

## Book Reviews.

### *From Stone to Steel.*

R. E. SALISBURY.

Melbourne University Press, for Australian National University, Melbourne, 1962. 237 pp. 63s.

"From Stone to Steel" is the chronicle of an accident of history, but an accident which must have occurred among many other ethnic groups in many other areas of the Territory of Papua and New Guinea. It is a study of the introduction of modern technology, in the form of steel axes, to a group of stone age people.

The Siane are a group of tribes, comprising about 15,000 people in the Goroka Subdistrict of the Eastern Highlands of New Guinea. Although some of them had seen Europeans during the period of intensive Highland exploration in 1933, they had no further contact with them until 1945. Yet in this period, the traditional stone axes of the Siane men were largely replaced by steel. These steel axes had found their way into Siane Territory along the channels of indigenous trade and exchange; and "their use in the native system of production became universal, and directly or indirectly, all other aspects of native life were affected by them".

In most areas of Papua and New Guinea, the introduction of steel was accompanied by the advent of Europeans—settlers, prospectors, traders, patrol officers, missionaries—and much of the change wrought in social and economic behaviour can be attributed to emulation and the new pattern of exchange (monetary or barter) between the Europeans and the native inhabitants. With the Siane, this was not the case, at least until 1945. Even the upheavals of the Second World War seem to have skirted around them, so they had twelve years in which they received steel axes to replace gradually their stone axes, and in which to make their own social adjustments to these new tools, slowly and independently.

Dr. Salisbury has traced the pattern of this adjustment on the evidence of the Siane themselves. And for the student of Territory affairs, or the administrator concerned with the evolution of the native peoples from the traditional to the modern world of commerce, it makes both interesting and valuable reading. In fact, it is

easy to give rather too much weight to the conclusions drawn by Salisbury as a result of the logical and concise manner of his exposition. "From Stone to Steel" is a case study, and the applicability of its findings to other situations in other areas remains to be tested.

Within Siane society, Salisbury distinguished three distinct types of activity—subsistence, ceremonial exchange, and the production of luxury items—the exterior signs of opulence and power. These three overlapped in many instances and to classify adequately a man's actions at any particular time posed a number of problems, but they do provide a useful classification for studying the changes made by the introduction of disturbing influences.

The other major indicator of change comprises the personal relationship of the Siane with other members of the tribe and with outsiders. Within each clan, relationships are built upon the need to equitably share the factors of production and the produce of the subsistence gardens, and to provide social security for the aged and infirm. Within and between clans one can distinguish the activities of promoters and politicians, the big men using luxury items and personal relationships, to establish positions of power and ensure a share in expected hand-outs of favours. And between clans, largely through marriage transfers, can be seen the ceremonial transfer of community wealth, usually the most "valuable" items, quickly giving way in an alternating progression to open hostility. To quote the Foreword "the segmentary social structure expresses itself in a more or less continuous tension between the components whose members have to do with each other, in the imprisonment of interdependence, by marriage, gift, prestation, trade, insult, violence, feud and war".

In tracing the effects on these activities and relationships, Dr. Salisbury uses mainly the tools of the anthropologist. Economists will doubtless find the book of interest, but may also be a little disappointed at some of the loose ends left untied. One wonders, for instance, what the net effect of the introduction of steel axes on the productive process would have appeared as, if "opportunity cost" had been used in measure-



ment of factor costs. Or, to quote Dr. Stanner's Foreword again, "if increased leisure but no measurable increase of goods resulted, was the whole process truly one of development?" Anthropologically and socially, it undoubtedly was, but what was the real effect in terms of economic development?

The administrator concerned with the active promotion of economic development is likely to be more directly interested in the changes wrought in a society following the introduction of money and the incursions of Europeans. To this extent, he will be more concerned with the story of the Siane after 1952, which Dr. Salisbury has promised as the subject of a subsequent study.

