

grants fairly. Of the \$614 million to be divided this year among local authorities, New York City will get only about \$260 million, although it is responsible for over half of both the state's revenue and the state's population. A particular point is made of the claim that over 40 per cent of the state's schoolchildren live in the city, but that it gets only 30 per cent of the total allotted by the state for education. Most of these arguments have been countered by a special state committee on the subject; where inequities are undeniable the Republicans blame them on formulae established when the Democrats governed the state. Additional state grants to the city would, it is said, mean additional state taxes and the Republicans of course prefer to make the Democratic Mr Wagner use the unpopular taxing authority, on overnight parking of cars, for example, which he still has in hand.

As always, the thread on which these arguments are strung is not economic but political. This is especially noticeable this year, when the governorship is to be contested in November, but, somewhat surprisingly, this has made Mr Dewey unusually sympathetic, in word if not in deed, to the financial problems of New York City and its citizens. For his position in the state has been weakened by scandals involving Republicans—the latest is now coming out through an inquiry into the management of race tracks; whether or not Mr Dewey himself decides to run again, his party will need every vote it can get.

## A Piggy-back in a Poke?

### New York

IT is a little surprising to find the head of the transporters'—or lorry drivers'—union endorsing a scheme by which a motor transport firm would bring fully loaded trailers, 240 to a ship, hundreds of miles up the Atlantic coast by sea, without drivers, instead of attaching them to lorries. Something of the sort has, however, been done for some time on the west coast and on the Hudson and Mississippi Rivers; the union argues that the combination of low-cost water transport with the flexibility of door-to-door delivery would divert traffic from the railways and mean more jobs for lorry drivers in the long run. The rising cost of road transport is already reducing the competitive advantage of road over rail and it may be further reduced if anything substantial comes of the increasing interest being taken in another form of integration—lifts for lorries not on ships but on railway wagons. These "piggy-backs," or "trailers-on-flat-cars (TOFC)", although by no means universally accepted in the best railway society, have now become a major preoccupation of the railways, road transport companies, trade unions and railway equipment manufacturers.

The basic operation, already tested in a number of small-scale demonstrations, is a simple one. Freight is collected from the shipper in a lorry-drawn trailer; the entire trailer is backed onto a railway flat-car at the nearest railway station and taken for a train ride; and at the receiving depot another lorry is waiting to take the trailer, intact, to the consignee. By this means, it is claimed, the railways gain by the fuller utilisation of equipment, and by cutting handling costs; the road transport companies save on wear and tear and crew-mounting highway

taxes, and avoid the expense of extra crews for long distance road journeys; the shipper and customer get a faster and cheaper service; the general public benefits through a reduction of road congestion; and the General Motors Corporation can hope not only to bolster the profits of its Electro Motive Division by turning out more railway flat-cars and terminal equipment, but also, in the long run, to sell more automobiles.

To the railways piggy-backs mean a chance to lure back some of the traffic that they have been losing so heavily to the roads over the past decade. This could be achieved either by encouraging independent highway common carriers to use the railway flat-car service, or by extending the existing railway collection and delivery services to perform the entire operation from door to door, thus using piggy-backs as an offensive weapon against the motor transport companies rather than to the benefit of both. The opponents of piggy-backs within the railway managements claim that the introduction of special charges for this type of traffic would merely result in the diversion of existing rail traffic to piggy-backs, bring down the entire structure of railway tariff rates, and offset any gain from the roads.

This argument is only one of many uncertain features about piggy-backs. Another is the legal aspect, particularly as regards the maintenance of fair competition between various forms of transport. Meanwhile the economics of piggy-backs have taken a favourable turn with the development by the railway equipment manufacturers of new types of flat-car, long enough to load two normal-sized trailers, whereas existing flat-cars will only take one. Also envisaged are new terminal facilities, and the employment of hydraulic lifts to permit trailers to be loaded sideways on flat-cars, thus eliminating the tiresome and time-consuming "circus-fashion" end loading which has been necessary so far. Faster-than-normal freight trains made up entirely of piggy-backed trailers on flat-cars will probably also be necessary. But in any event a major shake-up of the railways' tariff structure appears inevitable, and a lower cost of transport may well be the result.

