

Wray O. Candilis, *The Economy of Greece, 1944-66—Efforts for Stability and Development*. New York: Frederick A. Praeger, Inc., 1968. Pp. XXI+238.

The economic development of Greece in the post World War II era is a fascinating story of contrasts: until 1953 efforts at reconstruction and development were stymied partly by the communist insurrection, partly because a badly managed budgetary and monetary policy permitted rampant inflation. After 1953 Greece achieved an impressive record of growth equaled by few developing countries despite continued political instability, particularly in recent years.

Various parts of this experience have been analysed before. Wray O. Candilis in *The Economy of Greece, 1944-1966*, makes an effort to tell the whole story. It is unfortunate that the effort falls far short of explaining the contrasting experiences of the Greek economy since 1944.

The author uses an historical approach to discuss policies and developments in the Greek economy. The early bouts with inflation and hyperinflation, the role of UNRRA and Marshall aid and the 1953 devaluation are examined in detail. The growth experience since 1953 is also reviewed and some of the main issues of the period such as emigration and the association of Greece with EEC receive special attention. Candilis' main contribution, however, is in putting together a complete and up-to-date review of Greece's development experience. Unfortunately the volume is almost completely devoid of analysis. The reader gets a good idea of what happened but not how or why it happened. Wherever an analytical effort is made, Candilis often resorts either to summary judgments of dubious validity or to a repetition of worn out clichés about the Greek economy.

This defect is particularly obvious when he deals with the period after 1953. His main thesis is that "the significant progress achieved by the Greek economy between 1953 and 1966 was mainly due to monetary stability." One cannot dispute the proposition that within the Greek context at least, relative monetary stability was a basic prerequisite for economic growth; Candilis, however, goes too far in attributing a causal relationship.

Monetary stability did perhaps contribute to an increase in the savings rate but not in the fashion suggested by the author. The increase in bank deposits resulting from monetary stability and the decline in gold hoarding does not in itself imply an increase in the savings rate but

rather a shift in the form the public does its saving—a shift which of course permits a smoother channeling of resources to investment projects.

However, neither the role played by the rapid increase in investment in the 1953-60 period nor the sectoral distribution of investment are discussed adequately. These omissions are quite serious since one of the main weaknesses of the Greek economy in the period since 1960 has been the slow increase in investment in manufacturing and the channeling of large amounts of resources to private construction. Investment in the latter has averaged about 35% of the total, partly encouraged by wrongly conceived incentives provided by the various administrations.

Candilis notes the relative lag in manufacturing and attributes it partly to absence of entrepreneurial talent. This is a common yet questionable explanation. It is quite often the case that Greece exports entrepreneurship to other countries, and there is certainly no lack of entrepreneurs in the service and trade areas. The problem seems to be not that entrepreneurial talent is in short supply, but rather that it is not channeled to the appropriate sectors.

The balance of payments picture is discussed superficially, and no effort is made to analyze the impact of foreign exchange availability on Greek growth. It was the large increases in foreign exchange proceeds stemming mainly from increases in invisibles that made a fast rate of growth possible in the later part of the period examined. In the absence of such increases, the rate of growth of output would undoubtedly have been lower, despite the high savings rate, because a foreign exchange constraint would have become limiting.

The dependence of Greece on exports of tobacco and a few other agricultural items is noted, and the usual point is made that price elasticities of demand for these goods are low. The price elasticity for *Greek* tobacco is quite high in light of the existence of good substitutes in Turkey and other Mediterranean countries. This was demonstrated by the rapid increase in tobacco exports following the 1953 devaluation of the drachma and the relative decline after the 1958 devaluation in Turkey.

In keeping with its descriptive nature, Candilis' study is rich in statistical material, some quite useful and not otherwise easily obtainable, but the absence of an analytical approach sometimes leads to an indiscriminate presentation of statistics with little meaning. A typical case is Table 10 in which Bank of Greece loans to agriculture are shown to increase about 35 times between 1944-1945 and 1945-1946 and to decline

about 250% in 1946-1947. The table is in current prices for a period during which the annual rate of inflation on occasion exceeded 2000%.

Clark University

CONSTANTINE MICHALOPOULOS

*Introduction to Modern Greek Literature. An Anthology of Fiction, Drama, and Poetry.* Edited and translated by Mary P. Gianos. New York Twayne Publishers Inc., 1969. Pp. XVII+548.

This impressive and much needed volume, introductory to the Greek series of the Twayne's books on world literature, is the admirable product of three outstanding contributors: P. Kanellopoulos, M. P. Gianos and K. Friar. The idea, the initiative and an enormous amount of work come, of course, from M.P.Gianos, who has to be fully credited for this.

From Kanellopoulos, philosopher, writer of very important books, member of the Academy of Athens, and former premier of Greece, comes the introduction. The Greek reader is already familiar with this text, because it was first published in Greek in *Νέα Έστία* 65 (1959) 257-271. This long and very interesting essay, thoroughly revised in its present English form, is essentially based on a paper which Kanellopoulos read on 10 January 1959 opening the "Greek Week" Professor I. Rosenthal-Kamarinea organized from 10-25 January of that year at the University of Marburg (see the report by Rosenthal-Kamarinea in *Νέα Έστία* 65, 1959, 274-5). It informs the English speaking reader in a very concise and precise way about the background of modern Greek literature which has determined all the literary developments from early XIXth century to the present day very decisively. At the same time, it outlines the various intellectual forces operating to produce all those works which, in first place, belong to Greek literature, because they mirror the hard efforts of the modern Greeks to establish an identity for themselves and to balance their existence between a glorious past and the modern world; but they also belong to world literature, because they are centered round "condition humaine," that is they express the struggles, the aspirations and the frustrations of modern man for a better inner and outer life. This is mainly the reason why modern Greek literature has roused such a great interest in our own days taking also its place next to the other important literatures of Europe (English, French, German, Spanish, Italian etc.).

From Gianos, Professor of English, writer and translator of Greek