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There will be no issue of *The Economic Weekly* on 29th December 1951 on account of Christmas holidays.

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Noble Chambers, Parsi Bazar St.,  
Fort, Bombay.  
Phone: 23406

## THE ECONOMICS OF ASIAN DEMOCRACY

"THE fight in India, and everywhere in Asia, is between the Left and the Further Left". Again, "in Asia there are no Conservatives". These are pregnant statements, like numerous other striking observations about the facts of our current situation which Mr Maurice Zinkin has surveyed in his *Asia and the West*. It is a pity for this reason that the high promise they contain should have aborted into the demonstrably untenable, outworn programme of "large doses of Western capital and Western free enterprise", the advocacy of "an influx not only of capital, but of the ways of thought of a true capitalist society". Mr Zinkin disappoints profoundly, because his brilliant charting of the course of past events entitled *one* to expect him to provide truer sign-posts to future progress in the region he has chosen to describe as Monsoon Asia.

This is indeed a crucial area for the future well being of the human race, but for a very different reason from that implied by the protagonists of capitalist democracy. They can think of only one alternative to their way and they tremble lest the whole of Asia should choose to follow China into the Communist parlour. Many of us will agree that such a turn will spell the eclipse of personal freedom and, hence, of true well-being. But not a few will contend that to join the opposite camp will be no less a case of selling the soul for a mess of pottage. What is, however, of overriding practical significance is the fact that capitalist development on the traditional pattern is not open to the peoples of this region. We have to break new paths to progress. Failing that, our material condition will continue to deteriorate, favouring the rise of a totalitarian regime, which may be of the Right or the Left, but, in either case, destructive of democracy. This is the essence of our problem and only its solution can provide the positive content to a neutralist position in the cold war between the East and the West and help the emergence of a Third Force to lead the world out of its present impasse.

Every crisis is also an opportunity. Population-laden, poverty-stricken Asia is compelled to explore new modes of organizing her economy. She has no surplus for capital investment and an industrial outfit built up with borrowed capital could not dispose of its products among the destitute masses. Even the raw material for industry will be lacking as long as production from the land is barely sufficient for subsistence. There is growing recognition for this reason that the initial impulse to prosperity must be generated in the agricultural sphere and all plans of economic development in this region attach the greatest weight to the primary sector. Unfortunately, the basic handicap to agricultural productivity is the extreme pressure of people on the land, and any move towards rationalization of farming enterprise must throw out large numbers to be provided for in other occupations. Thus, industrial expansion is a condition of agricultural improvement and yet, is itself conditioned by such improvement.— There is a vicious circle. Indeed, it is worse, because a circle bounds a constant area, while material well-

being suffers progressive diminution in this case. An apter image is a downward movement in a steadily narrowing spiral.

There is no realization yet that this is a new situation in economic history, which will defy treatment by the classical clinics, whether of the bourgeois or the Marxist brand. These are the two extant economic systems, both derived from a study of the rise of manufacture in the West, therefore, embodying generalizations from essentially dissimilar circumstances. A close and objective understanding of the pathological developments which were occurring at the same time in this part of the world was hindered by the prejudice, bad conscience and obfuscations of colonial rule. With the lifting of this rule, itself brought about by the economic degeneration that had set in, an over-ripe crisis has now suddenly burst upon the view, taking both Western theorists and their native pupils fundamentally unprepared. The traditional practitioners are largely unaware of this fact. Hence, their attempts to treat a new disease with their pet and patented cures too often lead to no improvement, indeed, probably aggravate the complaint. Benevolent formulations of plans tend in effect to be malevolent hatchings of plots.

The basic approach of both schools of theory is the same: Asia's, malaise is to be overcome with large-scale industrial construction. Their difference lies in the method. To persist in the clinical metaphor, the bourgeois is medical, with doses of capital and private enterprise, while the Marxist is surgical, with forced

savings and massive shifts of labour from fields to factories under rigid central direction. The consequences should not be difficult to forecast if one has a grasp of the realities. In the former case, an artificial exhilaration followed by a severe prostration, closing down of production units, financial defaults, unemployment and then painful groping towards a new adjustment on a lower plane of activity. In the latter event, speedy extermination of large sections of the people through organized privation with a total extinction of individual personality and will. It should be obvious that this, the drastic way, is more logical and stands a greater chance of practical success. Once we accept the traditional assumptions, it is this course which, by pressure of circumstances, must prevail in the end. There are ominous signs of such a development already, in the bitterness and frustration of the masses, in the arrogance and impatience of the would-be dictators.

Yet, there is a third way open to peaceful democratic progress which we can see and pursue if only we are prepared to think originally and act boldly. That is to reconstruct our economy on the basis of small local groups, where individuals, by joint working of their existing material assets, can immediately obtain a larger return without new capital investment. The crux of our problem is the lack of surplus in a subsistence economy for fresh capital outlay. But there is unutilized capacity waiting to be exploited in such material resources as we already possess. Land is the most important of these possessions and we have

smashen a up into useless particles. There can be reintegrated to form more, efficient units. Simultaneously, the instruments of craft production can be brought together into village workshops for systematic working. The two processes can interlock when organized by the residents of an area so that land consolidation may keep step with the expansion of local industry. The planning of such a joint venture will be within the comprehension and capacity of the villagers. Its effects will be immediately perceptible to them. Hope, now nearly dead, will begin to stir in their breasts again. Initiative will awaken and, with it, a sense of responsibility for their own future. The increased return from both field and workshop will then be willingly used to finance further expansion and improvement of the productive outfit. The foundations will be laid for sustained material advance achieved by free men and women consciously joining in voluntary endeavour.

