistics given in reliable secondary works? Three cases may be cited as illustrating instances when the use of secondary materials might have been helpful.

Case 1: The statistics on the volume of industrial production (Table 4.6) are fairly limited in scope when compared with those collected by Kang Chao.<sup>1</sup> This would seem to be due to the fact that the author did not refer to the specialized journals which deal with various industries in China, such as *Chung-kuo Fang-chih* (Chinese Spinning), *Chung-kuo Ch'ing-kung-yeh* (Chinese Light Industry), etc.

Case 2: The data on transportation costs (Table 6.18) are much more limited than those collected by Onoe.<sup>2</sup> They are deficient in data on traditional means of transport, construction costs, and transportation prices. This is due to the fact that the author seems to refer rarely to the newspapers, and does not refer at all to *Jen-min Chiao-t'ung* (People's Transportation) and other specialized journals.

Case 3: Local price data (Table 8.15) is given only for Shanghai, as taken from the material on commodity prices published by the Shanghai Economic Research Institute,<sup>3</sup> but in so far as local prices are concerned, much more data can be collected from local newspapers.<sup>4</sup>

In addition, the following points might be made, especially if a second edition of the book is contemplated. First, there is only one Japanese work, *Ajia keizai jumhō*, among the reference books which the author has used, and it is infrequently quoted at that. Granting the difficulties inherent in the language barrier, I am confident that at least so far as the collection of data is concerned, Japanese studies of China have produced not inconsiderable results.

Second, I would like to have seen more extensive bibliographic references, both in the introduction, (where the author lists only the most essential literature relating to the topics discussed in the various chapters, omitting many significant works); and in the chapters as well, as detailed and valuable studies of specific areas of the economy of mainland China have been carried out and published in a number of languages. Considering for the moment only those works published in English, Ishikawa's *National Income and Capital Formation in Mainland China*<sup>5</sup> and Yuan-li Wu's *The Steel Industry in Communist China*<sup>6</sup> come immediately to mind. The former of these is indispensable for an understanding of the definitions employed in Chinese statistics in general, and of the statistics themselves; while the latter is a valuable contribution to detailed studies of China's industries.

Third, the commentaries on the statistics which are given in Part I are

extraordinarily detailed, but even so there are points which are insufficiently treated or omitted entirely. The most notable of these is the omission of an explanation of "major repairs" in Chapter 3. Because of the omission there is some danger that the Chinese concept of "fixed investment" will not be correctly grasped by readers unfamiliar with the use of the term. Or again in Chapter 5, it would seem that there is insufficient explanation regarding the problems in crop statistics, a matter which is discussed by all who deal with the agricultural economics of China.<sup>7</sup>

What, then, are the contributions made by this book? First and foremost we must emphasize the fact that it is the first attempt at comprehensive commentary upon and collection of statistics published in the field of Chinese economic statistics, but what is even more important is that the author has collected and set in order local data which appeared in newspapers and in statistical materials published by the provincial administrations. (These are abundant in Chapters 4 and 5.) For instance, the author has referred to the collected statistics for the Inner Mongolia Autonomous Region,<sup>8</sup> which had not been available up to now, and in each successive chapter he gives important economic indices for Inner Mongolia. We have some reason, therefore, for believing that hitherto primitive studies of China from the point of view of economic geography will be promoted by the data provided in this book. (As far as I know, only two authors<sup>9</sup> have made concentrated studies of the regional structure of industry, apart from the subject of transportation.) The study of agriculture, which has been restricted due to lack of source-material and regional data, may be expected to progress with the help of the collection of provincial data for sown area for various crops, irrigated area, and output (Tables 5.7-5.40 and 5.68-5.94). And in addition to the above, there are a number of items which the author has freshly dug up which could be listed as contributing further to our knowledge of China.

In the final analysis, it would probably be best to use this work in conjunction with other already published studies done in the various specialized fields, because of the numerous insufficiencies in the statistics presented in Dr. Chen's book. We also look forward to seeing the statistics dating from 1960 being put in order and developed by means of future projects of this kind.