## SHORTER NOTES

Senator George's proposed constitutional amendment, a milder version of Senator Bricker's attempt to restrict the treaty-making powers of the President, has been dug up at the last moment after it appeared to have been buried for this session, if only by one vote. It is a Democrat, Senator Lenson of North Carolina, who has revived the issue, in the hopes that the narrow margin can be reversed when Senator Bridges, who is known to favour the amendment, and Senator Symington return from their European tour. Senator Symington, who is a possible presidential candidate, will have a chance to show his metal; if no Senator changes sides, he will have the deciding vote.

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President Eisenhower has appointed a Negro, Mr J. Ernest Wilkins, to be Assistant Secretary of Labour in place of Mr Spencer Miller, who has resigned. This is believed to be the first time that a Negro has been appointed to so high a post in the federal government.

# The World Overseas

## Greece After Devaluation

IT is no longer possible to complain that the Greeks take no steps to put their economic house in order. The drachmas has been devalued by 50 per cent. Almost all import restrictions have been removed. An effort has been made to bring down production costs by lowering the maximum interest rate from 16 to 12 per cent. The formidable task of cutting down the cost of the Civil Service has been begun—but by no means finished. The budget has been balanced, if only precariously. These steps, which have all been taken since Marshal Papagos's Greek Rally was swept into office fifteen months ago, have had a good deal of success.

The devaluation, carried out last April, has produced valuable dividends in the shape of higher earnings from both visible and invisible exports. During the last eleven months of 1953 the visible adverse balance of trade dropped from \$210 to \$551 million. The value of exports was \$116.4 million, and that of imports \$267.0 million, an increase of 9 per cent in exports and a decrease of 15 per cent in imports compared with the same period of 1952. A bumper harvest which made Greece almost self-supporting in cereals, contributed towards this improvement; in 1950 the country had to spend roughly \$40 million on imported cereals. No official figures are yet available for invisible exports since the devaluation, but the government may not be unduly optimistic in estimating that they will increase from \$88.6 million in 1952-53 to \$84 million in 1953-54. After the devaluation, the foreign currency which had been held back because of the unfavourable rate of exchange poured into the Bank of Greece. This will not happen again, but emigrants' remittances have increased considerably and last summer Greece's still infant tourist industry enjoyed something of a boom.

Internally, the devaluation has certainly led to some increase of confidence in the currency. The price of the gold sovereign, which in Greece is always a reliable barometer of public confidence, rose after devaluation by 66 per cent to about 300,000 drachmas; this was not as steep a rise as might have been expected, and the sovereign was kept at around this price until the end of the year. (Since Christmas it has risen again and this has caused some uneasiness in Athens; the Bank of Greece recently intervened to bring it back to 312,000 drachmas.)

The cost of living has risen, but the increase has so far been kept within reasonable bounds; according to the Bank of Greece index, by the end of the year it had risen by 18.9 per cent from its pre-devaluation level. Wholesale prices have gone up by about 30 per cent and retail prices, which were controlled by the government, by about 15

per cent. But here there may well be trouble ahead. The large stocks of foodstuffs and raw materials which the government had the foresight to buy in before the devaluation, at the old prices, will not last for ever. Moreover, apart from a temporary cost of living bonus of from 7 to 12 per cent of wages and salaries, awarded last July, the government managed for the first ten months after devaluation to avoid any general increase in wages. Early last month, however, it agreed to an increase for the Civil Service of 25 per cent for the lower grades and 20 per cent for the middle grades. This is bound to be followed by similar increases in industry, commerce, the banks, and possibly in agriculture as well; and a steep rise in prices can hardly be avoided, although it may not be equal to the wage increases. Already the opposition press is condemning the limited scope of the new step; according to one newspaper, the government's policy is turning it into "not merely the fellow-traveller, but the hood-carrier of Communism."