One could not complete a review of this book without honourable mention of the excellent Foreword by Dr. W. E. H. Stanner. His reference to the Herskovits—Knight controversy and the differing anatomies of anthropology and economics as scientific disciplines is particularly apposite. Anthropological findings need to be used with caution in economic research. This does not mean that economists will not use Salisbury's work. They undoubtedly will. Fisk has already drawn on the Siane for at least two interesting forays into economic model building. With such a paucity of material available, economists specializing in the Pacific Area have developed very much into pragmatists, using whatever they can lay their hands on. "From Stone to Steel" adds considerably to the information previously available on the motivations underlying the behaviour of primitive peoples as they meet and adjust to the technology of a modern monetary society.

M. J. Philipps.

Reserve Bank of Australia,  
Port Moresby.

### *Readings in Malayan Economics.*

Edited by T. H. Silcock. Eastern University Press Ltd., Singapore. 1961. 501pp. M\$ 15.00.

The success of the Readings series issued by the American Economic Association has been largely responsible for the growing popularity of this type of publication. Although this book on the Malayan economy does not reach the high standard of the American series, it is an interesting and important contribution to the library shelves of those interested in the economics of Malaya.

The range of topics from which the Editor—Professor Silcock, Emeritus Professor of Economics, University of Malaya—had to choose must have been extremely limited. A number of the papers make only passing reference to Malaya, while the last section—"Currency and Credit"—could have been omitted without impairing the value of the book.

The publication consists of five sections; each introduced by a short summary covering the main aspects of the topic and suggesting further source material. The sections deal with Economic Growth; Macroeconomic Analysis; Rubber; Tin; and Currency and Credit. The papers were published between the years 1936 and 1959 and this makes review difficult.

### *Economic Growth.*

This section has seven papers of which the most interesting is that by R. W. Firth—"Money, Work and Social Change in Indo-Pacific Economic Systems". Published in 1954 it is a pioneer in the field of Socio-economics. The thesis is that indigenous economic systems and social institutions can make partial and sometimes successful adaptation to the impact of the stronger money economy.

This is the case where the individual indigenous economy has its own internal medium of exchange. Its counterpart in the cash economy, although possessing both internal and external exchange values, is brought into the indigenous economic system. Thus, both the traditional and the new medium of exchange can operate successfully side by side. This is well illustrated in the Gazelle Peninsula of New Britain.

The effect of wage labour on the indigenous economic system is also examined in a similar context but Firth relies heavily on the notion of the backward sloping supply curve for labour. The author can be criticized for not showing that this concept is only valid in the initial stages of contact between the two economic systems, and that it rests on a fixed supply of labour. Once this becomes more elastic, the concept does not apply in its rigid form.

This paper can still be read by all those working on aspects of indigenous economic systems, as many of the suggestions and thoughts point to future research projects.

The second paper by M. G. Swift—"The Accumulation of Capital in a Peasant Economy"—follows the normal anthropological technique



of studying a particular problem on a narrow front but at considerable depth. It answers few of the questions which concern economists although it does suggest a number of fields where economic studies would be undertaken.

A short paper by Mr. Freedman on the economic sophistication of the overseas Chinese suggests that the success of these energetic immigrants rests, not so much upon their industry, but on their high degree of skill in handling money and their ability to organize men in relation to money.

The last four papers are by the Editor and cover a wide range of problems associated with economic growth in low income countries, particularly with reference to Malaya. Two studies on population and migration in the Far East are included.

Professor Silcock stresses the importance of developing those aspects of the economy which have high external economies and comes to the conclusion that education, research and transport are key factors in economic growth for low income countries. His emphasis on education—and its companion, research—is interesting in view of the current swing to the study of education in explaining the economic development of the high income countries. He touches on the distinction between consumption and investment education but does not follow up this important point. For the high income countries, investment education is a necessary condition for continuing growth. On the other hand, the low income nations are only just entering the stage of consumption education.

### *Macroeconomic Analysis.*

This section consists of four papers, the first two of which are extracts from the Annual Economic Surveys of Asia and the Far East for 1953 and 1957 issued by the United Nations Commission for Asia and the Far East. Although both deal with different aspects of the problems of economic stability and fluctuating world trade for the exports of these areas, they are now somewhat out of date. Declining terms of trade for raw materials are now demanding the most attention.

