

willing to be hurt when you hit back if you take the trouble to make out a stronger documented case for your views. I shall at least know on what evidence you are basing your views.

Nlssim Ezsekiel

67, Breach Candy,
Bombay 26.
November 19, 1956

[Mr Ezekiel accuses the "Economic Weekly" of partisanship. He is entitled to his views, but he has not substantiated the accusation.

Neither in the editorial in the issue of November 17 nor in that of the previous week does the "Economic Weekly" offer any apology for Soviet tyranny. Developments in Hungary and in Egypt are interpreted differently. But this difference does not mean or involve endorsement of all Russian actions in Hungary.

Not only is the Russian use of force in Hungary deplored, Hungary is cited as evidence that Russia is reluctant to lose her temporal authority over Eastern Europe. Mr Walter Lippmann's comments on the Hungarian issue are quoted approvingly. Insistence by the four Colombo Power Premiers on "the inalienable right of every country to shape for itself its own destiny" is endorsed firmly.

In these two editorials, the "Economic Weekly" is not as much concerned about the security of Communist Russia as about the effects of global, particularly European, strategy. With NATO and the alliance between Western Germany and Western Europe, the Russian withdrawal from Eastern Europe must necessarily pose problems for her security. To ignore this is to disclose lamentable unfamiliarity with the "cold war" political and strategic situation in Europe.

It will be news to many that "all elements" revolting against tyranny are "reactionary". That may be Mr Ezekiel's view. But the "Economic Weekly" has repeatedly stressed Hungary's right to sovereignty and to an equal status with Russia.

Mr Ezekiel informs us that he is a regular reader of the "Economic Weekly". We presume he is being polite to us. But we may be excused in hoping that he will, in future, read the "Economy Weekly" more carefully.—Ed]

Consumption Multiplier Again

SINCE Prof Das Gujfta wrote his article (Economic Weekly August, 25) on the book written by Prof Vakil and Dr Brahmananda, I had necessarily to refer to that book in my comments made with a view to clarify certain analytical issues involved in his article (issue of September, 1). However, in his rejoinder, Prof Das Gupta attributes motives to me for giving my comments (issue of October 27) IS Prof Das Gupta a better psychiatrist than an economist?

I used the word 'probably' advisedly. Even for pulling together two non-additive things, sometimes 'plus' is used as a sort of a short-hand, though strictly, from a purist point of view, it would be wrong to do so.

Yes, what I meant was that the value of the consumption goods multiplier would be unity. I am glad that he has pointed out this 'unpardonable' lapse.

When a man like Prof Das Gupta says that he is honest, one cannot but believe him. However, one cannot accuse a person of dishonesty simply because he did not boast about

From the London End

De-Stalinisation of East Europe

IT is certain that the Hungarian uprising will be quelled. It is equally certain that the Hungarian Communists will continue to remain the dominant force in that country's Government. What is not so certain is whether the cohesive factors making for a highly monolithic Soviet bloc in Europe will continue in operation. This uncertainty clearly suggests a possible shift in the European political balance. In retrospect, the Russian intervention in Hungary appears to have been more concerned with meeting this eventuality than (what was first thought to be the aim) of securing continued internal power for the Hungarian Communists.

The course of events in Hungary has been the principal focus of European political attention over the past weeks. This "diversion" may very well have proved to be welcome in British and French official circles and this explains the private encouragement that has been given to public demonstrations, to attacks on Communists and Communist Party offices and meetings. In Paris and in London public attention is being

his honesty. Does Prof Das Gupta really believe that two persons cannot discover the same thing independently of each other? The concept of consumption goods multiplier is another way of expressing Nurske's savings potential and I said so in my comments. Of course, I also said that Prof Vakil and Dr Brahmananda went a step further than Nurske in discarding Nurske's assumption of the equality between the wage and the consumption units. I find that in analysing problems of capital formation, the concept of consumption goods multiplier is very helpful in finding out the effects of whatever 'savings potential' is available in the economy. Is not starting from the investment end more logical? Any way, in such matters, the approach one adopts depends to a large extent on one's taste and I have therefore no quarrel with Prof Das Gupta if he prefers Nurske's approach to that of the consumption goods multiplier. But, why this self-righteousness?

B C Desai

Bombay,

November 17, 1956.

riveted on Hungary and on the various aid schemes and funds that have been set up to assist Hungarian refugees. All this public activity is being mobilised on the single charge that the Soviet armed intervention in Hungary was immoral and designed to suppress the local upsurge to ensure the continued hegemony of the Communists in that country. The course of the uprisings and the extent of the Hungarian peoples' loss of confidence in the government has been variously described in the British press. By and large, the descriptions have been highly inconsistent some have declared (as did the Daily Express) that the piloting of the uprising was fully in the hands of emigres who has now returned to Hungary while others (like the Manchester Guardian and the Daily Herald) state that the Russian claim, of "counter-revolutionaries are aiming to restore fascism in Hungary" is nothing more than a piece of "lying deceit."

