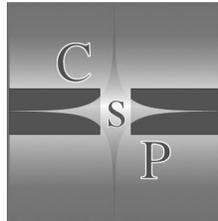


1956 and all that

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Edited by

Keith Flett



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PREFACE

The February 2006 Conference of the London Socialist Historians Group was held at the Institute of Historical Research in central London, one of a series of such conferences over the previous ten years.

Assembled were a modest group of academics and activists come to mark the 50th anniversary of the events of 1956, and to do so in a particular way. Firstly by presenting new historical research on the questions under review rather than trotting out tired orthodoxies. Secondly by linking historical inquiry to political activism.

It was queried why such a conference was held in February 2006 rather than in the autumn, and the answer was a simple one. To intervene historically in the debates of the year by setting a socialist historical agenda for doing so.

The opening plenary heard from Sami Ramidani, an Iraqi exile now lecturing at a British University, from Stan Newens, who had been present at the protests in 1956 and from Nigel Wilmott, the letters editor of the Guardian but here speaking about Hungary. The flavour was one both of historical recall of the events of 1956 and of contemporary political parallels. Indeed during this session news came through via text message that the left-wing MP George Galloway had been detained in a Cairo jail overnight and an emergency protest called at the Egyptian Embassy for later in the day.

The next two sessions focused on the key moments of autumn 1956, Hungary and Suez but again with new research examining their wider significance. Mike Haynes looks at the origins of the Hungarian revolt, in terms of workplace politics while Anne Alexander reviews the impact that Suez had on Nasser's reputation within the Arab world and Arab nationalist politics.

In the afternoon there was a widening of the focus. One session examined the impact of the events of 1956 on left-wing organisation and in particular the orthodox Communist or Stalinist tradition. Terry Brotherton took a fresh look at the impact of 1956 on the Communist Party of GB, while Toby Abse focused on how the events of that year worked their way through in the largest of the Western European CPs, the Italian. Alan Woodward examined

how the crisis of Stalinist politics opened new possibilities for libertarian left-wing ideas.

The other focused on the rise of a new left as a result of the crisis of 1956. Paul Blackledge examined the development of the theory of socialist humanism by E.P Thompson and others as an alternative to Stalinism. Neil Davidson examined the ideas of a forgotten left-wing thinker from this period Alisdair Macintyre, while Christian Hogsberg reviewed the influence of an existing Trotskyist theorist, CLR James around the events of 1956

Of course the conference could not hope to cover the huge range of possible historical issues arising from the 50th anniversary of 1956. The beginnings of the consumer society and the age of affluence; the birth of youth culture and rock'n'roll; British nuclear tests and the origins of CND and campaigns against the bomb; the new theatre marked by 'look back in anger'. In an introduction, the editor Keith Flett reviews some of these wider trends

However the research agenda proposed by the conference was and remains an important one

INTRODUCTION

1956 AND ALL THAT

KEITH FLETT

The events of 1956, and the period up to the 1964 General Election mark in an important sense the beginnings of the world we are now in. Suez flagged the end of an imperial role for Britain, until the Thatcher era. It was the time of commercial TV, of British nuclear tests, CND, savings bonds. The first stirrings of what we now know as New Labour, with Tony Crosland's *The Future of Socialism*, can be seen. In short there is a case here, which is raised again and again by contributors to this volume, of a modern era covering fifty years starting in 1956

The chapters in this book take a very specific, and new look, at certain aspects of the events of 1956 and after, 50 years on. All have an eye to the contemporary relevance of what took place, but they also retain an historical rigour. That means a focus on things that don't fit easily with the agendas of today as well as things that do.

1956 also produced the worst of a run of dismal early August bank holidays from 1951-1963 which led to the last weekend in the month being designated as the public holiday from 1965. Perhaps the weather had no influence on events, but that early August weekend, when flooding hit the southⁱ, was also a key moment in the Suez crisis when the Queen signed the order for the mobilisation of troops at Arundelⁱⁱ.

It is useful however to look at the wider context of 1956 and the late 1950s both in the UK and worldwide. Commentators after 1956 tended to view the events of that year as an aberrationⁱⁱⁱ. After all while it may have been a crisis for British imperial policy and the Tory Government, Macmillan still managed to obtain a third Tory victory in 1959. Looking beyond that Harold Wilson did win for Labour in 1964 against the anachronistic figure of William Douglas Home, but with a very small majority indeed.

Perhaps partly this was because 1956 was in the middle of an economic boom, giving rise to Macmillan's 'you never had it so good'^{iv} soundbite. The problem with that of course was that there was a huge question mark over whether a boom in consumer spending was not at the detriment of resources for industry and science. The Russians after all had launched Sputnik.

