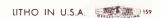
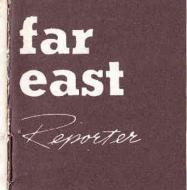
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A Development Race and its Outcome
The Indian vs. the Chinese Way

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INTRODUCTION

There are many aspects of developments in two great Asian nations - China and India - which can be compared to show which society - China's socialism or India's "democracy" - is politically, socially and economically progressive.

Washington makes great effort to denegrate China and to characterize India as a bulwark of democracy and as an example to the Asian, African and Latin American countries striving for genuine independence. This Washington effort is now facing mounting difficulties in the face of facts.

China, starting from Liberation in 1949, has a wholly independent and steadily expanding economic base. This contrasts with the fact that India with a two years headstart as an "independent" nation (the British "left" in 1947) is, under her present government, being milked by foreign investors and is almost wholly dependent on foreign economic hand-outs.

The following article* by Curtiss Ullrich, a West German writer, presents a comparison of some of the basic economic facts on China and on India, described by him as "development competition between India and China as alternative models of socio-economic development in Afro-Asia."

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Curtis Ullerich

A decade ago, it was de bon ton in the West, especially in the US and Britain, to dissert trustfully and condescendingly on the development competition between India and China as alternative models of socio-economic development in Afro-Asia. A whole range of literature was produced on this subject. But there was hardly a learned man and an expert in his right mind who would not foretell the ineluctable outcome. China, despite her tremendous efforts, was doomed to end up as the poor second, or, for that, rather as the tail light of the continent-wide development train, in spite of some initial successes - undeniable, of course, but of quite dubious nature, sporadic and surely all due to the terrible system of coercion, brainwashing and a merciless police whip — for how could a ruthlessly totalitarian system stand up, in the long run, against a 'free society' which had retained a free press, a free enterprise system in large sections of its economy, religious values among the toiling masses and, above all, the backing of the 'free world' and its almost inexhaustible resources in money and technology? It was true, then, that India had proclaimed her allegiance to the pursuit of a socialist ideal in the building of her society. This, of course, was deplorable. But the Indian leaders had made it clear that this socialist was a non-violent one, the transition a peaceful, lawful one, that private property would be respected, that compensation would be paid, and that no one would be coerced. While India sought comprehension in the Western countries with a liberal economy, it also sought their aid, and in return it agreed to safeguard their established economic and commercial interests. How could a society which so mani-

festly followed the good, the lawful path, which had no use for rabble-rousers, do anything else but clearly prove the confirmed, inherent superiority of the non-violent, the liberal way of development? As for the socialist ideals, one would see. Time and experience would certainly take care of that.

Now, ten years later, an ominous silence has been cast over those blithe expectations. The denunciations of the Chinese system have grown shriller, the comprehension for India's calamities has become more explicit if not more profound. But the comparisons have disappeared from the Western press and learned publications, and the announcements of expectations and predictions have been muted. But what, indeed, has become of the competition between the two rivalling Asian protagonists?

Let us return to the prophecies of the 1950s and take the trouble, surely painful and humiliating for many of the over-eager prophets, not to gloat over the apparent loser's predicament or to boast the obvious winner's innate faculties, but to set the record straight, which, in many people's mind, is still confused. Let us point out, by way of two concrete examples, what has become of the development race between the two protagonists of the planned and the liberal pattern of socio-economic construction. The following account is strictly intended to present a check on two ways of evolution. In its first part it will limit itself to statistical comparisons based on reliable, neutral sources,1 and to material compiled by Indian

research.² Various sets of economic indicators were selected in a recent comparative study, carried out by economists from Lucknow University, with the purpose of illustrating, in deliberately restricted areas and over a limited period, the comparative progress of the two economies. From them, we picked the national income, total and divided by the agricultural and industrial sector; the sector of main production; and the sectors of metallugical industry and electrical power production.

Table I shows the respective growth of the two national incomes (as expressed in the net material product at constant prices) which, according to the cited UN sources, reached an average annual increase of 21.9 per cent in China and 2.9 per cent in India between 1952 and 1960. This surprising result in China was mainly due to the rapid growth of the industrial sector, i.e. by 22.0 per cent on the average, while the annual

industrial growth in India amounted to only 3.9 per cent. In the agricultural sector, the annual average increase was 4.5 per cent in China (period ending in 1958) and 3.4 per cent in India.