The third paper is by P. T. Bauer and deals with the Malayan rubber slump of 1929-1933. In common with much of Bauer's work, it calls

into question many of the concepts on which national and international commodity policies are based. In this field, Bauer has no peer.

He is concerned that the upsurge in rubber production by the smallholder in Malaya, and the then Netherlands East Indies, at a time of low prices had a number of sound economic reasons. It was almost completely accepted in Malaya that their need for money was turning many away from rice production to rubber, a move which was frowned upon by the government.

Bauer examines the economics of this "unusual phenomenon". It simply was more profitable for the smallholder to produce rubber than rice. Rubber, according to Bauer, has a number of natural advantages for the smallholder over rice; firstly it is non-seasonal; weather risks are less; and most important, it is less labour intensive. There is evidence to suggest that the difficulties encountered in this Territory in encouraging the production of labour intensive crops reflect rational behaviour by the indigenous agriculturalist.

The final article of the section looks at the Malayan government's reaction to the Korean war boom. Unfortunately, the date of publication is not shown but the main features discussed are dealt with in the first two papers.

### *Rubber.*

Bauer's work dominates this section and the value of these papers is heightened by comments of Professors Silcock and Benham. As mentioned previously, Bauer questions the foundations on which government policy in relation to the Malayan rubber industry was built. He shows that the role of the smallholder was not understood by the rubber industry in Malaya nor in the Netherlands East Indies. As a result, policy often worked against the interests of those low-cost producers.

His first paper examines the economics of planting densities from the viewpoint of the smallholder. These producers had much higher densities than those normally found on estates and also were obtaining higher yields per acre than the large scale producers. The results of experiments in the Netherlands East Indies and Sarawak show that higher yields per acre do occur from the heavier planting densities than those normally adopted on estates.



The economics of the situation is based on the differences in the cost structure between the two production units. Bauer concludes that "in the virtual absence of cash costs and the lack of capital equipment for the smallholder, the maximization of gross yields per surface area is the overriding factor".

It is hard to understand why further work on this important aspect of small scale rubber production has not been undertaken. The reviewer has been unable to discover any arguments which shake Bauer's investigations. The implications of this work must be considered in any policy which is designed to expand rubber production through small scale units. Comments by Professors Silcock and Benham, although raising some points for further investigation, do not upset the logic of Bauer's argument. It could be maintained and no doubt will be maintained, that the newer high-yielding varieties require high management skills and that Bauer's argument no longer applies. However, this should be tested.<sup>1</sup>

The remaining papers by Bauer, Silcock and Benham look at the position of the smallholder in respect to the International Rubber Regulations Scheme (1934-1942) and the rubber policy of the Malayan government. Bauer argues that these worked against the interests of the smallholder but not those of the estates. He estimates the monetary losses suffered by the smallholders as a result of the quotas set by the International Scheme. The policy of the Malayan government towards replanting and new plantings would have in the long run eliminated the smallholder as a successful competitor to the estates.

This section is by far the most interesting in the book and like that on Tin is solely concerned with the position in Malaya. The Editor has carefully selected the papers and for this alone the publication should be read by all those interested in the future of rubber.

### *Tin.*

Tin, the other prop of the Malayan economy, is not as well documented as rubber. The first paper, published in 1936, is only of historical interest but the workings of the International Tin Committee have considerable relevance to the present tendency towards international com-

modity stabilization schemes. The second paper is a fairly comprehensive study of tin mining in the Kinta Valley area of Malaya.

The paper dealing with labour relations on Chinese owned tin mines is worthy of study as it examines the complicated social and economic relations between management and workers.

### *Currency and Credit.*

This section could have been omitted as it tells little about this important aspect of the economy of Malaya.

Professor Silcock has rounded off the publication with a list of graduation exercises on the economy, and these can be purchased from the Department of Economics, University of Malaya. They could provide some valuable source material.