Harold Wilson caught the mood of some of this when he slammed money spent on advertising and packaging. The affluent society may have been popular but it was also problematic.

There was no doubt the world was changing and this affected the left as much as anyone else. Stuart Hall, writing the Editorial in *New Left Review* No.2 in 1960^v argued that while Crosland's *Future of Socialism*^{vi} might well be right-wing Labour and its analysis of a new managerial capitalism flawed, it did at least have the merit of recognising that change was taking place.

1956 was however an international crisis and it is important not to have an anglo-centric focus on it. Eric Hobsbawm, asked why he did not leave the British CP in 1956- as so many did- pointed out that his loyalty was to the international communist movement rather the CPGB. And in Spain, Latin America and India, 1956 just did not have the same meaning as it did in the UK. He said something else as well. He noted that it was put to him that leaving the CP would be good for his career, but his view of this was 'fuck them'^{vii}, Looked at internationally, whatever the problems of Stalinism, there was also the question of anti-imperialism. This was not quite how many of the British left saw it in 1956 of course.

The themes of the book suggest a wider focus than simply a concentration on the events of 1956.

In Hungary Mike Haynes identifies a current of working-class organisation and revolt that has moved, from below and to the left of the Communist Party, while looking at Egypt Anne Alexander identifies the CP, and its activists, as a key motor in developing the popular mobilisation against the invasion by Britain. In both cases ordinary people were fighting against foreign powers, and the inspiration for such activity beyond formal political labels may have been quite similar.

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particular the orthodox Communist or Stalinist tradition. Terry Brotherstone took a fresh look at the impact of 1956 on the Communist Party of GB, while Toby Abse focused on how the events of that year worked their way through in the largest of the Western European CPs, the Italian. Alan Woodward examined how the crisis of Stalinist politics opened new possibilities for libertarian left-wing ideas.

How to make sense of the post-1945 world and to move beyond the mechanical rigidities of Stalinism without getting into bed with the forces of 'cultural freedom' then being encouraged by the CIA^{viii} was an issue faced centrally by the new left that had its origins in 1956.

Here both Neil Davidson and Paul Blackledge look at the work of Alisdair Macintyre^{ix}, while Christian Hogsbjerg focuses on CLR James^x. Neither were thinkers who could easily attract the label 'orthodox'.

Hogsbjerg also raises a further point of some significance which is the need to see 1956 as time of colonial revolt, in Ghana, Kenya and Iraq as well as revolt in Europe.

The echoes of 1956 can still be found 50 plus years later and this in a sense was the theme of the three keynotes at the beginning of the

Holding a conference on the 50th anniversary of 1956 in February 2006 may have seemed a little premature but as socialist historians we have long learnt to get our historical retaliation in first before the more short-term considerations of media coverage weigh in on the actual anniversary date.

It was also prescient because the late Peter Fryer although unwell was able to attend and contribute to a session on the CPGB and 1956.^{xi}

The opening plenary heard from Sami Ramidani, an Iraqi exile now lecturing at a British University, from Stan Newens, who had been present at the protests in 1956 and from Nigel Willmott, the letters editor of the Guardian but here speaking about Hungary. The flavour was one both of historical recall of the events of 1956 and of contemporary political parallels. Indeed during this session news came through via text message that the left-wing MP George Galloway had been detained in a Cairo jail overnight and an emergency protest called at the Egyptian Embassy for later in the day.

The mood of the, packed, opening session of the conference was both historical and contemporary. Stan Newens, a Trotskyist activist in the Labour Party in 1956- later a Labour MP and MEP- gave a vivid memoir of what he had been doing to organise protests in October 1956 at both Suez and Hungary. He also had a copy of a leaflet distributed at the time at the Trafalgar Square demonstration. This was eye-witness history. Sami Ramadani, and Iraqi exile and academic was able to add a perspective of the role of British imperialism in the Middle East in the late 1950s and what it is now doing in the same region. Finally Nigel Willmott takes a look at the historical and political continuities of the fall out of the events of 1956 in Hungary

1956 is remembered as a landmark year because of the events in Suez and in Hungary, but it more than the General Election year of 1955, set the tone for the rest of the 1950s and, arguably for the period up to Harold Wilson's election victory in 1964. By contrast Joe Boyd^{xii} in his recent autobiographical *White Bicycles* argues that 1956 was the beginning of the long 1960s which perhaps ran through to the oil crisis of 1974. Looked at as an era of affluence and consumerism there is a logic to this.