Mr Markezinis, the able Minister of Economic Co-ordination, has other important problems to tackle if progress towards economic expansion and financial stability is to be maintained. He is still committed to an immensely heavy defence budget, 40.6 per cent of the total budget. Even if Mr Canellopooulos, the Defence Minister, now on a visit to Washington, succeeds in wringing more military aid out of the Americans—and he can make out a good case for it—or even if Marshal Papagos should carry out his threat to reduce the size of the army, Greece's defence budget is still likely to remain disproportionately high. Economies have been made in the vastly over-blown Civil Service, but they are not yet nearly drastic enough. Measures to combat the extremely widespread tax evasion have been introduced, but like their predecessors they are not yet nearly effective enough. Indeed, the whole tax structure needs to be reorganised; at present indirect taxes which fall most heavily on the poorer classes account for about three-quarters of total tax receipts.

Above all, Mr Markezinis must somehow find means of closing the trade gap and this at a time when American aid is being drastically reduced and is scheduled to cease altogether in 1956. In 1948-49 Greece received over \$273 million from the United States, in 1951-52 \$150 million, and in the current year it is only getting \$21 million. It may turn out to be a grave misfortune that foreign aid should dwindle just when Greece has at last acquired a stable government able to use it to the best advantage. Mr Markezinis has drawn up an ambitious three- to five-year development plan covering irrigation and flood control; hydro-electric projects; and the development

of basic industries designed among other things to exploit Greece's deposits of bauxite, nickel-bearing iron ores and magnesium, and to expand the production of nitrogen fertilisers. The total cost of the programme is \$235 million, of which it is planned that \$131 million should be in foreign exchange; but Mr Markezinis estimates that when complete it will narrow the trade gap by \$90 million annually.

The trouble, of course, is to find the wherewithal to finance this ambitious development plan. Last summer Mr Markezinis made a grand tour of the United States, Canada and Western Europe in search of foreign currency. His visit to London was largely a failure. From Washington and Ottawa he seems to have secured only a promise that a mission from the World Bank should visit Greece. But he came away from Paris, Bonn and Rome apparently with contracts for the supply of capital equipment on long-term credit to the value of \$15, \$60 and \$15 million respectively. These contracts caused much jubilation in Greece, but there now appears to be some danger that Mr Markezinis was counting his chickens before they were hatched. Last Saturday Mr Markezinis announced that a domestic loan for 300,000 million drachmas would be floated next June; it will be used to finance long-term economic development projects. The government's best bet however is probably a loan from the International Bank. But if it is to get this it must do something about the foreign debt, which has been in default since 1932 and now amounts to some \$260 million. This no doubt is why it has announced its intention of setting up three committees to study the matter.

It is obvious that there is a testing time ahead for the Greek government. Even if Mr Markezinis can put his development plan into operation and it works out as he would wish, it cannot begin to yield dividends until 1956. Meanwhile he must work towards closing the trade gap and developing Greece's productive resources at best he can. The trouble is—as the ECE's Survey for 1953 points out—that in order to achieve the first aim he may be forced to employ a more restrictive monetary policy than is compatible with achieving the second. It is, indeed, hard to see how a serious economic—and hence political—crisis can be avoided without substantial further foreign aid.

## France's Worker-Priests

THE dispute between the Catholic Church and its eldest daughter over the worker-priests has evoked a strong echo even outside the family circle. It is a tribute to the importance of the Roman Catholic Church that any dispute within it is likely to be scrutinised almost as intensely as a quarrel in the Kremlin. The affair of the French worker-priests, however, may have been over-dramatised since the Vatican's interference has provoked the resentment of the most articulate group among the French Catholics, the intellectuals and writers. It is exciting but rash to represent these differences as a revival of the old tug of war between the Vatican and the Gallican Church and to speak of an impending schism. On the other hand, the problem of the worker-priests undoubtedly goes to the heart of the most vital issue that the Church must face in the twentieth

century—its relationship with the labouring masses which find themselves outside the pale of Christianity.