Despite the comments, this publication is of considerable interest and now that the gaps in published data on the Malayan economy are known, work should be carried out to close these. It is to be hoped that a sister edition will appear in the near future.

G. R. Spinks.

### *Beekeeping.*

*A Beginner's Guide to Profitable Honey and Beeswax Production.*

FRANCIS G. SMITH.

Oxford University Press, London, 1963. 124pp. illustrated. Price in Australia 29s. 9d.

"The object of this book is to provide a guide to the profitable production of honey and beeswax for all who are interested in starting to keep bees" states Smith in his preface to this work.

After detailed descriptions of the internal organization of a colony of bees, the various functions of the comb, and the mechanics of hive ventilation and warmth, the author describes the construction of hives designed to facilitate man's exploitation of the honey bee to obtain both honey and wax. Chapters follow giving useful information on the management of hives, on routine apiary work, on control of swarming, and on production of new queens. A chapter on pests and diseases is followed by two chapters devoted to honey and beeswax. Smith devotes the final chapter to the all-important topic of marketing, and gives a summary of the normal outlets for honey and beeswax and of the importance of care, so as to obtain a clean and attractive product.

<sup>1</sup> In a personal communication Professor Bauer advises that he still adheres to this argument.



Of particular interest to those engaged in work amongst primitive people is the chapter dealing with simple types of hives. Smith describes how simple hollowed-out logs, cylinders made from the bark of a tree, and containers made from woven cane, from clay, or sawn timber can all be used successfully to house bees.

The production of this slim volume, little more than pocket-sized, is of a high standard. It is printed on high quality glazed paper and the text is very well illustrated with numerous line drawings and many excellently reproduced photographs.

This is a very informative and well-written book containing a good deal of practical information on beekeeping. However it is with a sense of disappointment that one finds very little material in it relates specifically to beekeeping in the tropics, although it is published in the "Oxford Tropical Handbooks" series. Most of the information it contains is applicable of course as much to tropical as to temperate climates. However no mention is made of two all-important factors limiting the keeping of bees in the tropics—namely high temperatures and humidity in coastal and low lying areas, and the presence of tropical flora suitable for honey production. Some mention of these points with a list of typical honey flora, both herbaceous and forest, would have greatly enhanced the value of this book.

The author, one understands, has had wide experience of beekeeping in Tanganyika, a country which exports considerable quantities of honey and beeswax. Of great interest would have been a brief account of beekeeping there. Some statistics from Tanganyika or elsewhere in the tropics on yields per hive and numbers of hives per apiary would have been very useful. Too little information is readily available on beekeeping in the tropics and unfortunately this volume does little to remedy this situation. It is not unlikely that many areas of the tropics could support a high bee population and that honey production could become a profitable tropical enterprise.

D. J. Edwards.

*Manual of Fumigation for Insect Control.*

H. A. U. MONRO.

F.A.O., Rome, 1961. 289 pp.

"In modern terminology, a fumigant is a chemical which, at a required temperature and

pressure, can exist in the gaseous state in sufficient concentration to be lethal to a given pest organism. This definition implies that a fumigant acts as a gas in the strictest sense of the word."

Fumigants are very adaptable, and are used in the control of many pests. This manual deals with the use of fumigants *above ground*, primarily for the control of insects. While it is not possible to describe a large number of treatments in any detail in a book of this size, the more general applications are discussed in enough detail to allow the reader to adapt the methods for specific problems. As this book is written more for the practical operator, it is inevitable that some of the more complex biological and physico-chemical aspects are over simplified, but the principles underlying the use of fumigants are presented in a form which can act as a guide to the operator. These principles are dealt with in the first section of the book—how to choose a suitable fumigant, and the dosages and concentrations required; the laws of diffusion, sorption, possible chemical reactions, effects of temperatures and residues are all discussed in detail.

