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Events in Hungary might be expected to have an Immediate bearing on the question of socialist planning. Yet in spite of the months of dire emergency that followed upon the cruelly quenched revolt of the party reformers against the Stalinist leadership but little is heard about the upheaval's oconomic causes, if any. This should caution against rash inferences however plausible they may sound.

Most of the evidence used here was gleaned from the files of a Hungarian Communist literary weekly, the journal of the Writers' Association. The sparse but revealing facts need to be handled with care if the elements of the picture are to fall in place.

Even before the death of Stalin, Hungarian Communist writers and poets sporadically succeeded in passing on signals, if ever so faintly, of a universal discontent. A precarious balance between a failtering censorship and courageous self-assertion was the indicator which time and again gave away the growing points of dissatisfaction. Soon after the Khrushchev speech of Spring 1956, brief, forcoflil documentaries began to appear in the literary Gazette. 1

Reports were chiefly of villagos and rural toms, not of the industrial metropolis or the countryside factories. Yet the course of the uprising showed the working class as an eruptive force which became a block of heroic resistance wile the hostility of the peasantry to the Communist leadorsinip, though fed from a thousand grievances, did not add up to a revolutionary factor. This ignoring of the workshops was only partly due to the reviving tradition of village exploring
among the Fiungarian writers. The fact was, that, if to touch upon the land question was risky, to delve into conditions in the factories would heve been not only suicidal, but incieed a psychologicel impossibility for Communists who were incapable of roalizing thet the incustrial workers had turned away from the party. To the last they misread the sullen silence for a sign of political spathy, But they were excelient interproters of the mood of the countrysicie. While, destitution, nearstarvation or other aymptoms of an econonic collapse were singularly absent from their descriptions, the bitter resentment which they voiced concerned almost entirely matters of economic administration. The explanation of this apparent contradiction was that complaints did not center on a sharply declining standard of life, but on maladministration, aases of monstrous waste, back -and-forth chengea of goneral direction involving pressure on the population to shift from village to town and back -- then the wole movement was revorsed once more. Such a subject matter would naturally appeal to rural sociologists. The peasant's economy is his personal life, a bad adminiatration hampers his dealing with farm, beasts and field; his complaints are in the nature of a groan in response to a bodily hurt. Though fairly well off, he may yet be drivon into a state of hard resistance to what must appear to hin as senseless and arbitrary acts of harassing interfierence. Eventually, he will be obstructing and sabotageing the administration while abhorring any swing back to a reactionary regime thich would sever hin again from the land.

Actually, the administrators of the Hungarian economy were not inept, nor did they lack judgment, technieal experience and devotion to their task. That a harsh and tyrannical bureaueratism reached such
a pitch and eventually resulted in a scandalous all-round mismanagement must needs have a cause of its own.

The key to these contradictions should bo sought in the unique conditions in which the Hungarian socialist regime functioned, and tire dangers of which were not appreherded until after the event. Irrespective of the peace treaty, during the whole period in question, Hungary was under a close, strictly enforced foreign rule - - a circumstance that went unheeded because it had been traditionally deemed a matter of mall account between socialist countries. Such a combination was even believed advantageous to the smaller and weaker of the two. Anyway, the fact of rule by Russian controllers was never openly acknoviedged by either side. At first it was credited to the obvious condition of Hungary as a vanquished country; later on, after the peace treaty had been signed and defeat ceased to be of relevance, it was hidden from the public eye by mutual connivance. The heart of the matter remained a well guarded secret. It was viscid an astonishing exploit of underground statesmanship on an international level that the Hungarian administration, both political and economic, was at ail times defective controlled from Moscow with an immediate check established through the
presence of A Russian controller, often in the inconspicuous role of an office worker.

A careful analysis of Hungarian maladministration over the critical decade would reveal $=$ what appeared to the individuals below as the inchoate ravings of a group of madmen at the topto have been else than the inevitable consequences of foreign rule in a socialist economy.