There need be and can be no limit to this advance. The ripple of prosperity emerging round the initial impulse set up within each little rural community will spread out in an expanding circle until it meets and merges into similar waves advancing from all directions. The entire countryside will be lifted up in a rising tide of prosperity. The urban centres of large-scale industry must necessarily benefit from this development through an increasing interchange of goods. Indeed, it is only by means of such a development that the disabilities which inhibit industrial enterprise today can be truly overcome. Food and raw

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*The Economic Weekly*  
*wishes Happy Christmas*  
*and*  
*a Prosperous New Year*  
*to all its readers, well-wishers*  
*and patrons*

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materials will rise in supply, increased wealth will turn to productive use, costs will decline, markets extend, employment expand and labour will freely and smoothly move to secondary and tertiary occupations.

This perspective of economic democracy in Asia can unfold only on the basis of a change in the existing mode of production. That change is most urgent in the countryside, where private enterprise leaves no room for advance, either in agriculture or in rural crafts. The separate working of microscopic individual resources has to be replaced by their joint exploitation in small cooperating groups. This is an essentially revolutionary challenge, because it demands a new order of property relations. Productive equipment—farm land and instruments of cottage industry—has to be taken out of exclusive, individual ownership and vested in the village community. Measures of land reform which do not envisage this development can lay no claim to progressive significance. Such measures must also stultify themselves unless they are directly related to simultaneous re-organization of village industry, facilitating the overdue movement of


people from fields to Workshops. A realistic appraisal of the dominant facts of Asian society today, its overpopulation, poverty and cultural backwardness, will show that this integrated process of agro-industrial advance can spring to life only in the small rural community, awakening to the possibilities of enlargement of their immediate horizon through their own mutual aid.

Social ownership and control of the means of production is the basic objective of all revolutionary thought in our time, which has influenced the practice of even the so-called capitalist countries. Policies designed to this end have had reference, however, mainly to the institutions and equipment of large-scale industry. The orthodox leftist programme, based on the Western thesis, adopts the same approach in Asia. The noisiest demand is for the nationalization of industrial and commercial undertakings. In this it is clear that the traditional Left has missed its target heir. Large-scale industry can be left where it is in private hands, because such industry is not a vital factor in Asia's economy, the germinal focus lies in the agrarian sphere. It is in this sphere

the current property relations require immediate revision. Yet, it is curious that both Socialists and Communists in India ask for no more than peasant proprietorship in land which can take us no further forward at all and will, indeed, worsen the position by breaking up" the few remaining surplus farms.

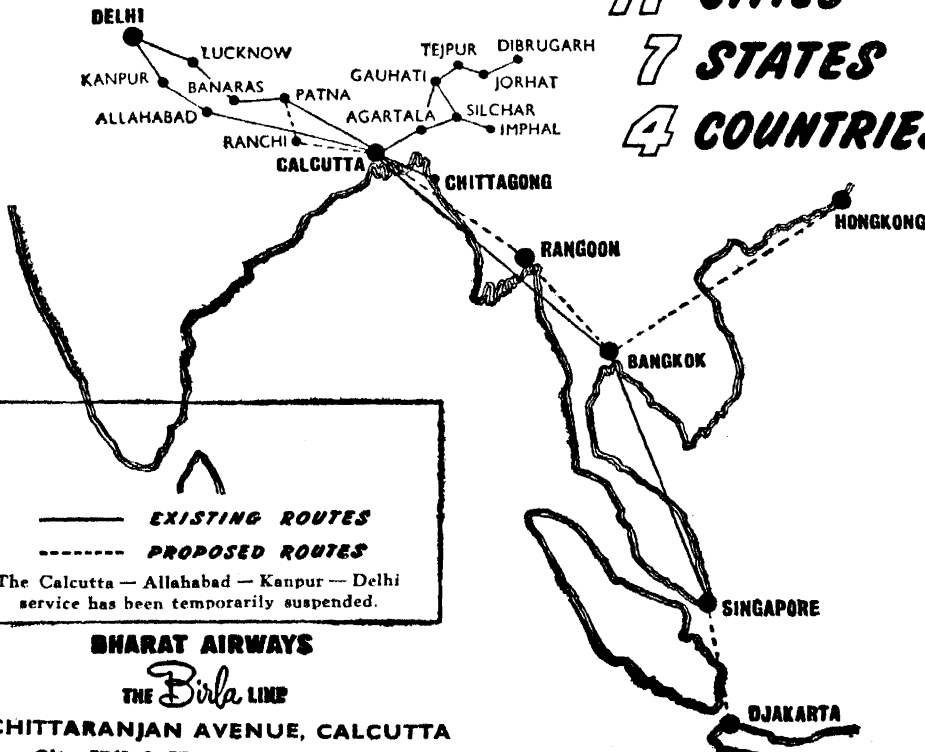
Many of them aim at nationalization of land also as the ultimate step. But this can be easily seen to be a dangerous and romantic illusion. Appropriation of the peasant's property by a remote centralized power would completely destroy his initiative and incentive and all possibility of democratic practice. These; can be safeguarded in only one way, and that is by voluntary amalgamation of separate properties by neighbours for joint working in their own interest. Such a step is an anti-thesis of competitive capitalism and, hence perhaps may be legitimately described as Left. Mr Zinkin's verdict, quoted at the beginning, thus contains a profound truth. But it is evident that he has no awareness of its true nature.\*

*Asia and the West*, By Maurice Zinkin. Chatto and Windus, 15s.



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