The same pattern applies to the per-capita growth rate. In China, the per-capita net income rose during the years under survey at an annual average of 11.3 per cent, in India at 0.9 per cent. In the industrial sector, the Chinese per-capita net material product increased by annually 19.3 per cent and in India by 2.0 per cent. In the agricultural sector, China's average growth per year and person amounted to 2.0 per cent and India's to 1.5 per cent. Both the total and the per-capita growth figures thus indicate a noticeably higher rhythm of economic development in China while India pursued her economic expansion at a speed which was comparable to the long-term growth rates in Western industrialised countries (see Table II).

Table I

Growth of National Income in India and China at constant prices (calculated in Indian rupees)

Sources	Verma, o		UN, Yearbook of Nat. Accounts Stat., 1962 China		
			Cimia		
	1952/54	1960	1952/54	1960	
(in billion rupees)			,		
Total National Income	83.6	99.5	161.8	354.6	
Nat. Inc., Agricultural Sector alone .	46.0	52.5	86.1	101.6	
Nat. Inc., Industrial Sector alone .	15.8	18.4	30.6	67.6	
Per-capita income (in rupees p. head)					
total per-capita income	224.2	237.0	278.0	528.6	
per-capita income, agricultural sector	125.6	133.2	151.4	173.6	
per-capita income, industrial sector .	43.1	46.7	53.7	108.8	

It must be noted that in the basis period of this comparison, 1952/54, not only the total national income of China was roughly twice as large as India's in absolute figures, but already the per-capita income showed a lead for China of about 24.0 per cent. By 1958/60, this lead had grown to 123.1 per cent. As for the sectorial levels, China's lead in the industrial sector had been 24.5 per cent and in the agricultural sector 20.6 per cent in 1952/54. By 1958/60, this

lead had grown into 133.1 per cent in the former but only 22.8 per cent in the latter sector. The remarkable facts here are not only the growth differentials, but also the evidence that China, which, in 1949, had

UN Yearbook of National Accounts Statistics, New York 1963.
 ECAFE, Economic Survey of Asia and the

Far East, Bangkok 1964.

UN, Statistical Yearbook, New York 1964. We refer particularly to P.C. Verma, Economic Growth in India and China, Mainstream, Vol. V, No. 29, p. 31 et seq., New Delhi, 18/3/67.

finished a long and exhausting civil war and had found the economic fabric of the country in shreds, had managed to pull off in three short years of rehabilitation (during which it also had to fight the Korean war) by a clear lead ahead of India which, in 1947, had inherited from the British Raj a going economic concern, whatever its inherent short-comings might have been.

Moreover, the inner transformation of the two economies from their initial backward and rural condition into more modern organisms proceeded at strikingly different rhythms. On this account in 1952 the two countries had almost been head to head on the starting line. The share of the industrial sector in the total national income had been 21 per cent in China and 19.8 per cent in India. By 1958, however, it had risen to 31.9 per cent in China and 20.1 in India.

Table II

Growth rates of selected countries, 1950-1960

Source: UN Yearbook of Nat. Account Statistics, op. cit.

Planned economies

Free Market economies

(Average annual growth rate of total net material product at constant prices)

(over period 1950 — 1960)

USSR .				2		10.2	USA	3.3
Romania							UK	2.8
Poland .	12	ŝ	133	120		7.8	West Germany	4.0
CSSR .	1.0	85		10		7.5	Japan	0.1
Hungary	56		500		190	6.4	Australia	4.3
China .						13.6	India	3.8

Despite the fact that India's relatively small industrial basis should have permitted a big percentage increase, its industrial progress did not correspond to the growth expectations which her Western backers hailing her as the champion of not only a more palatable but also a more successful way of economic development had predicted and had certainly genuinely hoped for.