As fumigants generally are as toxic to man as to insects, precautions must be taken to prevent any accidental poisoning. These are discussed generally in a chapter entitled "Precautions and Protective Devices". Special precautions applicable to individual chemicals or procedures are given in a chapter which describes the more important fumigants. In this chapter these more commonly used fumigants are considered in relation to their general properties, toxicity and effects, as well as the precautions to be taken, symptoms of poisoning and first-aid procedure.

A section on methods of fumigation, as distinct from the materials used, has pictures and diagrams of the various chambers in varying degrees of complexity, which can be used with the different methods and materials. Some of the simpler chambers could be easily set up and used in the Territory.

The final section of the book lists schedules representing a wide range of treatments from different parts of the world. These are given for reference only, and may have to be modified to suit local conditions.

L. Smee.



*The Economics of the Handloom Industry of the East Coast of Malaya.*

E. K. FISK.

Journal of the Malayan Branch of the Royal Asiatic Society, Vol. XXXII, Part 4, December, 1959. 72 pp. M.\$5.

Over the years, quite a deal has been said for and against the introduction and encouragement of cottage industries among the village peoples of Papua and New Guinea. Protagonists point to the labour intensiveness of cottage industries and their effect in distributing cash income to groups not otherwise likely to receive it; while opponents criticize them on the grounds of their difficulty in organization, the lack of usable inherited skills among the peoples of the Territory and the degree of government protection needed for the finished product.

Both sides will find food for thought in Mr. Fisk's study of the Handloom Industry of Malaya's East Coast.

Mr. Fisk, who has written several articles on the Territory's economic problems, is currently with the Department of Economics of the Australian National University. But previously he was for ten years with the Malayan Rural and Industrial Development Authority. The information on which this study is based was gathered during surveys on that Authority's behalf.

The handloom industry of the East Coast is the largest and most important of Malaya's surviving cottage industries. From the product's point of view, it is a narrowly based industry, practically the only item of output being the traditional "kain sarong", a strip of cloth about 42-43 inches in width and about two yards long. The basic material used is Chinese spun silk yarn, often with varying quantities of metallic thread added, though small quantities of cotton-rayon or silk-rayon mixtures are also produced.

Weaving is done on simple, locally-made frame hand-loom with hand-thrown shuttles, and the whole process shows little evidence of change over the past century. The weaving is done entirely by women, the skill being transmitted from mother to daughter in a continuing and gradual process commencing when the weaver is a young girl.

As with many such industries, middlemen play a very big role. The supply of raw materials is in the hands of a small number of large

wholesalers who import the materials from abroad. These supply mainly to middlemen who in turn have groups of weavers working for them, for whom they provide certain technical advice and assistance. The weavers work for the middlemen for payment in piece rates and the finished cloth is the middleman's property. He looks after the marketing.

In 1957-1958 there were 3,490 weavers active, all women, and they were estimated to have produced 225,000 yards of cloth valued at \$1,500,000 Malayan currency, about £A220,000. The capital invested in the industry was assessed to be no less than \$1.3 million, of which eighty per cent. or more was in stocks of materials, unsold goods, and working capital.

Fisk suggests that the handloom industry could benefit from better organization, particularly as regards entrepreneurial activity, and the exploitation of the export market. The market for an expanded output is said to be available if the industry was geared to meet the increased demand.

However, it is Fisk's comments on the possibilities of establishing a large-scale cottage cotton-weaving industry which are more apposite to Papua and New Guinea. The general considerations he raises are capable of application to almost any other cottage industry.

Cotton weaving revived to some extent in Malaya immediately after the war in the period of general textile shortage, but by 1952-1953 it had again died out. The local operators could not compete effectively with imported fabrics, even though the imports were subject to a substantial import duty. To re-establish the Malayan industry on a significant scale would need a substantial rise in tariffs on imported cotton fabrics, sufficient to raise the income from cotton weaving to a level which would be attractive in Malaya's generally high income situation. A rise of the magnitude needed would almost certainly produce a general rise in the cost of living which would be noticeable and which would fall most heavily on the lower income groups.

