

1975. Therefore the basic features of the Japanese motor vehicle industry were rather similar at least in the period 1955–65 to those of the Latin American industries: small-scale production in a highly fragmented market as compared with advanced countries such as the United States, West Germany, and United Kingdom.

(2) In some aspects, on the other hand, the Japanese industry was clearly different from those in Latin America in the above-mentioned period: In Japan, two-thirds of the vehicles produced were for commercial use (buses and trucks). It goes without saying that such vehicles are used for productive purposes and thus demand is not subject to the “concentration of income” as emphasized in the study under review. But what is more important is the fact that economy of scale is much less significant for the production of commercial vehicles than it is for the manufacture of passenger cars.

(3) Another important difference is that the supply of materials and parts of low cost and ever increasing quality was assured in Japan, while in Latin America, it has not been accomplished due to the prolonged IS process and other factors mentioned earlier.

(4) Governmental industrial policy was also different. As there is insufficient space to discuss the matter here, I will limit myself to mentioning only the “people’s car plan” advocated by the government in 1955 and subsequent years. The purpose of this initiative was to produce on a large-scale, small, low-priced, and internationally competitive cars. Although the concrete plan itself was not fully implemented, its basic features were strongly reflected in government policy thereafter.

## VI

Despite the comments and reservations I have expressed here, I believe that the book under review is a very important contribution to the understanding, not only of the motor vehicle industries of the major Latin American countries concerned, but also of their economies and politics in general, and of TNC-host country relations, labor union movements, and their relations with government in particular. Although the book’s coverage ends with 1982, it provides us with an important paradigm and conceptual framework for a deeper understanding of Latin American development and crisis. I am convinced that when we discuss the present crisis of the region caused by accumulated external debts, we should not forget the development pattern and the particular industrial, economic, and political structures of the individual Latin American countries.

(Akio Hosono)

*Food Grain Procurement and Consumption in China* by Kenneth R. Walker, Cambridge, Cambridge University Press, 1984, xxi+329 pp.

## I

Library stacks stand heavily laden with an enormous output of books and articles on the modern Chinese economy, most soon rendered worth little more than the paper they are printed on as Beijing politics shifts to left and right and information newly

appears. An exception to the rule is Kenneth R. Walker's *Food Grain Procurement and Consumption in China*. It will, in this reviewer's opinion, stand the test of time; its analysis rises above the ebbs and flows in data and destines the book to be one of the singularly worthwhile, well-referred-to works of the coming years.

For three decades, from the end of revolution to the close of the 1970s, the "grain problem" remained one of the most important factors influencing the Beijing political struggle. Walker devoted more than ten years to the study of this problem and now brings us the essence of those findings in this volume.

As a personal aside, my first research attempt into Chinese affairs was this very problem of grain. The scarcity of sources in 1961 prevented any further delving than the policy aspects of compulsory farm-product deliveries to the state. That lack of sources brought the project to a premature end.<sup>1</sup> Sources on Chinese agriculture of the 1950s were, even at that time, comparatively numerous. But to compile just a few indices required wading through mountains of statistics on land area under cultivation and grain production in each province. Once that was done, the enormous task of reorganization lay ahead. The scholar could spend hours each day searching through files and consider himself lucky to find just one usable source. Once done, all he or she would have to show for it are statistics for a few years and a few provinces. I had little inclination to invest my youth in a task of such scope with such meager prospect of harvest.

Walker, not easily cowed, has bent himself to this arduous task and accomplished it magnificently. In doing so, he demonstrates a deep awareness of the grain problem's political and economic significance to China. It is an achievement before which I stand deeply awed.

At first I had no intention of covering the whole country but as time passed my search for data developed into a pilgrimage from which there could be no retreat. At times my research was exciting and rewarding, while at other times it was frustrating and endless. (p. xiv)

Truly a pilgrimage. The word "endless" was to me most moving. It immediately filled my imagination with vivid images of the scholar during ten years of exhausting, painstaking research. Years of effort have produced exquisite results.

## II

What makes research of this type an "endless" effort? Two reasons. First, of course, is the poverty of sources. Second, and more important, is the difficulty of demonstrating the two hypotheses that Walker formulates, a task which, I may add, he very soundly accomplishes. The first hypothesis is that national statistics on average per capita production and consumption clarify only limited areas of the Chinese grain problem. That more important than using those statistics is acquiring adequate understanding into how three factors have changed. They are: (1) The large regional differences in per capita grain output; (2) The even larger regional differences in the growth rate of per capita grain output; and (3) The instability of overall per capita grain output. Those disparities are attributable to China's lack of adequate transport, a serious situation for the grain administrators.