The French experiment, which the Vatican now tries to limit within defined narrow frontiers, began some twelve years ago when two young abbés published a book describing France as a land in need of missionaries to penetrate the 8 million-strong "heathen world" of the factories. With Cardinal Suhard's backing a *Mission de France* was founded at Lilleux, soon to be followed by a *Mission de Paris*. Both seminaries prepared priests to work and live with the labouring classes. The idea behind this venture was the simple one that, in order to recover the lost souls of the forgotten ones, it was necessary to get on terms with them as individuals; the missionary must contrive to become accepted as an equal by the dechristianised masses whom he was trying to convert; he must cease to be part of a different order, cease to be one of "them."

The venture had its risks and among the priests labouring and living with the workers many have joined in the political struggle of their brethren and a few have defected to Communism. This unfortunate example was given publicity on the occasion of the anti-Ridgway riots in Paris two years ago, when among the arrested there were some worker-priests. During last year's strikes, too, in several regions priests expressed their solidarity with the strikers. For some time warnings have been pouring into the Vatican that the Communist Manifesto was becoming the new gospel of the worker-priests; as early as 1951 French bishops were ordered not to increase their numbers.

### Barrier of Mistrust

The Vatican's remedy, now obediently if not wholeheartedly endorsed by the French hierarchy, was to insist that worker-priests must fish for souls with a shorter line; they must work no more than a given number of hours a day and no longer be so far removed from their religious communities and spiritual supervisors. The accent is to be on the priest rather than on the worker. The Church authorities maintain that this is no more than a matter of adjustment in an admittedly difficult situation. On the other hand the opponents of the Vatican's policy argue that the new regulations strike at the root of the whole experiment since "visiting" priests will not be able to break the barrier of mistrust among the often antierdical masses and without "naturalisation" they will not even get a hearing. Indeed, it is hinted that is forbidding full time participation in the workers' life the Vatican implicitly accepts the Marxist premise that one's outlook is really determined by the conditions of life and labour.

The anxious protests to which the new course has given rise in many Catholic quarters are both sincere and moving, but a breach within the Church is unlikely. It is not yet known how many worker-priests will defy the ultimatum to accept their new status, but for the Roman Catholics there is no salvation outside the Church and a splinter group has little chance of survival. It is on the political stage that the present quarrel may have grave repercussions. In the later-war period the threat of Gallicanism came from the nationalist right-wing connected with *l'Action Française*. This time the outbreak against the Vatican was strongest among left-wing Catholic circles. True, Dominican intellectuals have expressed their sympathy and M. Francois Mauriac has written beautiful pages of restrained indignation in the undoubtedly respectable

*Le Figaro*, but the main backing for the worker-priests came from the very same groups which are protesting against the swing to the right of the Catholic political party, the MRP. Both the MRP and the worker-priest movement were born out of the Resistance at a time when many thought that the Catholic movement would prove the vanguard of social progress. They now accuse the Church and its political party of betraying its mission.

Clearly the Roman Catholic Church, like most bodies, has its conservative and its liberal wings and it looks as though the conservative traditionalists have gained a point or two at the expense of their more progressive and adventurous colleagues. Meanwhile the problem which gave rise to all this remains: the problem of offering the very poor something more attractive than Communism. While it is for the Church to decide the best possible way for it to proceed, outsiders have a stake in its success or failure. The Abbé Godin, one of the founders of the worker-priest movement, proclaimed: "They (the Vatican) are at the brakes. We see the engine. The two are needed. . . ." It remains to be seen whether the machine can still move forward with the newly tightened brakes.

