

# Introduction: 1956 as the Year of Stalinist Upheaval and the Iconic Transfer of Imperialist Power to the USA

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The year 1956 is memorable as the year of the first official Soviet exposure of Stalinism as well as for the retreats, under pressure, of both Stalinism and British imperialism.

In the first place, it gave a clear signal that Stalinism was both unviable and highly unpopular in the USSR and Eastern Europe. It was not the first event to show those features, but it was the first time that there was an open critique combined with popular revolts, which led to real retreats even though the Hungarian uprising was crushed. The world Stalinist/communist movement suffered a devastating blow. The myths around the USSR could not be repeated in the same way and the various forms of control from Moscow, whether through direct agents or through money were withdrawn or limited. The changes induced in Eastern Europe and the West laid the groundwork for 1968.

Second, it marked an accelerated end to the British Empire and the rise of third world nationalism. India had become independent in 1947 but it remained within the orbit of the British Empire and the anti-colonial revolts in Malaysia and later Kenya showed how far the UK would go to hang on to its Empire. It also made manifest the clear shift of imperial dominance from the UK to the USA.

## **The British Empire, Imperialism and 1956**

The two events were linked in that there was an implicit agreement that neither side in the Cold War would directly interfere with the other. The third world nationalists were not Marxists or even genuine socialists of one kind or another, and the United States saw no reason why it could not do business with them, provided that they did not link up with the wrong side of the Cold War, or move too far against the market. The British Empire was clearly in decline and the UK government was trying to shore it up. Instead of coming to a deal with the nationalists, as in India, it tried to hang on to what it had. It used force in Egypt, which led directly to the overthrow of King

Farouk. The British then refused to do a deal with Colonel Nasser, who became the new ruler of Egypt.

That reflected the Conservative governments' failure to understand the times. What enraged both Britain and the United States was the way Nasser had turned to the Soviet Union for help. A more rational and far-seeing government would have helped Nasser and provided the money to build the Aswan dam. It would have taken steps to bring pro-Western nationalist elites to power in the Arab states, instead of trying to bolster patently oppressively monarchical or other archaic forms, simply because they were dependent on the UK.

After all, Stalinism was not socialism and Nasser was no more a socialist than Winston Churchill. The Soviet Union itself did not have the equipment or the developed technology that the third world needed. That became clear over time, as one by one the third world countries that had obtained aid from the Soviet Union preferred to receive goods and services, preferably as aid, from the West. The ruling classes or elites in the third world were necessarily linked to the market and so to the United States, and they simply took advantage of what appeared a real alternative, when denied aid or assistance from the West, but reverted when it became possible.

The colonial form of the British Empire had no future both because the indigenous populations were organising nationalist uprisings and because the United States had become the dominant imperial power, gradually taking direct responsibility for control over the third world. Its preferred method of imperial control rested on its massive industrial superiority and its overwhelming financial role rather than on the maintenance of colonies. The main role of the Soviet Union in its turn in this process was a conservative one in controlling and preventing communist or allied leftist parties from taking power.

### **Suez and After**

The Anglo–French–Israeli war on Egypt led to a massive popular mobilisation in the UK in particular. Even the imperialism-supporting British Labour Party protested in some numbers. The imperialist retreat gave some impetus to the left, while the events in the Soviet Union and Eastern Europe dealt a death blow to the British Communist Party. Its major intellectuals left at this time. Some, like E.P. Thompson, formed a journal—*The New Reasoner*—and others joined one of the left groups, which grew considerably over the next decade and a half.

In the colonial, semi-colonial and nominally independent third world, demands for independence became more insistent. Repression continued, as in Malaysia and Kenya. In South Africa, the government embarked on mass arrests, country-wide searches and other forms of intimidation, but within a few years, in 1960, the British prime minister, Harold Macmillan, spoke to the South African Parliament of a wind of change, implying that the all-white regime would have to change. Within 10 years there were few colonies left.

The ruling class accepted the Suez defeat and accepted henceforth that it could not continue to rule by direct force. After a brutal war in Kenya, the UK granted the country independence. Britain also accepted its second-class status, subordinate to the United States. The British government succeeded in putting in place a series of presidents, prime ministers and ruling parties that supported capitalism, albeit with various quirks, as well as nominal nods to socialism, and effectively accepted that the USA would take over its economic role as the dominant imperial power.