In the three sectors selected as particularly significant indicators for the advance of a hitherto underdeveloped economy, food grain production, heavy industry and energy—the evolution of the two countries shows a similar pattern: In the field of grain production, the two commodities of wheat and rice were chosen for comparison, the basis being the average annual production of the period between 1949 and 1952/53 and the end period being the year of 1960. In both cases, absolute production increased faster in China than in India, namely for rice by 44.3 per cent or at an annual rate of 3.7

per cent, and for wheat by a total of 89.3 per cent at an annual rate of 6.6 per cent. India arrived during the same period at a compounded growth of 42.1 per cent, or 3.5 per cent per year for rice and at 44.4 per cent or annually 3.8 per cent for wheat. Moreover, the average per-hectare yield for wheat in India increased from 1.34 tons/ha for the basis period to 1.7 tons/ha in 1960 and for rice from 2.26 tons/ha to 3.4 tons/ha. In China, on the other hand, the increases in per-hectare productivity during the same period went for wheat from 2.26 tons/ha to 3.40 tons/ha, and for rice from 4.34 tons/ha. to 5.08 tons/ha.3 All this conveys but one message: that the Chinese peasant, reputedly suffering from an iron oppression and smarting under a ruthless slave-driver system, not only increased his over-all production considerably faster than his Indian colleague but was also apparently willing, under a collective system of agriculture, to sink more work into a given unit of land and to draw from it much higher yields than the Indian farmer, benefiting from individual property of his land and being left free in his economic decisions. This impression is enhanced by a comparison of the per-capita production figures for the two countries: While

the Chinese per-capita output of rice surpassed the Indian one by 11.5 per cent, the wheat output per head was 70.6 per cent larger. The Chinese lead at the end of the period under examination slightly decreased to 8.9 per cent for rice but increased much further for wheat, to reach 109.5 per cent or more than double. Table III shows the absolute figures:

Table III

Comparative grain production in absolute and per-capita figures. Source: Verma, op. cit.

	India 1948/49-		Chine 1948/49-	
	1952/53	1959/60	1952/53	1959/60
Wheat				
total production (in million tons) .	6.2	10.2	14.6	31.3
per-capita output (in kg)	17	21	29	44
Rice				
total production (in million tons)	40.8	51.3	63.2	85
per-capita output (in kg)	95	112	106	122

In Heavy Industry, the outputs of iron ore, crude steel and cement were chosen for comparison. Here India started from a particularly favourable position, its iron and steel industry having been founded in the 1910s and being well established by 1952, China's iron and steel industry had been much smaller and was still severely damaged after the civil war. In the field of iron ore production, India's output rose between 1958 and 1961 by 80.8 per cent at an annual rate of 21.8 per cent while China's production progressed by only 6.7 per cent or annually 2.2 per cent. Per-capita production, however, saw China in front by a lead of almost 2:1.

However, in the field of steelmaking, China's output rose by 702.1 per cent in the 1952-54 to 1958/60 period, or at annually 41.5 per cent. India's growth

rhythm, in itself rather dynamic, reached only 56.9 per cent, or annually 7.7 per cent. The per-capita production in China exceeded the Indian one by the end of the period under observation by not less than 252.9 per cent.

Production of Cement in China saw a total increase of 209.3 per cent or 20.7 per cent a year during the observation period of 1952/54 to 1958/60. In India, the corresponding output indicators were 76.1 per cent for the whole period and 9.9 per cent for annual increase. Furthermore it must be noted that while in the basis period per-capita production in China was considerably lower than in India (by 39.0 per cent), at the end of the selected time span the Chinese per-capita output led India's by 4.7 per cent. Table IV shows these developments in absolute figures.

³⁾ Source: The Eastern Economist, 1963 Annual, New Delhi 1964.

Table IV

Output of iron ore, steel and cement in China and India in absolute and per-capita figures.

Sources:	Verma, op.	cit.	UN Yearbook of Statistics, 1962		
	India		China		
	1952/54	1958/60	1952/54	1958/60	
Iron ore total production (in million tons) per-capita output (in kg. p. head .	9	16	19	26	
	10.4	17.7	30.9	33.8	
Steel total production (in million tons) per-capita output (in kg. p. head) .	1.5	2.5	1.7	13.4	
	4.3	6.0	3.1	21.3	
Cement total production (in million tons) . per-capita output (in kg. p. head) .	3.8	6.9	3.8	12.3	
	10.6	16.6	6.5	17.4	

In the field of energy production, the period chosen for the study of the electrical power output of the two nations lasts from 1954 to 1960. During this time span, India did relatively well, increasing her total output from 9,700 million kw/h to 20,010 million kw/h, i.e. by a total of 84.5 per cent, or at an annual rate of 13.1 per cent.