A capitalist state as a satellite can put up with a considgrable neasurs of open or hidden fonominamite (The individual citizen
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Not so in a socialist economy. Along with its technical and economic advantages goes the adverse fact that a aere flicker at the center reverberates through the whole system and by the time a shift of policy reaches the shop, the family, the individual, it will have grown into a devastating blow. iny measure taken in response to the zig-zaz of a foreign party line, or an eventual deficit in a foreign econony works as an erratic, arbitrary commend with effects blindly destructive of the social and economic tissue of the country thus exposed to extornal domination. Hence the irreducible reguirenent that the ultimate seat of power in a socialist comunity be freo from foreign rulo.


 which is politically so reveailing, is economically confusing. For a political satellite may well be sconomigully a separate stata. Its political dependence may then cover up its economic separateness. Whether politically dependent upon the Soviet Union or not; economically 'inseparable' from the Soviot Union or not, Hungary has an inflation not shared by the Soviet Union and mass unemployment neither absorbed by the Soviet Union nor alleviated in its consequences for the incividual worker. The obvious remedy for Auagary's present troubles lies in the sphere of monetary and trace policy -- in foretgn loans and exports. Political dependence from the USSR aione prevents her
from turning to these expedients. Her forcign trade monopoly would in no way hinder her from applying the monetary and trado policies she needs. But a man bereft of his ams end legs is not more helpless than a socialist state that has its own national carrenoy and labour system and yet is not free in its Soreify economy. Its enslavement to the ruling state is more absolute than anything that is known to history. And yet, such a state, we repeat, is not cut ofs from solif-help for lack of a market system enabling it to make use of the world's capital and commodity market through loans and exports. Its foreign trade monopoly would permit it to do either, or both.
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 The organs of the socialist state and municipalities are unable to absorb the party orguns which have originally set thom up, because the foreign direction works entirely through those same party orgens. The vital separation of party and state is impeded from the top. A threesold layer of bureaucracy insulates the citizen frot the seat of power, since the double layer of party organs and state organs is overlaid by a forcign party bureaucracy, welded to the leadership of the national party bureaucracy. Deaocratization may be extended to important fields; it may mitigate in many ways the damage and surfering. Eut as to the cause of the disease, it remains outside the scope of democratization. At all crucial points - factory, local government or trade union - it is restricted to empty fomelities and, if pressure for self-rule is maintained, results in lipservice, fraudulent proceedings, an increasingly complex system of pretences, eventually creating in the politically still active part of the population a reritable Sabel of moral confueion. It is only a question of time, and not too much time at that, and distrust and disillusionment form into a
hard core; behind a screen of apathy, intense hostillity takes root. Letif theng oome striking orent in common human tems flluminate the scene, and the effects will be like an earthquake. In an historical instant the depth to which the fibre of the natior has been eaten away, stands revoaled. The disclosure of Rajk's innocence was such an event. The lajk trial, in the context of the Slansky, the Kostor and the other purges had been broadeast as an accusation againstrito, and Budapest was far outdone by the shrill tones emanating from Moscov. Yet Rúkosí shouldered the awful responsibility of the judicial aurdere, pretending, in loyalty to Koscow, to be acting on behalf of an independert sovereign body. This made the disclosure of the truth about Stalin, in February last, into an admission of the innocence of Rajk, and with overwhelming force into a shattering revelation about the regime in Kungary - political and economic. Secret utter subjection to foreign rule had worked its paralyzing effect on the increasingly socialist oconomy.

History has taught us to interpret 'foreign rule' in terms of language, culturc, national statohooc. In the light of what has been said, a warming is called for. Neither currencies nor social services are culture traits of a specifically national character. Their separateness if not like thet of language or muaic, the rhythm of speech of folkways. A colmunity linked by a common currency shares a price level that cetemines real wages and miaterial prospecte, social services comprise a people in a commonalty of conditions of assistance. Both price level and security transcend nationality and cuiture. Far be it from us to underrate the cultural factor in nationhood, or tho national roots of the historic state. But the state that has to bo truly sovereign under socialisn is not 30 much the home of a nation, as simply the

habitat of a people. The Hungarian tragedy in its economic ranificalions was not in the first place an outcome of national frustration:-it was the consequence of a carefully camouflaged, stringently execcised foreign rule over a sociclist economy.