The Soviet Union, by and large, stuck to the post-war division of the world. The cases of China, South East Asia and Yugoslavia were beyond its control. In return, the USA and the UK limited their anti-Soviet forays. After the Second World War, the Soviet Union was essentially prostrate but the United States did not drop atomic weapons, although it could have done so with impunity. The United States essentially accepted the division of Europe and for that reason did little to assist the Hungarian revolutionaries, apart from providing sanctuary and using the revolt for propaganda purposes.

This was a curious world where things were never what they seemed, but where the politicians seemed to accept the superficial as real, even though they may have known otherwise. The Cold War served to maintain capitalism both ideologically and economically and its potential ending in 1956 might well have created difficulties for capitalism.

In 1956, the Cold War was at its height. McCarthyism had successfully created an atmosphere of fear and helped to stabilize the United States itself. The anti-communist ideology beamed out from the US government had become dominant. Enough was known of the horror of the purges and the atomisation of the population in the USSR from 1936 onwards, to which had been added the various trumped-up trials in Eastern Europe, for the Stalinist parties and their fronts to be on the defensive. The initial leftist euphoria at the end of the Second World War, which was accompanied by Stalinist successes at the polls in 1945–48, had been controlled.

### **Khrushchev and the Secret Speech**

It was at this point, on 25 February 1956 at the 20th Party Congress, that Nikita Khrushchev made his secret speech in which he criticised the so-called ‘cult of the personality’ of Stalin. In reality, from the point at which he assumed power after the death of Stalin in 1953, Khrushchev and his supporters had begun to reform the government of the USSR. To a large extent, Stalin had ruled, not through the party but through the secret police, which had been headed by Lavrenti Beria. Beria and a number of his top officials were shot, and the secret police—the NKVD—was reformed in stages, downgraded from a ministry to a State Committee. This reflected the fact that the now-renamed KGB was subordinated to the party. Party members could not be arrested without the agreement of the party. Political prisoners began to be released from 1953 onwards, although the process of freeing political prisoners was only brought to a conclusion in 1957. This was effectively a ‘revolution’ because

power was shifted to the party apparatus under Khrushchev. The latter had formed an alliance with the army under General Georgi Zhukov in order to defeat the secret police. There was even said to have been a battle between the army and the battalions of the secret police, in which the army wiped out its opposition.

Effectively, the elite formed under Stalin had come of age and wanted to ensure that it could enjoy its position without the threat of arbitrary imprisonment and death. It also recognised that the economy could not be run by direct force. The economy was weak, unable to provide enough sustenance for the population, and it clearly needed a viable incentive system. Agriculture had been thrown backwards by the brutal form of collectivisation under Stalin, resulting in an unheard of famine in the early 1930s in which at least 8 million died, and had not yet recovered from the war. The age profile of those on the farms was heavily weighted towards those in or near retirement. If the elite was to survive, it needed to have an economy that at least paid a living wage. It was also essential to find a way of incorporating a wider section of the population. In the first instance, that meant widening the circle of power to include the elite as a whole. Khrushchev had organised investigations into the period of Stalin's rule, and into the process of mass incarceration and execution, from 1953. The speech itself was based on these reports. The essential burden of the speech lies in the repudiation and apology for the purges of 1936–1939 and the subsequent severe repression. The condemnation of the 'cult of the individual' rehabilitated the party and the party apparatus as the essential organs of government, as opposed to the rule of one man using the secret police.

The purges themselves were no secret although the propaganda apparatus denied the existence of the many camps of political prisoners and of the real repression in the USSR, particularly for external consumption. The real extent of those killed is still not known, as the files of the secret police are not directly accessible to researchers. Figures range from the official KGB one of 750,000 or so to 20 million. In my view, the lower figures are dubious but that is another subject. The actual number who were killed on order is clearly a small fraction of those who died through arbitrary killings and the unbelievably harsh conditions in the camps. The large number of camp inmates played an important role in the political economy of the Stalin era as it became clear that prestigious projects were often built using such labour, but the main effect was to atomise the population. The extent and harshness of the repression was unique in human history, outside of periods of mass warfare. Khrushchev's exposure and ending of what amounted to a period of permanent purges was, therefore, an historic act of considerable force in world history. He did not explain the repression except in terms of the paranoia of the late dictator, which made little sense. He laid stress on 'legality' as a crucial feature of Soviet society that would prevent such acts in the future. It did not prevent the system incarcerating open dissidents but it did mean that top party officials were no longer imprisoned for differing from the general-secretary.