China, however, succeeded in pushing her electrical power output by 329.5 per cent, or 53.9 per cent per annum. Thus, the Chinese per-capita production of electricity which had trailed behind the Indian by 27.8 per cent in 1954, had reached a lead of 45 per cent by 1960. Table V will shows this in absolute figures:

Table V

Production of electrical power in China and India in absolute and per-capita figures

Sources	Verma, op. cit.,		UN Yearbook of Statistics, 1962	
	India		China	
	1954	1960	1954	1960
electricity total production (in million kw/h) . per-capita output (in kw/h per head) .	9,700 26.8	20,010 51.1	11,010 19.3	58,500 73.7

This systematic comparison of a few key figures could be broadened into a large overall synopsis of the economies of the two countries as a whole. But the trend would still have remained the same everywhere: China's economy expanded considerably faster both in absolute terms and in percapita production than India's. The difference is indeed so striking that one is tempted to wonder whether these compari-

sons are not the result of clever statistical tricks for one-sided propagandistic purposes. It must therefore be emphasised again that our brief review is exclusively based on Indian research papers and unimpeachably neutral and reliable sources such as UN and ECAFE statistical compilations. Yet even without this warning, the implications are clear for every specialist. But neither facts nor deductions were ever presented to the

large lay public in the West — too many cherished images would have been shattered too cruelly.

And yet, the broad facts are there: China achieved a much faster rate of economic development than India already in the first decade of her national reconstruction. Especially in the industrial sector, the Chinese growth rate was remarkably higher than the Indian one, sometimes twice as high. Even in the agricultural sector the Chinese pace was distinctly faster.

This image would remain essentially incomplete unless a few qualifying remarks are added: In the first place, it has already been mentioned that India's economy went into national independence as a going concern, underdeveloped of course, but in itself as one functioning, balanced organism, whereas China's economy was utterly shattered by the long war against the Japanese invasion and the subsequent civil war. Although China had consolidated its economy since 1949, it would be exaggerated to claim that by 1952, all the damages and distortion created by war, dismantling policies, wanton destruction and the economic boycott had been fully repaired.

Secondly, China's agriculture has to cope with a substratum which, in almost all experts' opinion, is much poorer an object for additional input and yield than the Indian one. China's soils were, taken region for region, distinctly poorer than India's. Long-term ecological deterioration had wrought more damage, by erosion for instance, than in India. The climatical conditions were generally considered to be more adverse. Last not least, the pressure of population on the available cultivable land was almost twice as intensive in China as in India; while in India an average of 3.36 persons lived from one hectare of arable land, in China the ratio was 5.90 persons/ha. by 1951. As a third factor might be added the availability of foreign monetary and material aid. From 1949 to 1957, India received from member countries of the world bank of total of 1.325 million

US in loans and grants and foreign private investment in India was estimated at 280 million US dollars during the same period.⁴ China on the other hand had received from the European socialist countries grants totalling 300 million US dollars and about 700 million US dollars in credits during the same period. The scales were thus clearly tipped in India's favour.

It might have been tempting to pursue the comparison into the second decade of both countries' independent economic reconstruction. This, however, seems rather difficult for several reasons: The Chinese official publication of output statistics stopped in 1961 and from that moment on we have at our disposal only partial and percentage figures. Even though, they might allow us to piece together a fairly reliable picture of China's further progress. But they, like the official output statistics for 1959 and 1960 published in Peking, have already been widely attacked as unreliable by some Western critics of the Chinese economic development — and our purpose was to show how unquestionable, accepted Western data and statistics themselves judge the outcome of the much-heralded competition between the two different socio-economic systems. On the other hand, by far not all end results of India's third Five Year Plan, ended in 1966, have been published yet. But we do know authentically that the plan targets were, on the whole, not reached.

Tata Industries, Statistical outline of India, Delhi 1961, p. 36.

CONCLUSION

Revolutionary forces exist both in India and in China. China's revolutionary forces are well on the way in laying the foundation for her socialist society and are moving steadily toward their goal of a fully communist society.

