

and, for which a case is made out so convincingly, for restricting imports of pumps that it calls for particular attention. But this demand for banning imports is so general in every field of manufacture that one cannot help suspecting that however strong a case manufacturers of pumps may have, suppliers of the materials used by them, among others, may also have something to say, unless, of course, the Development Wing has been getting it all wrong in every case.

Unlike many other light engineering Industries, however, power driven pumps do not appear to have much of an export market yet. The Association welcomes the steps taken by the Government to

promote such exports, by arranging exhibitions for instance. It is also willing enough to co-operate, but makes the modest suggestion that as exhibitions are so frequent, participation by members will mean a large number of pumps being permanently kept on show and this will block up scarce capital. So should not the Government assist the industry and in particular those manufacturers who are keen on participating in exhibitions by buying up the pumps which are to be exhibited?

Ail in all, this is a revealing cross section of the industry. It is a pity that the Associations have not yet realised the value of publicity and do not widely publicise the full text of their addresses.

Letters to the Editor

Time and the Choice of Technique

I HAVE read with great interest Mrs Robinson's letter on 'Time and the Choice of Technique', which appeared in your issue of November 17. Since the letter begins with a reference to my article published in your issue of September 15, I think it may be desirable to clarify the position I adopted in my article.

My standpoint was briefly this. Assuming gross investment and its rate of growth to be given, my problem was which technique or set of techniques to choose if we wanted to make the ratio of new investment to gross investment as high as possible. I used new investment rather than net investment because replacement was the more suitable category for my purpose than the so-called depreciation. The main purpose of raising the ratio of new investment to gross investment is precisely to introduce an element of acceleration in the process of growth. This is a factor which I consider to be well-substantiated by the recent experience of USSR. The main way of economising in replacement requirements is to choose more capital-intensive techniques, meaning thereby projects with longer lifespan. I, therefore, wrote 'other things remaining the same, the choice of capital-intensive projects would then lead to an acceleration in the rate of growth of the economy.'

Now, in case the gross investment cannot be regarded as a datum, there can be little doubt that the gain involved in increasing the lifespan of the capital asset is no longer un-

ambiguous, for we have to take into account the cost of greater durability. Such situations are likely to arise and they may be quite important, but they are surely different from the sort of situation I contemplated. The conclusion that I drew holds good in the first situation, and not in the second. But it was not my purpose to discuss the second situation. This line of reasoning seems to me to be valid. It does not, however, dispute in the least the validity of Mrs Robinson's argument which I find very suggestive and important.

Sukhamoy Chakravarty

Department of Economics,
Calcutta University,
November 28, 1956,

Hungarian Imbroglio

THE editorial on Hungary in your issue of November 10, has proved itself, in the long course of angry (!) burst-outs, as the only sane one among the editorials in the Indian press. It has very ably pointed out the reality in the affairs of Hungary by a fine discernment of the issues involved. But as it seems to me, it has been misunderstood in many quarters and even misread by many intellectuals, who have been guided much more by their hearts than heads in this case.

Basically the aggression in Egypt by Britain and France is different from Russian intervention in Hungary, as you have pointed out. First of all we must understand that the attack on Egypt owed its origin to

a flimsy excuse—flimsy because Egypt had the right to nationalise the Suez Canal in spite of the commitments made previously. The question of internationalisation should not have arisen at all because Egypt was always ready to admit ships of every country provided they paid the tolls.

In the affair of Hungary, the intervention of Russia was at the invitation of the Hungarian Government (Kadar's) and wholesale massacre was never intended; for if they really wanted to do it the Russians could have done it on a much greater scale. There are on record many instances, in which the U S A participated, in the form of direct and indirect help, on the plea of protecting democracy! I do not find any real justification in raising a cry to place Hungary on the same rank as Egypt as a victim of attack.

India was wise in not believing the propaganda of Free Europe and in treating the Hungarian upsurge as the domestic affair of Hungary and in emphasising that U N O is not a champion of any particular ideology.

To Professor Amlan Dutta. I would like to say that his description of the situation consequent upon both USA and USSR having in stock many Hydrogen bombs is not at all complete nor does it convey the whole truth. I think the situation can be described more appropriately as follows: "The near-possibility of a global conflict may encourage a smaller nation to use provocative methods against a great power (in isolation!) so much so that when the big power shrugs its shoulders the small power attracts the sympathy of all through propaganda."

Paresh Nath Chatterjee

Quarter No T/14,
Fort William,
Calcutta-21.
December 8, 1956.

**For All Your
Requirements In
Printing**

CONSULT

**New Jack
Printing Works
Private Ltd.**

**Dellisle Road, Bombay 13.
Phone No. 62021-22-23**