Mikhail Gorbachev has written that 'in preliminary discussion, Khrushchev had said: "Stalin destroyed the party. He was not a Marxist. He wiped out all that was

sacred in the human being.’<sup>1</sup> Letters were sent out to important party members criticising Stalin before 1956, and hence the secret speech was not a surprise to all in the Soviet Union. The speech was not released to the general population but it did make its way to party members and to top members of communist parties in other countries, most particularly in Eastern Europe. Change appeared to be in the air. Attempts to form critical groups in the USSR were quickly dealt with, but the situation was different in Eastern Europe. In Poland and Hungary there was both a substantial working-class opposition and a vocal intelligentsia. The knowledge that the Soviet elite was changing acted as the spark lighting the fires of discontent in those countries.

For communist parties around the world, the ‘secret speech’ was a devastating blow, from which they never recovered. Their denials of the Soviet repression were shown to be wrong. No honest person could believe the attempts to argue that all was fundamentally well now that the real situation had been exposed. Trotsky was effectively shown to have been correct in his assessment of the Soviet Union. The constant barrage of anti-Trotsky hate emanating from the USSR and the Stalinists in general made it extremely difficult for most ordinary members of the Stalinist parties to re-assess their view of Trotsky and thus of the early period of the Soviet Union, so great was, and is, the accumulated emotional venom. The result was that most of those who left the communist parties moved out of politics. This was the first great exodus from the Stalinist parties resulting from crises in the USSR and Eastern Europe. It allowed the growth of a genuine left, showing itself in the events of 1968 and the 1970s.

### What Was the Soviet Elite Doing?

The Soviet elite did not, in fact, know what it was doing. It did not want the old Stalinist regime, not least because of the terror to which it had been subject, and it knew that the political economy of the society had to be transformed, but it had no method of doing so. At that point, the ethos was more social democratic, as clearly expressed by Khrushchev in his official and open speeches.<sup>2</sup> The intelligentsia were themselves more social democratic and critical of both Stalinism and capitalism. At the same time, the Soviet elite did not want to lose control over society and thus its own position within it. As a result, with many hesitations, it opted for the status quo. In the ‘secret’ speech itself Khrushchev toned down his own viewpoint and praised Stalin.<sup>3</sup> Gorbachev attributes

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<sup>1</sup> Mikhail Gorbachev, Foreword, in *Great Speeches of the 20th Century. The Cult of the Individual. Nikita Khrushchev*, 25 February 1956, insert to *The Guardian*, 25 February 2007, p. 5.

<sup>2</sup> Regarding the international relations of the communist movement, Khrushchev proclaimed three sweeping innovations, couched of course in the language of undeviating Leninist orthodoxy: the doctrine of peaceful coexistence and non-inevitability of war; the doctrine of separate national roads to socialism; and the doctrine of non-violent communist revolution. Robert V. Daniels, ‘Doctrine and Foreign Policy’, *Survey: A Journal of Soviet and East European Studies*, vol. 57, October 1965, p. 7.

<sup>3</sup> ‘However, in the past Stalin undoubtedly performed great services to the Party, to the working class and to the international workers’ movement.’ <http://www.uwm.edu/Course/448-343/index12.html>, accessed 7 May 2007.

this retreat to the need to appease his opposition.<sup>4</sup> However, it is just as likely that Khrushchev and his group realised the dangers involved in exposing the truth. After all, the opposition, Molotov, Kaganovich, Malenkov and so forth, were not taken in and they did try to get rid of Khrushchev the following year. The logic of arguing that Stalin was not a Marxist led directly to those Soviet revolutionaries who were Marxist, and most particularly to Trotsky. This would have undermined the position of the Soviet elite and sections of the intelligentsia, and hence was unacceptable. For that reason, Khrushchev argued that Stalin served the interests of mankind in attacking the Trotskyists, even though he qualified this by saying that they did not need to be severely repressed.<sup>5</sup> At this point his argument made no sense at all since a Stalin who wiped out millions only deserves a place along with Hitler and the mythical figures of absolute evil. When Gorbachev and his group reached this point, they allowed or perhaps forced the discussion to jump over the period 1917–1927 back to the Tsarist period. Gorbachev's successors then found it easy to declare that October 1917 was a coup and not a revolution. Lenin was found to be the mentor of Stalin and hence the fount of all evil. The message of the October revolution that social inequality was unacceptable and that control had to be from below was far too dangerous for it to be studied and freed of its Stalinist overlays.