News of India's spreading revolutionary forces is reported constantly and in detail even in the American press. There are peasants long (centuries long) engaged in opposition to landlordism and feudal conditions, today expressing themselves in armed struggles. There are the workers united in mass struggles against the government. There are the minority nationalities, such as the Nagas, the Mizos, the Kukis, whose organized demands for rights brings against them armed attacks by the Indian government. There is the widening political debate among the radical parties opposed to the rapidly faltering rule of the now completely reactionary Congress Party.

In China the revolutionary forces are now consolidating the rule of the people—the leading power of the workers in alliance with peasants, intellectuals and other sectors of the people. There is recognition (currently expressed through the Great Proletarian Cultural Revolution) of the need for continued revolutionary struggle against bourgeois forces which admittedly still exist in the present stage of their socialist society. China's revolutionary struggle is therefore at a higher and more mature stage, politically as well as economically, than the developing and increasingly powerful revolutionary struggle in India.

The present stage of India's neo-colonial economy is a continuation of India's subjection to imperialist and reactionary control. The partition of India (into India and Pakistan) which took place when "Independence" was granted in 1947 was engineered by the imperialist powers. This severing, this dividing of internal areas and economic resources served, not the interests of the the people, but the interests of the imperialist and domestic exploiters of India's wealth. The rule of the

Congress Party has been a reactionary rule. The Party failed to carry out its promised land reform, retaining even till today a semi-feudal land system. failed to carry out its stated pre-liberation promise of economic independence; instead, it gave in to imperialist pressure, maintain, and inviting in increased foreign investments on terms and conditions very favorable to foreign investors who now control key sectors of the Indian economy. Today India's anemic economy is fed by massive infusions of Western financial "aid". Western economic participation has made a shambles of Indian economic independence. As regards the Congress Party's promise of socialism - this is being discarded even as a verbalism. India, threated by and subject to famine conditions has had to appeal to and to a considerable extent, depend on the United States food program.

India's way, portrayed by the United States as an example to countries striving for genuine independence, offers a bleak and dangerous path.

By contrast. China's way is progressive. Starting in 1949, as India did in 1947, from a semi-feudal, semicolonial society. China under the leadership of her Communist Party proceeded to effect land reform. Today the Chinese peasants, nearly 80% of the population, participate fully in the revolutionary process of consolidating the rule of the people. China's society is no longer divided into "owners and workers" - the people are becomingfellow workers and fellow owners in the socially owned and run economic enterprises and resources. Each of China's fifty three national minorities maintains and is encouraged to express its own cultural traditions. These minority peoples have political equality and they participate in the process of creating and enjoying the nation's improving material conditions. China, faced in 1959 with three years of the worst natural calamity in a hundred years, affecting one half of the cultivated areas, met and overcame the threat of famine without one cent of outside help. And, in the People's China there are no foreign investments whatsoever!

China's way shows all peoples the way out of old conditions, the way to avoid neo-colonialism, the way to develop their own resources, the way to a self-respecting, independent and progressive future.

As Mr Ullrich suggests in his opening paragraph. the outcome of the development race between India and China has its impact on the wider areas of Asia and Africa. It is the resources of Asia and Africa - and Latin America that the United States imperialist drive tries to control. shifting its main foreign policy interest and its major military forces away from Europe to Asia. Here it meets the challenge of China. For the United States is challenged by a China that has successfully and wholly denied its vast area, its resources and its people's energies to neocolonial exploitation. It is challenged by a China whose revolutionary thinking - the Thought of Mao Tse-tung - is spreading across the world, causing reactionary authorities to ban "the little Red book", to deny port facilities to Chinese ships displaying Chinese slogans, to fear their peoples contact with Chinese sailors, to refuse entry of mail with Chinese stamps bearing Mao's sayings. It is challenged by a Chinese that sets a compelling example, based on revolutionary action, experience and accomplishment, to the peoples of Asia, Africa and Latin America.

So, the impact of the comparison of economic development in China and India goes beyond the economic aspects to the whole socio-economic character of the two societies: which way, the Chinese or the Indian - or, to state it more accurately, the socialist way or the neo-colonial way - stands out as an attractive and viable example for the peoples of Asia, Africa and Latin America as they struggle for true democracy and genuine independence?

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