## A hungarian Lesson

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## A Hungarian lesson

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among the Hungarian mateucs, Th fact was, that, if to touch upon the land question was risky, to delve into popditions in the fectories would have been not oaly auleddal, but indeed a paythological impoasibility for Comunists who wore incapable of realizing thet the industrial warkers had turned awey from the party. To tho last they migread tha mulien ailence for a slan of politiogl spathy. But tiney ware exoelient imterpraters of the mood of the countryside. While destitition, nearstervation of other symptons of an econonic collapea ware singularly sboent from their dearriptions, tha bittor restantanit whian they voloed concerned simast entirely 7 attere of economic actrinistration. The oxplunntion of thil apparant contradiction was that coapleints did fot conter on a $\quad$ barply decifing standard of lire, but on maladmindatration, cages of manstrous wate, bsok-and-forth changes of general direction involving pressura on the population to shift froa village to town and back - then the whole movament was reveraed once mare. Such a subjoct mattar would maturally appeal to rural soctologists. The peasint's eanony is his personal life, a bad admintatration hanpers his dealing vitin fatry, bsenta and fiald; tuts complaints are in the noture of a Groan in rasponse to a bodily hurt. Though falrily wall off: ho may yet be driven into st atpte of haxd ragistence to winat must appoar ton him as senselass and arbitrary acts of harasaing interference. Brontually, ho wil be obstrueting and sabotag/ing the adiainistration wila abhorring any swing back to a roactionary regine which would sever him again from the land.
detually, the adainititratara of the Hungarian economy wore not ingpt, nor did they lack juctargat, technical expariface and devotion


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－pith sad eventually resulted in a scandalous ali rand adsmaragemont must nerds have a cause of 1 ts out．

The key to these contradictions should bo sought in the unique conditions in which the Hungarian socialist regina functioned，and the dangers of whish were not apprehended until after the event．Irreapec－ Live of the pence treaty，during the whale period in question，dimgary was under a close，strictly enforced foreign rule－a oircumatiance that wat wooded because it had bean traditionally deemed a matter of small account between socialist countries．Such a combination was oven Delayed advantageous to the smaller and weaker of the two．ingwey， the fact of rule by flussian controllers wat never openly ackromiedged by of thar aide．At first it was credited to the obvious condition of Hungary as a vanquiatied country；later on，after the peace treaty had been adgred and defeat ceased to be of relevance，it was hidden from the public eye by mutual connivance．The heart of the ratter remained a well gasped secret．It was imeitbeelf an sutoniahing exploit of underground atatesanaship on an international level that the hungarian adminiotration，both political and econonidy，was at all times caenis
 $s$ on the fort． presence of 前fugaian controller，oft ian in the incangicuous role of an office worker．

1 careful analysis of llungarisn maladministration over the erstieal decade word reveal the what appeared to the individual a To have．Gum
 oise than the in＊Fitabile consequences of foreign rule in a socialist economy．

A capitalist state as a stellite can put up with a conoid－ arable measure of open or hidden foreign rule．The individual citizen
geverinumet from outride.

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may be bit by the burden of taxation caused by reparations or other contributions his esuntry is charged withy opportunities for profitable business or employment may be impair w. But maternal praseare does not
 lunation in the germane country.

Hot so in a soodaliat economy. Along with its technical and economic advantages goes the adverse fact that a mere Clicker at the center reverberates through the whole system and by the time a ainfift or policy reaches the shop, the feud ely, the individual, it will have grown into a devastating blow hay measure thicken in response to the zis-rag of a foreleg party line, or an eventual deficit in a foreign economy work as an \#rratic, arbitrary comesind with offnote blindly destructive of the acini and cornice tissue of the country that exposed to extarsal domination. Hence the irreducible requirement that the ultimate meat of power in a socialist community be free from foreign rule.


 which is pailtieally wo revealing, is economically confucius, for a political satellite may well be econoxilcully a separate state. Its poifticeal dependence may than corer up it a economic separatanasa. whether politically dependent upor the Soviet union or not econoadeally 'Inseparable' from the Soviet Union or not, Hungary has an Inflathan not shared by the Soviet inion and mass unemployment neither absorbed by the Soviet Union nor alleviated in its consequences for the individual marker. The obvious randy for Hungary's present troubles Lies in the sphere of monetary ard trade policy - in foreign loans and exports. Politienl dependence from the USSR alone prevent e her
from turning to these expedients, her foreign trade monopoly would in no way hinder hor from applying the monetary and trade policies sha needs. But a min bereft of his erma and loge la not more helpless than a socialist state that han its own national currency and labour syaten and yet is not free in its foreign economy. Its onalavamant to the ruling state is more absolute than anytining that is know to history.