This would raise a second problem. Such a degree of protection for locally woven cotton fabric would probably produce urban industries ready to take advantage of the situation, and legislative protection against this would also need to be provided if the cottage industry was to survive.



associated with the definition and measurement of underdevelopment. For a criterion of measurement, the authors state, "Throughout this book, national income is implied as the basic indicator of economic development. The inadequacy of this single criterion is indicated by the continued reference to other non-monetary indices . . .

"In the last analysis, the rate of output of an economy is a function of the level of employment of capital, of natural resources, of the quality of labour force and human resources, of technology and skills in production. But long-term economic trends are not determined alone by purely economic factors, and the rate of output is not a purely economic phenomenon. The sociocultural environment is as important in influencing economic life". From this, the general theme of the book unfolds.

Part II—Country Case Studies—departs from the usual texts on economic development. Although the authors do not explicitly expound the thesis that agriculture can provide the vehicle for economic development, the choice of country case studies implies this. The inclusion of New Zealand points to this fact. The countries, each written by an authority, cover the Belgian Congo, Uganda, Brazil, Chile, Mexico, China, India, Indonesia, Turkey, Greece, Yugoslavia and New Zealand.

The studies are a mixed bag and range from very good to inadequate. Some make no attempt to analyse the problems of economic growth. Of the twelve, that by Walter Elikan on Uganda is the best. He questions a number of generally accepted notions of the determinants of growth. In discussing the role of the cotton industry in the development of Uganda, Elikan takes pains to show that "recurrent expenditure played as important a part in promoting this industry as the more orthodox investment of capital". From this, Elikan makes three points "that have not by any means found universal acceptance among those concerned with economic development". Summarized, these are:—

1. "It is by no means certain that investment in social overhead capital must invariably precede directly productive activities."
2. "A growth of income cannot always be sensibly related to recorded investments of capital."

## *Economic Development. Analysis and case Studies.*

M. J. Phillips.

Fisk has put together an interesting study with his facts simply and logically presented. Although the industry considered may not be of direct interest to the Territory at this stage, some of its problems and the economic considerations for its expansion most certainly are.

If the economic advantages of establishing a handloom industry will continue to lie in the weaving of quality yarns, rather than in cotton fabrics for the mass markets.

Adamantos Pepelasis, Leon Meers and Irma Adelman. Harper and Row, New York, 1961. 620 pp. U.S. \$8.50.

The continuing stream of books on economic development has not abated since the end of the last world war, and it would seem that the appearance of a general theory must soon emerge. However, the subject has continued to widen, and the purely economic explanations of the early years of a "solid dose of capital" to provide the "take-off", has been replaced by the growing emphasis on the sociocultural explanations of growth.

The authors of this publication, aimed at the undergraduate, have attempted to show the complexity of economic development. Part I, entitled "Determinants of Economic Growth", discusses the principal streams of thought under the traditional chapter headings of Natural Resources; Human Resources; Capital Technology and Entrepreneurial Function; Socio-cultural Factors. The complexity of these makes one acknowledge Professor Everett E. Hagen's ideas that students of economic development should have specialist training not only in economics but also in psychology, sociology, and anthropology to understand the process of economic growth.

Before embarking on this journey through the multitude of "theories", readers are guided by a brief but clear discussion of the problems

(1) Everett E. Hagen. "On the Theory of Social Change". The Dorsey Press Inc., Homewood, Illinois. 1962. 557pp.



3. "It is a mistake to place too much emphasis on capital investment as the means of economic growth"—p. 230.

This is followed by a warning that government intervention in promoting economic growth can proceed too far, and that after a time, market forces would be more appropriate. This point was brought out by the International Bank for Reconstruction and Development's mission to Uganda.

Of the other studies, that by Professor Mears on Indonesia, maintains that the lack of entrepreneurship and managerial skills in both the public and private sectors of the economy is hindering development.

Professor Datta of Calcutta University, writing on India, has a different approach, as he states that "since independence, the desire for industrialization, especially among the urban education sections, has been growing keener with every existing day. But it remains as yet a thing apart from, and to a certain extent opposed to, the religious urge of the people". p. 416.