At that point the Cold War was intense and it did not look as if the West would have embraced them as the bearers of a new Russian capitalism. The Soviet elite was also not at all clear how far they could go without the working class acting against them. The need for a market, albeit a market only in consumers' goods, had already been signalled under Stalin, in his *Economic Problems of Socialism*.<sup>6</sup> The issue was not officially raised again until 1963, when an obscure Professor at Kharkov University, Yevsei Liberman, raised the issue of introducing a market. Kosygin was usually identified as someone who wanted to take that route and measures were introduced after the fall of Khrushchev but the Czechoslovak invasion of 1968 stopped any such move. It was also true that such experiments as had been conducted showed quite clearly that the market would lead to greater inequality, with the managers being better off and the elite was afraid to go further. At this time, the elite was aware of the fact that the introduction of the market would lead to a loss of control from the centre, as well as substantial working-class discontent. Both these things happened after the introduction of the Law on the State Enterprise in 1986 by Gorbachev and chaos ultimately ensued. This issue is discussed below.

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<sup>4</sup> Nikita Khrushchev Reference Archive (Sub Archive of Soviet Government Documents) Speech to 20th Congress of the CPSU, speech delivered: 24–25 February 1956. <http://www.marxists.org/archive/khrushchev/1956/02/24.htm>, accessed 17 June 2007.

<sup>5</sup> 'We must affirm that the Party fought a serious fight against the Trotskyites, rightists and bourgeois nationalists, and that it disarmed ideologically all the enemies of Leninism. This ideological fight was carried on successfully, as a result of which the Party became strengthened and tempered. Here Stalin played a positive role.' Khrushchev also said: 'Many of them broke with Trotskyism and returned to Leninist positions. Was it necessary to annihilate such people? We are deeply convinced that, had Lenin lived, such an extreme method would not have been used against any of them.' <http://www.uwm.edu/Course/448-343/index12.html>, accessed 7 May 2007.

<sup>6</sup> Josef Stalin, *Economic Problems of Socialism* (Moscow, Foreign Languages Publishing House, 1953).

The essential point is that Khrushchev had initiated a process that led logically to Gorbachev. This, of course, was something that Gorbachev himself has said ‘Perestroika continued what the 20th Congress had started, seeking to give back to socialism the “human face” destroyed by Stalin.’<sup>7</sup> In reality, the Brezhnev years of ‘stagnation’ intervened. They were a direct reaction by the then ruling elite to Khrushchev’s failure to continue with the logic of his changes. By 1963, the economy was once again in trouble, while further democratisation risked the displacement of the ruling elite. Khrushchev drew back and was lost. It was from this time onwards that the concept of market socialism became more fashionable.

The Soviet Union was neither socialist nor capitalist and hence had the advantages of neither. As I have argued in previous issues of *Critique*,<sup>8</sup> it had an inbuilt and insoluble conflict between a law of organisation and that of atomised individual action or incentive. Capitalism integrates society with the law of value expressed in a market, while socialism does so through planning, where planning is defined as the regulation of society and the economy by the associated producers. The point is that the Soviet Union was as undemocratic as any country could be and hence there was no question of the ‘associated producers’ deciding anything. As a result, it was not planning in any Marxist sense. It was also not planning in an empirical sense since its plans were seldom fulfilled. It was, rather an organised or administered society, or as one politician put it, ‘organised chaos’. Such administration had to ensure compliance and this was done through the economic and political atomisation of the population. The result was that there was little incentive to perform and every incentive to pretend to perform by altering statistics in both primitive and sophisticated ways. Productivity was necessarily low and technology was held back because of its disruptive effects. Goods were of low quality, unreliable and backward technologically. The real level of waste was enormous, even though the forms of waste were different from those under capitalism. There was permanent full employment precisely because of the low productivity of a system that was in permanent growth. That meant it continuously sucked labour into the economy. By being able to pull in more labour from the villages, the home, and so forth, the system was able to expand under conditions where the surplus of labour could be directed from the centre. Once, however, that surplus began to dry up, the system was in dire trouble. It had not reached that ultimate point under Khrushchev, but it did under Leonid Brezhnev.