## China's Agriculture—II

### Tasks for the Transition

THE Chinese government does not hide the fact that in the long run it wants to establish large-scale collective agriculture side by side with large-scale industry. But China is still in the "transitional" period, and the relatively modest plan of collectivisation is due not only to the fear of peasant resistance but also to the intensity of other tasks facing the government in the countryside. In the immediate future the primary task is to expand agricultural production rapidly so as to satisfy the growing needs of industry and the urban population; to extend the area under cultivation through irrigation and other forms of land reclamation; to step up the supply of agricultural equipment and experts. In the meantime, while the ground is thus being prepared for further reforms and industrial outlets provided for surplus labour, the Chinese rulers hope to control the countryside through taxes and through the new state monopoly of the grain trade.

It is not easy to get a clear picture of agricultural development from the maze of official claims expressed in percentage increases over unspecified prewar years. On the whole it would appear that production has now recovered its prewar level. Official estimates of total grain production are given in the following table; last year the crop was apparently about the same as in 1952.

TOTAL GRAIN PRODUCTION (Million tons)

1949	1950	1951	1952
127	148	158	163

The rice crop has apparently reached the prewar peak of 52 million tons, while the wheat harvest has exceeded its prewar record of 23 million tons. The biggest achievements, however, are claimed for cotton production, which is said to have climbed from 400,000 tons in 1947 to 1.3 million tons in 1952 and 1.5 million tons last year—nearly twice as much as before the war. The cultivation of soy

has already been revived, but tea and tobacco are still lagging behind the prewar levels. Taking these figures at their face value the recovery has been remarkable, but demand is also growing apace. It has just been announced that already the state must provide grain for 200 million people in the towns or grain-deficit areas. The success of the ambitious plans of industrialisation will largely depend on a rapid increase in the supply of foodstuffs and raw materials.

The agricultural reform has not solved the problem of land hunger and production. Indeed, to the extent that it has broken up the large estates, it has proved an obstacle to large-scale cultivation. True, there were not as many large estates to be divided as in the Soviet Union, which explains why the reform was carried out in three phases, on the instalment plan, and concluded only at the close of 1952. The feature of the reform which was most welcome to the poorer peasants was the elimination of rents (the burden was estimated at about 25 million tons of grain per annum), but in some way or another the government also managed to redistribute 47 million hectares of land or nearly half the total cultivated area. Yet even the most equalitarian distribution of the available land could not cure the hunger, since it could provide only a stay plot of less than one hectare for the average Chinese peasant family. True, a hectare under rice in China is more valuable than, say, a hectare under grain in Canada; but only one quarter of the arable land in China is under rice.

### Pharaoh on the Yellow River

Thus a loose form of co-operation, allowing for the communal use of scarce equipment, is judged sufficient by the government at this stage. Before passing on to the next stage it is necessary to fight with nature for land. Before the war the total cultivated area amounted to less than 100 million hectares, and it is probably not much larger now. On the other hand, it is estimated that potential arable land is about three times greater. From the very beginning the new regime realised that its economic future is linked with the conquest of that land, and even before Stalin's death the Russians had promised to help in this job. But at first a defensive action was needed: dams and canals had to be repaired to prevent floods and other natural calamities. The biggest project on which work is now being carried out is the harnessing of the Hwang-Ho river. It was begun in 1950 in Pharaoh-like fashion, with 5 million peasants mobilised for the job; by the time work is completed in 1955 2.7 million hectares should be irrigated. In this and similar projects the Russians are to provide increasing numbers of both experts and excavators.

Land reclamation, the training of agronomists (there are now only 7,000 in China as against some 350,000 in the Soviet Union), the building of Chinese factories for fertilisers, tractors and other agricultural equipment—all this must take time. Meanwhile, the peasants must be prompted to produce more and not antagonised through reckless reforms. Even the "kulaks"—those who have managed to hang on to a bigger slice of land than most—are invited to join in the drive for higher production. They are allowed to hire some additional ground, and the tax norms were passed for three years in advance so as not to penalise the efficient producer. On the other hand, the kulaks obviously pay higher taxes in kind: 30 per cent of their total output against an average of 15 per cent for the medium peasants and 5 to 10 per cent for the poorer