<sup>1</sup> R. Kojima, "Grain Acquisition and Supply in China," *Contemporary China*, Vol. 5, 1961-62 (1963).

While the first hypothesis relates to specific Chinese historical and geographical factors, the second deals with a problem all countries confront in the initial stages of industrialization: How to procure grain for a population rapidly concentrating in urban areas. When a nation's grain production system contains the three factors cited above, it faces enormous difficulties in supplying the cities. Exacerbating the problem is that the Chinese state must send fine grain—rice in the south, wheat and soybeans elsewhere—rather than potatoes and coarse grains such as *kaoliang* (sorghum), maize, and millet. State policy procures fine grain from producing peasants and encourages coarse grain consumption. Such a policy gives rural China a number of excruciating political and economic headaches.

### III

The book consists of six chapters. The first to the fourth concern the period from 1952 to 1957, for which sources are relatively available. It is the most important section, for in it Walker verifies his two hypotheses. The fifth chapter deals with the Great Leap Forward (1958–60)—an era of confusing economic statistics and situations extremely difficult to reconstruct—and with 1961–62, two years for which no statistics are publicly available. The sixth chapter bases itself on the research subject of the first four—the period of the First Five-Year Plan—to analyze the stabilizing of agricultural production in the 1970s.

By comparing all provinces, several special districts, and several *hsien* (countries), chapter one verifies the first hypothesis. The unit on which China bases its collecting of agricultural statistics is the administrative region. Beginning in 1954, administrative regions were stratified into provincial, special district, and county governments. Walker concludes that the first hypothesis's three factors are common to province, special district, and county.

An example of the differences in production between provinces is the 1:3.7 ratio in per capita grain production between least productive Hebei and most productive Heilungjiang (p. 5). Similar differences are seen between special districts. The ratio of per capita grain production between most and least productive special districts in Shenxi province is 1:3 and in Jiangsu, 1:2.7 (p. 7). The situation also holds for counties. The important point Walker demonstrates here is that the differences within provinces and districts exist within surplus as well as deficit provinces and districts. One of the book's greatest contributions is this very point.

The same trend demonstrates itself in the instability of per capita production. Rates of change for Heilungjiang, the province with the highest production volume, are declining annually at 5.3 per cent, Gansu's are increasing at 9.8 per cent and Qinghai's are increasing at 9.6 per cent (p. 28).

It needs not be explained that such differences and instabilities greatly impede good state administration.

Many scholars of the Chinese economy have touched on the importance of the marketable grain problem, which is related to hypothesis two. Among them, Walker freshly demonstrates that state procurement of fine grain reduces the quality of grain for peasant consumption even in surplus-producing provinces (p. 22). In this situation, rice-growing peasants do not eat the rice they produce, but live on potatoes and miscellaneous cereals. The same situation prevailed in Japan during the wartime-postwar economy of 1940–48. Japan's colonization of Korea caused the same conditions throughout farming there in the 1910s and 1920s. Walker thoroughly analyzes

the negative influences China's enforcement of heavy industrialization has had on its peasants.

## IV

The Chinese state had to adopt a hard-hitting policy to stabilize and balance grain production and supplies and, moreover, to guarantee satisfactory development of heavy industry. How did this policy change grain supplies? Chapters two to four are devoted to a discussion of this point.

Walker first classifies average per capita grain output into three levels (p. 23). A deficit level of at most 275 kilograms, a self-sufficiency level of 275–309 kilograms and a surplus level of at least 310 kilograms. His definition of grain is the same that Chinese officials use, one that includes sweet potatoes, soybeans, and food grains before husking. Using statistics on population and production volume, Walker calculates migration from each province and per capita consumable volume after redistribution.