Under Khrushchev the first problem was food and he solved it by bringing the Virgin Lands, uncultivated steppe in Northern Kazakhstan and the Altai region of the RSFSR, under cultivation. Bringing new land under cultivation was a temporary solution but it was enough to establish his position before 1956. Further progress required reforming the system of collective farms, which had ruined agriculture when forcibly introduced in the period 1929–1933. Khrushchev did begin this process but

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<sup>7</sup> Gorbachev, op. cit., p. 6.

<sup>8</sup> Hillel Ticktin, ‘Towards a Political Economy of the USSR’, *Critique*, 1 (May 1973), pp. 20–41; Hillel Ticktin, *Origins of the Crisis in the USSR: Essays on the Political Economy of a Disintegrating System* (Armonk, NY: Myron Sharpe, 1992).

his changes were limited. They were continued under Brezhnev but much more radical changes were needed. The majority of farmers were old, under conditions where increasingly few men survived to 60 and most young people wanted to go to the towns. Yet it was only under Brezhnev that the internal passport laws were relaxed sufficiently to allow farmers to leave their collective farm without permission, and so people could return without fear of being trapped. Khrushchev could not envisage abolishing the ubiquitous controls over movement at that time or re-organising the collective farms into a genuinely cooperative form. The privatisation alternative had become utopian. Laws on the privatisation of land have been passed under Vladimir Putin, but they have not regenerated agriculture. Contrary to the popular Western conception that the issue was simply political democracy, the supply of the materials for a balanced diet was and remains a critical issue for the former Soviet Union both in the past and today. Vladimir Dmitrievich Dudintsev wrote the novel *Not by Bread Alone* in the Khrushchev period. The title was taken as a slogan by liberals but it simply misrepresented the dynamic in the Soviet Union and after. For the ordinary blue-collar and white-collar workers, the first problem was economic—to get the necessary wherewithal to survive. Their situation was intimately connected with their atomisation inside and outside the workplace itself.

Khrushchev's reforms did not make everyday existence any easier for most people except in one respect—the end of the purges and associated arrests. Henceforward, from 1956, people were not arrested for making jokes about leaders or aspects of the regime, nor were they arrested on the random denunciations of neighbours. They could air everyday grievances and take them to court, without fear of arrest or execution. For the intelligentsia, it did get easier, even if the censorship system continued. Writers and poets like Yevgeny Yevtushenko and Alexander Solzhenitsyn were able to get works printed, even if after a struggle. Their writings were often biting criticisms of the system, but always couched in a metaphorical form. The period of samizdat began, where works were self-published and distributed. Because Khrushchev had provided hope of real change, these writers were largely social-democratic rather than right wing. The demand for the abolition of privilege and for honesty and truth were constant themes aired clearly and openly only in the perestroika period. When Khrushchev was overthrown and the Brezhnev period led to further arrests combined with a stagnant economy, the intelligentsia turned to the right.

The Hungarian Revolution of 1956 indicated to the Soviet elite that it would have to make concessions to the East European countries in order to maintain control over them. For this purpose the Soviet elite provided them with cheap gas and oil as well as wheat. The East European militants always insisted that they were subsidizing the USSR. While the case for this is strong before 1953, it is simply wrong after 1956. While the Eastern European countries were under the control of Moscow, with a limited level of internal autonomy, they were in fact subsidized, particularly by oil and gas supplies much below world prices. The counter argument points out that the structure of the economy was dictated from Moscow, which was undoubtedly true,

and that the East Europeans were incorporated into an enforced division of labour, which benefited Moscow. That too is true, but it is not clear that the Soviet Union would not have done better selling its oil, gas and other raw materials to the West, and then bought Western goods and services rather than Eastern European ones. That was more or less the calculation made under Gorbachev when the Soviet Union allowed the national ruling groups of the East European countries to go their own way. In other words, in some sense both national arguments were correct, though not working from the same assumptions.

Stalinism had established a buffer zone between itself and capitalism by maintaining control over Eastern Europe. It was always clear that free elections would not have allowed the communist parties to come to power outside of Czechoslovakia and Yugoslavia, depending on the electoral system and the particular time of the election, and even there the communist parties would not have lasted very long. The revolts in Poland and Hungary made that patently clear, and therefore compelled the USSR elite to make economic and political concessions.