The value of the text could have been greatly improved if the authors had related the individual case studies to the "theories" discussed in Part I. Furthermore, the date of publication of the case studies would have been of assistance as one is forced to use the statistical tables to assess this.

This book can be recommended to students, general readers, and more advanced scholars of economic development. It is very well written. One should not let the blurb of the dustcover adversely influence the bookshelf browser. It is a more valuable publication than the dustcover indicates.

G. R. Spinks.

### *Economic Bulletin for Europe.*

Vol. 14, No. 2, United Nations Economic Commission for Europe, New York, 1962. 88pp. 7s. Stg.

This is one of the regular series of *Bulletins* issued by the U.N. Economic Commission for Europe dealing with the trends in trade and economic development in both Eastern and Western Europe. In its first eight chapters it provides a resume of recent developments in Europe with emphasis, perhaps, on events in Eastern Europe.

As the issue is now one year old, it is interesting to read the appraisals of then existing policies and, with the confidence engendered by hindsight, compare the forecasts made with actuality. The first thing which impresses is the small amount of change which has taken place in twelve months, despite the varying pressures and crises which have occurred, particularly in the political arena. Inflationary pressures which were then evident in some Western European countries have been partially assuaged, and there are indications that the United States' problems are nearer solution, but in most other respects the same types of economic problems still confront both Eastern and Western Europe.

The Common Market has still to establish its final importance, and there is still "uncertainty whether—and on what terms— (it) will be enlarged to include the United Kingdom and other countries". And it certainly remains true that "the problem of built-in cost inflation in a number of countries remains one of the most intractable of those awaiting solution".

One wonders whether economic problems have entered a similar category to Arthritis and some forms of heart disease, where the role of the practitioner is mainly to teach the patient how to live with the disorder rather than to effect a cure.

Part 2 of the *Bulletin* contains an interesting and valuable discussion of long-term plans in Western Europe, including a short discourse on "The Concept of Planning in Market Economies". "The notion, economic planning", it suggests, "has achieved so wide a currency that it is in danger of meaning all things to all men". Certainly the term "planning" has been used to mean many different things by different people. In the *Bulletin*, plans are considered only when they cover the economy as a whole and extend over a number of years, and only when prepared by or for the government. Even so, confusion exists between plans or programmes on the one hand and projections or forecasts on the other. In principle, the distinction can be made with ease, but in practice it is not clear-cut. The so-called "Five-year Plan" for Papua and New Guinea, for example, was more a series of projections or forecasts rather than a plan in the strict sense of the word. However, the terminology has stuck, and in general parlance it is a plan. To overcome this problem, the authors



of the Bulletin have included "those which *stricto sensu* are forecasts," and have justified their position by suggesting that "it would be misleading to over-emphasize the contrast between planned and unplanned economies in Western Europe. Between clear extremes there is a gamut of intermediate positions defying rigid classifications".

A table is provided which attempts to compare the planned and actual movement in the main economic indicators in the four major countries which had long-term plans operative in the 1950's. Such a comparison involves a number of hazards, but it is noteworthy that all four countries—France, the Netherlands, Norway and Sweden—had one experience in common. All underestimated significantly the movement in investment (and labour productivity) and foreign trade. The Bulletin concludes from this that "increasing the capital stock in Western Europe" could not have been the problem it was

generally believed to be in the postwar years, and that "intra-Western European Trade" received a marked impetus from closer economic integration. Be that as it may, the plans prepared for the 1960's do not suggest that the previous decade was regarded as exceptionally favourable for economic growth. Rather they suggest confidence in a permanent rise in the trends of expansion of gross domestic product in countries of both long established and more recent industrialization. Whether these estimates are capable of achievement is a matter for conjecture. Certainly, there are signs that the rate of economic growth in Western Europe is starting to fall, and the problems posed by the need to maintain both investment and consumption demand, while enforcing policies which are basically anti-inflationary will require skilled handling if growth rates are not to fall even further.

M. J. Phillips.