Mao Zedong made provincial self-sufficiency in grain a pillar of his farm policy. In the new agricultural policy, Deng Xiaoping has reversed Mao's direction toward self-sufficiency. Walker's position toward Mao's policy seems to be favorable, based on grounds that conditions prevalent at the time necessitated enforcement of such a policy. He demonstrates statistically that one failure of the Great Leap Forward farm policy for 1959 was state procurement that exceeded real production (p. 130). Walker points out that excess procurement worsened the rural grain crisis and impaired peasants' incentive to produce (p. 129). That has been the accepted explanation of the situation since 1979 when it first became possible to criticize Mao's agricultural policy within China.<sup>2</sup>

In 1980, China began publishing economic statistics for 1978 and subsequent years. Walker uses the published figures to compare, in detail, the 1978–80 situation with that of the first half of the 1950s (chapter six). He then examines how production stability and per capita production volume, corroborated in chapter one, changed in those twenty-five years. From that he derives the following conclusion: Differences in per capita output between provinces have improved substantially but Chinese agriculture retains the basic differential structure of the 1950s (p. 170). Stability in Hunan, Fujian, and Gaungxi provinces greatly improved, nine provinces improved none at all, and three others became more unstable. Seen in the aggregate, however, Hunan, Fujian, and Guangxi improved markedly and Hebei and Shandong, the least productive and most unstable provinces of the 1950s, generally improved: "Only slow progress was made...toward solving China's 'problem' of grain production" (p. 173).

## V

There are several points in the 1979–80 food problem on which Walker's and my views diverge. They are related to the evaluation of Mao's farm policy of 1958 to the 1970s. Walker compares China's performance in the 1950s with that of 1979–80, and

<sup>2</sup> Wei Daonan, and Zhang Sisai, "Dayuejin' shiqi de jingji tizhi gaige" [Economic reform in the Great Leap Forward period], in *Dangdai Zhongguo de jingji tizhi gaige* [Economic reform in the contemporary China], ed. "Dangdai Zhongguo"-congshu-bianji-weiyuanhui (Beijing: Zhongguo-shehui-kexue-chubanshe, 1984), p. 75.

says that high levels of instability remain. My impression, however, is that Mao's agricultural policy largely corrected that traditional Chinese instability. I assume that the extent of that correction is a major factor in 1980s production increases. The primary basis for this assumption is the astronomical number of irrigation, drainage, and soil improvement works completed under Mao's administration. To paraphrase Mao, who put it so much better, water is the very life blood of Chinese farming. Irrigation and soil conditions are what determine the bounty and stability of a harvest. A secondary basis of my assumption is increased modern inputs. In short, we have to consider what effects the more pervasive use of chemical fertilizers, insecticides, herbicides, and high-yield grain varieties have had on Chinese farming. Before a nation can effectively use these inputs, it has to improve soil conditions. The people's collectives improved that land base and it is in this sense that the collectives, a part of Mao's farm policy, contributed immensely to stability. Judging from the quantity of modern inputs in the 1970s, Chinese farming has already arrived at the stage of development where such inputs are required.

However, one note of caution here. While implementing modern technology, certain periods will yield greater increases in instability than stable increases in yield. Japanese agriculture, as one example, repeatedly experienced such instability since Meiji times (1868-1912). If congruent technologies for water, fertilizer, insecticides, and herbicides, are not introduced along with high-yield grain varieties, the yields of new grains will seldom be better than the yields of their predecessors. This type of instability is seen in China and differs in character from the instability caused by the traditional farming methods inherited from pre-revolutionary times. Thus, when we analyze the instability of the latter half of the 1970s, we must be aware that it differs in character from the instability of the 1950s.

The 1980s brought Chinese agriculture to a new stage. Its managerial structure abandoned the people's collective and adopted policies to promote private farming. In production, 1983 marked the beginning of a headlong drive toward surplus. In 1972-73, China had already reached the per capita annual levels Walker prescribes for self-sufficiency: 275 to 309 kilograms; levels at which, in general, income elasticity in relation to grain demand suddenly stagnates. This was the economic situation Japan was in during the 1950s. After that demand for alcohol, animal protein, and fruit increased rapidly, and provided the impetus for the Japanese government's 1961 enactment of the Agriculture Fundamentals Law, legislation that sought a modified farm production structure. China arrived at that point in the mid-1970s. What were the causes? I believe the major factor is, as stated above, the enforcement of Maoist farm policies for constructing irrigation works and improving soil conditions.

At any rate, further empirical research is necessary to establish whether Mao's farm policies contributed to the conquest of instability in Chinese agriculture. In the near future I intend to conduct such research and reexamine Walker's premises.

(Reetsu Kojima)