### **The Left**

Unfortunately at this time, 1956, Stalinism remained a strong force outside the Stalinist bloc and prevented a solidarity movement forming between the Polish and Hungarian workers. Unlike in 1989, the revolts in this period had a very strong leftist, working-class current. A degree of worker control was conceded in Poland. However, the succeeding revolts became progressively less left wing over the years, reflecting the apparent absence of an alternative. Socialism did not seem to offer a non-utopian possibility.

There were no left-wing parties or groups with a theoretical and practical understanding of the nature of Stalinism in Eastern Europe, where the left had been severely repressed, but it was also true that the left in Western Europe remained within a strait-jacket of its own making. It simply did not understand the nature of Eastern Europe and so what was required of it to assist the process. It preferred to adopt a largely liberal attitude to the opposition in the Soviet Union and Eastern Europe, as if the simple removal of the police state would lead to the formation of a left. This refusal to recognise the right wing and often very right-wing stance of the Soviet and East European oppositions was common to most groups and their leaders, like Ernest Mandel, the leader of the United Secretariat of the Fourth International and outstanding Marxist theorist.<sup>9</sup>

For much of the left it was very hard to believe that in the land of the October Revolution the left-wing tradition had been wiped out. But it had. If there had been a substantial left in the West in 1956, and it had attempted to make contact, work with and provide sanctuary, if necessary, for oppositionists in the Soviet Union on a clear

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<sup>9</sup> Ernest Mandel, for instance, refused to accept that the dissident Andrei Sakharov had supported the Chilean dictator Augusto Pinochet, when I discussed the question with him in the 1970s, and even became personally hostile to me for a few moments, when I made that point.

Marxist basis, it would have facilitated the growth of a real working-class movement. The left theory of the Soviet Union at the time could best be regarded as out of date. At worst, such attempts at a Marxist analysis of the Soviet Union were little more than mumbo jumbo. Beyond Trotsky, practically all the Western writing on the Soviet Union, apart from *Critique*, which came later, was bereft of any empirical knowledge of the area. Practically all of those writers did not know Russian, which was a fatal defect, since much of the knowledge of the Soviet Union came from a process of patient deduction from Russian sources.

In a certain sense, 1956 is the high point for the left in Eastern Europe precisely because the working class had shown its strength. This, of course, followed uprisings in the camps in Eastern Germany and in the Soviet Union in 1953. Unfortunately, the left was too numerically weak and too poor theoretically to take the chance.

Some of the left Hungarian intelligentsia came to the West, at that time. The influence of Georg Lukacs showed itself in the numbers of his followers who came out of Hungary then and later. After 1968 a Marxist left developed in Hungary, but it soon metamorphosed into supporters of the market and social democracy. In Poland the turn to the left, which the pamphlet by Kuron and Modzelewski<sup>10</sup> and the political activities of the courageous Trotskyist Ludwig Haase epitomized, was subsumed under KOR (the committee in Defence of Workers) and KOR formed the intellectual cadre for Solidarity, which was never left wing. This was another test for the left, which it failed, in that it was unable to see the right-wing drift of Solidarity and its allies. Instead, in 1980–81, when the opposition emerged again, some groups on the so-called left actually supported the Jaruzelski coup d'état and Soviet control, while others supported the opposition. The latter, however, failed to criticise the opposition from the left in any important way.

When capital switched its strategy from growth and full employment into finance capital and the various forms of control now called neo-liberalism, it effectively pulled the rug from under social democracy and Stalinism. Such left opposition as existed or could have existed in the East had no credible interlocutor, partly because of the overwhelming dominance of capital politically and partly, as argued above, because such left as existed in the West refused to listen. Capitalism appeared to be the only solution, whether of the Swedish or the American variety.