And yet, such in state, we repeat, if not cut off from acif-halp for Lack of a market syotiom enabling it to make use of the world's central and commodity anciket through loans anal exports. Its foreign trade mon-
opoly would permit it to do either, or both.

## Forasinertr is the


apparent The organs of the socialist state and aundeipallties are unable to aboard the party organ wish have originally set thea up, because the foreign direction works mitifaly through those same party organs. Tho vital separation of party and state is impeded from the top. a threefold layer of bureaucracy insulates the citizen frog the seat of power, since the double layer of party organs and state organs Is overlaid by a foreign party bureaucracy, welded to the landerahip of the national party bureaucracy. Democratization may be eoctanded to important fields y it may ratizate in many ways the damage and authoring. But as to the cause of the disease, it romains outside the stope of democratization, at all crucial point a - factory, local goverimant or trade union - it is restricted to empty fomalition and, if preseuse for aelforule it maintained, results in Ifpserricw, fraudulent proceedings, an Increasingly complex system of pratencet, eventually orating in the politically still active part of the population a veritable Babel of moral confusion. It is only a question or time, aDd not too mach time at that, and distrust and dialliusionmant form into a
hard corej behinal a serian of apathy, intense hostility takes root. Lat, than, some argiking avont in conogn human tarms illuminata the scone, and the affects w111 bo like an oncthquike. In an hiatoricil Instant the dapth to which the fibre of tha nation has been aaten away, atands revealed. The disclosurg of $E_{4} j K^{\mathbf{4}} \mathrm{B}$ Innocence was such an overt. The fiajk trial, in the contoxt of the Slanaky, the Kostov ard the other purgea had bean broadcast as an accuagtion abatnat Tito, and budapest was far outdone by the sinrill tones emanating from Moscow. Yet Rakosil ahouldered the amful responaibllity of the judioisl marders, pretendirg; In loyalty to liagcor, to be ecting on bohsif of an independent sovarAgp body. Thia made the disclogure of the truth about sitolin, in February Lasi, 1nto an adrusaion of the innocence of Rajk, and with overainiming force into a ghattering ravalation about tha regine in fingary - politian and acomomia. Secrat uttar subjaction to foreign rula hai worked its paralyzing effeat on the inareasingly gocialisb enonong.

History has taught us to intorprot 'foroign rule' in tonas of lagguge, culture, notional atatobood. In the Iight of what has bean add; a warping is called for Fielther currencies nor social sarvicat are cultur traits of a apgcicicully national oharactor. Their saparatenosa $1 /$ not 1 ifice that of langunge or muaic, tine rhythat of speoch of folkwayp. A conmonity linked by a comonh ourcenoy shares a phice level that deteraines ceal wages and antarial prompectw, social services somprist a people in a commonalty of comiditions of asnisturnce. Poth price learil and security transcend nationality and eulture. Far bo it from un to ungerrate the oultural factor in mationhood, or the netional roots of the historic state. But the state that has ta bo traly aover eim under soctalisut is not oo moh the home of s notion, we simply the

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habitat of a poople. The Enangarian tragody in ita aconoule ranifications was not in the firat placa an outcome of national irustrationion It was the consequanoe of a carefurly camouflaged, stringently exercisad foreign rule avar a accialist econony.

The rual minhith ot the poble? here to thad of caghed soce/nointhe th the the fye one cour wor we inmelatas what the hivioul menter are milels tarrie thin itinal cibloction
 surorthin that tors ane such mean.
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t ree mour, thone mimead youn iment. it is $t_{0}$ remon tot
 andience dowir haw your d andive tor thety you love,