The crucial fact of the Hungarian situation is that the Hungarian working people, the intellectuals and

the peasantry, have lost every vestige of confidence in the Communist leadership as was provided by the Rakosi-Gero faction. The Communist coup in 1948 was part of the Stalin drive to establish the Soviet Union's preponderant position in Eastern Europe. For a short time, the Hungarian Communists pursued the previous policy of land reform, nationalisation of heavy industry and of improving the country's living standards. This policy was quickly subverted by the expulsion of Yugoslavia from the Cominform and by the need to "find evidence of Titoist influence" in all the East European countries and the pursuit of a wholly unpopular civil policy. The Communists in Hungary who espoused or believed in independence were liquidated. The careerists, who applauded the new policy, were able to secure for themselves highly paid positions in the State hierarchy and so a regime of terror was installed. In the economic held an armaments programme coupled with costly investment expenditure in heavy industry was put into operation with little regard as to whether such a policy will lead to a deterioration in living standards. The contract between the State and the people began to disappear. What has since happened in Hungary was thus inevitable.

The "de-Stalinization of the Soviet regime" which was to follow the 20th Congress of the CPSU and the efforts at reconciling Yugoslavia, let loose the hitherto latent opposition of the East European peoples against their respective Communist hierarchies. That Poland was able to effect a change with little violence was all the more remarkable, considering her past. Those Communists in Eastern Europe who believed that the Marxist creed was un-meaning unless it guaranteed freedom, liberty, self-determination and independence, i.e. such of them as had not been liquidated in the Stalin era, now came into element, it was possible for Poland to bring about a largely peaceful change-only because Gomulka was still alive and was prepared to lead the change over. In Hungary every one in the Communist Party—even those who were released from prison after the thaw—had a tainted past. This was not the only cause of the violent forms which the Hungarian change-over took. Such Communists as Gero had not understood the fundamental opposition in the country—their first reaction to popular demonstrations was to take the Stalin line of armed

intervention. This, as President Tito now says, was the "fatal error" of the Hungarian Government,

In your correspondent's view, this appears to be the background to the present Hungarian situation. The utter failure of the regime to command, any support from the population let loose the popular agitators and subsequently the violence and bloodshed. The resort to arms in the earlier stages contributed to a hardening of popular feeling and it is certain that it was at this subsequent stage that the drift of emigres and other elements into Hungary from abroad provided the organisational basis for an insurrection. It is certain that had not the Soviet intervention taken place, all Hungary would now be aflame on a scale as would make that country lay prostrate and helpless for many years.

The Soviet Intervention may, however, stem from another possible cause. The Western press has referred to what is alleged to have been the contents of the Russian letter of explanation to the Indian Prime Minister. It refers to Marshall Bulganin's view that the Anglo-French action against Egypt had brought nearer the prospects of a world war and that the Soviet Union's security (in this situation) required a policy in Eastern Europe which would necessarily call for vigilance" and the *strengthening of the European status quo*. There can now be little doubt that this consideration weighed heavily in Russia's calculations before the intervention in Hungary was decided upon.

The movements in Poland and Hungary have taken on an essentially nationalist character. The Communist argument that Socialism ultimately submerges all nationalistic notions may very well be true. In the concrete circumstances in which the East European countries have found themselves it was, however, inevitable that nationalism should prove of more profound significance than even the many reforms which the Communist! leaderships were prepared to or did introduce. The whole history of Eastern Europe is a history of external domination. Up to 1914, the Austro-Hungarian Empire was in control. Between the wars, shifting power relations between Germany and Italy had placed most of the East European countries under fascist or quasi-fascist regimes owing allegiance to one or other

of the central and south European powers. In the post-war years, the Soviet Union rose to a position of dominance in the area. And so, the urge for national independence as well as the cry for land and bread was ever strong and remains today stronger than ever before. The satisfaction of Poland's demands for sovereignty and equality must, in turn, lead to a Soviet acceptance of similar treatment for the other hitherto East European satellite governments. The policy of de-Stalinization, if carried to its conclusion, with the sincerity which, we are made to understand M Krushev and M Bulganin espouse, then the change-over in Eastern Europe will be a peaceful one. The revelation by President Tito that there are still a number of Stalinists in the Kremlin does not suggest that the loosening-up process will be quick or, for that matter, peaceful. It is, however, clear that the dimensions of the Hungarian uprising cannot but expedite similar movements throughout Eastern Europe, and no matter what the Kremlin may wish to think, the drive for independence and self-determination will continue unabated until it stretches from Poland to Albania.

The culmination of East European nationalism to the point at which the Nationalists can be satisfied must portend certain changes in the distribution of power in Europe. There can be no doubt that the Warsaw-Pact has been immeasurably weakened—certainly more than the NATO alliance has been weakened by the precipitate Anglo-French action against Egypt. There may very well arise in Europe a whole series of states believing more fully and more fundamentally in the need for peace—in a policy of neutralism coupled with friendship with all adjoining states. Some may argue that this trend can introduce a power vacuum and thus of instability leading to a possible revival of German imperialism in Europe. Such was certainly the trend in the interwar years when the 1919 Peace settlement created so many of the East European states. The present situation is, however, different. What happens in Europe is no longer determined solely by European factors. The emergence of the United States and by contrast the Soviet Union, and equally significant of the prestige of Asia, is tending to submerge European factors as determinants of contemporary international political developments.