### **Was There an Alternative?**

Was all this inevitable? Could Khrushchev and the group around him have moved to capitalism or to socialism? The logic of the elite led it to capitalism as showed in 1992. Why then did it not take the opportunity in 1956? It would not have been an easy path. Western Europe needed the aid offered through the Marshall Plan and a highly developed 'planning apparatus' plus a welfare state for it to develop. In the UK it involved mass state housing, nationalisation of major industries, a national health

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<sup>10</sup> J. Kuron and K. Modzelewski, 'An Open Letter to the Party', London: International Socialism, 1969.

services and rationing as well as an evolving array of welfare services. In the more backward USSR, capitalism would have required the same plus more nationalised industries, as in most underdeveloped countries. This meant that the economy would have remained largely nationalised but without a communist party. It is not clear that the elite would have achieved very much. Furthermore, the Western aid required would have been considerable and there is no reason to assume that it would have been forthcoming. It was only later, in the period of *détente*, under US President Richard Nixon and his security advisor and secretary of state Henry Kissinger, that the West began to lend money on some scale. This was partly a question of the availability of resources in the West, in the 1970s, as opposed to the 1950s, and partly a question of timing. 1956 was just one generation from the overthrow of tsarism and Russian capitalism, when the landlords and capitalists were expropriated. It is not clear that the capitalist class was yet prepared to abandon its fear of rewarding expropriators, particularly when communist parties remained powerful, as in France, Italy and Indonesia, not to speak of South East Asia. It has also to be remembered that the Cold War played a critical role in promoting the stability of Western capitalism and there were very few Western statesmen who were prepared to jeopardize that.

Was there any prospect of moving to socialism? I have argued above that the Western left understood little of what was happening and played a negative role in this process. Had there been substantial and genuine Marxist parties in the West the situation would have been very different but it was in the nature of Stalinism that it was global. Khrushchev accepted the arguments of Maurice Thorez, of the French Communist Party, and Harry Pollitt, of the British Communist Party, that the rehabilitation of Bukharin was too dangerous. Khrushchev would only have followed a socialist path if there were a strong working class in the Soviet Union but it was in the nature of Stalinism that the elite had smashed the working class as a class and deprived it of its history and theory. The elite, as always, wanted a quiet life. It did not want to face a renewed and more vicious Cold War by proclaiming international socialism. It wanted to keep its privileged position.

As a result, the Soviet Union was doomed to carry on with a system which was not viable, with an economy which was not a market, though it had market forms — a non-market market — a proclaimed democracy which was more thoroughly atomised than in any country before and after it, and which therefore could only last until the surplus of labour had come to an end.

Khrushchev, therefore, provided an interlude during which his reforms allowed the system to stagger on until a new generation would overthrow it. Gorbachev could bring it to an end because the secret police, reformed under Khrushchev, wanted to change the system, while he controlled the party apparatus. The personnel of both institutions could see its non-viability and the popular hatred for it. They did not understand, however, how to change it. Khrushchev had moved for change by altering the main pillars of the system. He re-introduced the Communist Party, with very limited forms of internal democracy, as the central institution of the country,

totally restructured the secret police and sent the army back to the barracks when he dismissed Zhukov in 1957. Gorbachev took the next step by moving towards a democratic Communist Party within more representative institutions plus the market. This was the only step left to him but it meant loss of control to forces that he could not anticipate. Like Khrushchev, Gorbachev was acting in the interests of the Soviet elite but the Soviet elite had no place in history. It was not socialist and yet it was not prepared to go over to full-blooded capitalism. Gorbachev feared the working class but the Yeltsin section of the elite, by this time the majority, was prepared to take the chance. They won in part because the chaos that ensued prevented the emergence of a genuine opposition, as opposed to the semi-fascist Communist Party of the Russian Federation.

### 1956 and 2007

Fifty years after Khrushchev's secret speech, the USSR is no more and for most people in the Former Soviet Union (FSU) the situation was only worse under Yeltsin. I argued in the first issue of *Critique*, in 1973, and subsequently that the USSR had to come to an end, that it would be succeeded by a market and that the market would fail. It remains an open question for some whether the market has failed, although most people in Russia might take that viewpoint and apparently do so.<sup>11</sup> A fuller discussion of the failure of the present stage of what might be termed a non-transition needs to be written. I have effectively argued above that the end of the USSR was inevitable and the chaos that ensued was also bound to happen. The question that remains is whether the Putin regime was an inevitable reaction. The issue is connected to 1956 in that I am asking whether any viable regime, other than socialism, is possible in former Soviet Russia? In 1956, Khrushchev drew back from going as far as he wanted for fear of the results. Brezhnev and his premier Alexei Kosygin did the same. Gorbachev was left behind by his own measures, while Yeltsin plunged into absolute chaos, with the direst of results for the population, but with the release of the elite from Soviet constraints.