<sup>1</sup> See Kang Chao, *The Rate and Pattern of Industrial Growth in Communist China*, Ann Arbor, University of Michigan Press, 1965, Appendix C-1.

<sup>2</sup> Etsuzō Onoe, "Chūgoku no kamotsu yusō" (Freight Transportation in China), *Ajia Keizai*, Vol. VII, No. 9 (Sept., 1966).

<sup>3</sup> Shanghai Economic Research Institute of the Chinese National Academy of Sciences & Economic Research Institute of the Shanghai Academy of Social Sciences, *Shanghai Chieh-fang ch'ien-hou wu-chia tzu-liao hui-pien, 1921-1957* (A Collection of Shanghai Price Data Before and After the Liberation, 1921-1957), Shanghai, Shanghai People's Publishing Company, 1958, p. 460.

<sup>4</sup> See, for example, Toshiyuki Mizoguchi, "Chūgoku no bukka taikei" (System of Commodity Prices in Mainland China) in Shigeru Ishikawa ed., *Chūgoku keizai no chōki*

- tembō* (Long-term Projection for the Chinese Economy), Tokyo, Institute of Asian Economic Affairs, 1964.
- 5 Shigeru Ishikawa, *National Income and Capital Formation in Mainland China—An Examination of Official Statistics*, Tokyo, Institute of Asian Economic Affairs, 1965.
  - 6 Yuan-li Wu, *The Steel Industry in Communist China*, New York, Frederick A. Praeger, 1965. Yuan-li Wu, *Economic Development and the Use of Energy Resources in Communist China*, New York, Frederick A. Praeger, 1963.
  - 7 For example, see Yuan-li Wu, *The Economy of Communist China—An Introduction*, New York, Frederick A. Praeger, 1965, pp. 136 f. Since Wu's interest is directed towards the inaccuracy of statistics relating to the level of agricultural production in China, a penetrating analysis is made of those questions in statistics which could have been the cause of this inaccuracy. In the case of Chen, on the other hand, the pitfalls which lie concealed here are apt to be overlooked by the readers because the main emphasis is placed on giving a commentary on the yield statistics system in general. I think that the author would have done well to give more consideration to the fact that the official figures for yields in 1958 were subsequently revised by a large margin.
  - 8 *Nei-meng-ku tzu-chih-ch'ü ching-chi ho wen-hua chien-she ch'eng-chiu ti t'ung-chi* (Statistics on Achievements of the Inner Mongolia Autonomous Region in Economic and Cultural Construction), Peking, 1960; translated by U.S. Joint Publications Research Service: 16,962, Jan. 3, 1963.
  - 9 Yuan-li Wu, *The Steel Industry in Communist China*, Chapters 6 and 7. Ronald Hsia, "Changes in the Location of China's Steel Industry" in Choh-ming Li ed., *Industrial Development in Communist China*, New York, Frederick A. Praeger, 1964. There is no substantial difference between the two works.

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PATRICK O'BRIEN, *The Revolution in Egypt's Economic System: From Private Enterprise to Socialism, 1952-1965*, Oxford University Press, 1966, xviii+354 pp.

For a social scientist to analyse the process of transformation of Egypt's economic system is very attractive work from the standpoint both of tracing regressively the historical setting of the Egyptian Revolution and of presenting one's analysis as a contribution to the elaboration of a theoretical framework for analysing system change in the subordinate area in international relations. At the same time, however, we would add that such an analysis is an extremely adventurous undertaking. We say this because, unless the theoretical framework is constructed with a fair degree of competence, the analysis will be merely an exhibition of novelty in relation to the traditional social science methodology and thus will never be anything more than a fabric woven of mere whims and parochial peculiarities.

This work by Mr. O'Brien is not subject to criticism on the above grounds. The book does not aim at describing this or that parochial peculiarity of Egyptian economy or of its institutional framework, but rather aims at building towards a theory explaining the transformation of the economic system in terms of the institutional framework, taking Egypt as an example.