The authoritarian measures and re-nationalizations of Putin have brought Russia closer to its Stalinist past. However, it is hard to call the Yeltsin years one of successful transition to the market and Western-style democracy. The fact is that force remains a crucial arbiter of success in the Russian economy. The force can be that of the gun, the state apparatus or of assorted threats, but it is integral to the operations of the 'market' in Russia today. From this point of view, it is hard to talk of the operation of the law of value. Second, the social relations of production remain very much what they were in the Stalinist period. Workers continue to have a measure of control over the labour process. Productivity as a result is phenomenally low. It is one-third that of South Africa, which is itself exceptionally low, being a partial result of years of racial

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<sup>11</sup> Yekaterina Dobrynina, 'Sociology: Reforms Have Children and Stepchildren', 'Russian Sociologists Comment on Results of 12-Year Economic Survey', *Rossiyskaya Gazeta* 28 April 2006, reproduced in 2006-#100-Johnson's Russia List, 30 April 2006, [www.cdi.org/russia/johnson](http://www.cdi.org/russia/johnson), an email newsletter containing Russia-related news and analysis in English.

discrimination as well as very poor if any education.<sup>12</sup> Investment in the means of production, in the 'machine-building industry', is poor. Finance capital has formed a symbiosis with this disintegrating Stalinism and continues to asset strip whatever plants it can find. Clearly, this regime cannot function in the world market except as an exporter of raw materials and capital and an importer of goods for the elite and the small 'middle class'.

This time round, as compared to 1956, the majority of the elite find themselves in a very similar situation where they are dependent on an overgrown state apparatus, which is doing its best to protect its own economy. Deputy Prime Minister Sergei Ivanov<sup>13</sup> has declared that the Government will retain control over their raw materials and that in some economic sectors they will retain at least 75 per cent control. He instanced areas where capital was not interested in risky or long-term investment. He said that consumer goods and telecommunications were open to the market. The main difference lies in the open economic inequality with a small section of the elite flaunting their fabulous wealth and the many having less but also open title to property. In the Soviet Union, the real inequality was hidden while private property was not allowed. However a substantial section of the elite are connected to the state apparatus and so owe their high incomes to their position rather than their title to property. In this latter respect, the 'revolution' is not complete. However, the elite can find ways of establishing their own independent forms of wealth. From the point of view of the elite today, therefore, it has achieved part of its goal of converting into a class, something that was always part of its inherent nature.

If the Soviet Union was unstable in 1956, Russia is even more unstable. The economy is unbalanced, largely reliant on energy exports, the price of which is bound to go down, with little investment in the means of production. The market is widely unpopular and there is a high level of discontent, particularly over the extreme inequality of wealth and income. The average standard of living remains below 1986 levels. Putin's authoritarianism is a response to discontent as well as the attempt by the right to destabilize the regime. It is not surprising that Solzhenitsyn should have warned of another 1917.<sup>14</sup> In my view, it is better to view the post-Soviet regimes as part of disintegrating Stalinism than as a transition to capitalism. In a sense, these regimes are the legitimate offspring of Khrushchev's failure to complete the de-Stalinization of the USSR.

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<sup>12</sup> 'On the negative side, in comparison with many other countries, average productivity in Russian manufacturing remains quite low relative to labor costs. Average productivity is now about 40% of that in Brazil's, one-third of that in South Africa's, and only one half of that in Poland. Value added per worker in Germany is 10 times as high as in Russia.' World Bank, *Russian Economic Report*, December 2006, No. 13, Moscow Office, p. 18, <http://www.worldbank.org.ru>, accessed 4 May 2007.

<sup>13</sup> Interview with Sergei Ivanov, First Deputy Prime Minister of the Russian Federation by Neil Buckley, *Financial Times* Moscow bureau chief, and Catherine Belton, Moscow correspondent, Moscow, 12 April 2007. Transcript published in the *Financial Times*, 18 April 2007, <http://www.ft.com/cms/s/b7e458ea-ede1-11db-8584-000b5df10621.html>, accessed 2 May 2007.

<sup>14</sup> Vladimir Isachenkov, 'Solzhenitsyn: Russia still has revolution-style problems', *Rossiyskaya Gazeta*, 26 February 2007, Johnson's Russia List 2007-#48 27 February 2007.