However Dorothy Thompson has argued that as far as the left was concerned the events and upheavals of 1956 did not come unexpectedly^{xiii}. The opposition within the Communist Party had developed over a number of years, but there remains the question of how far it could relate to the 'youth culture' that burst into the national consciousness with rock'n'roll

The Tory Prime Minister in 1956 Anthony Eden sought to reinforce an age of independent British imperial power that had left the stage with the Second World War.

In terms of the Russians in Suez having already seen the East German events of 1953 and unrest in Poland earlier in 1956 the invasions of Hungary in the late autumn of the year can also be seen as an attempt to reinforce Russian hegemony in Eastern Europe. They were more successful for longer than Eden, but the US stayed out of matters, preferring instead to stick to the logic of the Cold War itself almost 10 years old in 1956. For example a major test of a British atomic weapon took place under the still to be seen, and distinctly eerie looking, pagodas at Orfordness in Suffolk on August Bank Holiday 1956^{xiv}.

There was a wider, and important, cultural context to 1956 too. John Osborne's *Look Back in Anger*^{xv} is well known, but this was also the beginning of ITV and the appearance of Hancock's *Half Hour*^{xvi} on the radio.

As David Renton and Terry Brotherstone indicate below historians played a particularly significant role in 1956. It was two Communist Party historians, John Saville and Edward Thompson who were central to the anti-Stalinist opposition in the Party producing first *The Reasoner* internally and then *The New Reasoner* when they left. As Saville has noted of *The Reasoner* 'our final editorial was written at the end of October. History now began to intervene in our parochial affairs'^{xvii}

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The conference provided a variety of perspectives on 1956 and after but there was a limit to what could be directly addressed in one day. Indeed there is a significant research agenda awaiting scholars looking at the second half of the 1950s or what might, perhaps, be called the long 1960s.

One aspect that the paper of Christian Hogsbjerg touched upon and which Susan Williams who was unfortunately unable to speak at the conference itself, looked at was the impact of 1956 on the third world. This was the era of

Bandung^{xviii}, of a non-aligned movement independent of Moscow and Washington. One point echoed by Eric Hobsbawm is that Stalinism, and anti-Stalinism did not necessarily have the same impact in countries still under colonial rule as it did in the West. On the other hand the examples of revolt in Hungary and Suez demonstrated that it was possible to challenge the monolith.

The events of 1956 provided much turmoil in the UK as well of course. They may, for example, have been a factor in turning the young Kingsley Amis^{xix} away from his dalliance with the Communist Party and on his long journey to the political right. But in the mid-1950s Amis was wondering whether there was any point to overt political engagement.

The same issue was raised in a rather different way by the new left that arose from the departures from the CP in 1956, even if the term itself was probably not used until 1959^{xx}. The new left and its journals the *New Reasoner* and *Universities and Left Review*, which are mentioned in several chapters here, sought to establish a left tradition independent of Labourism and official Communism.

As Peter Sedgwick underlined in his chapter on the 1950s in David Widgery's *The Left in Britain*^{xxi} this was by no means an easy or uncomplicated business. Some of the new left was initially disdainful of the new youth culture such as rock'n'roll and the influence of America.

Meanwhile Anthony Crosland, the right-wing Labour figure who in 1956 had published the *Future of Socialism*, and continued to address issues around how Labour should react to an 'age of affluence' seemed more in touch with the cultural ideals of what was to become the 1960s left when he called for the legalisation of homosexuality and the liberalisation of drinking hours^{xxii}. The point was echoed by Stuart Hall the first Editor of *New Left Review*^{xxiii}.

This was also the period of the early Cold War and of Ian Fleming's James Bond. The novels of Fleming may be viewed as less realistic than those of Le Carre but Fleming's close links to the Establishment and the Tory Party suggest that his dramatised view of British foreign policy may well have been what drove adventures like Suez^{xxiv}.

And finally a word should be said about the present day context of the conference. The historical parallels with contemporary Middle-East politics, Arab nationalism and Western intervention and imperialism are clear and were made in discussion and by speakers at the conference.

The anniversary of Hungarian events was for many a time to re-visit decades of anti-Stalinism, but here times have changed as have contexts. The communist countries of Eastern Europe are a thing of the past and many who had seen them as in some way socialist, not including this writer, are now more able to be consistent anti-imperialists. Hence it may be suggested that the greater historical perspective at the conference was in this area while the focus on historically informed political activism lay with the Middle-East.

Reviewing 1956 and after 50 years on was historically appropriate because the impact of the events in the short term was surprisingly limited. The Tories went on to win the 1959 election and only narrowly lost in 1964. Important as international events were the age of affluence made its mark, not only in keeping the Tories in office but also in creating a new left which came to make such an impact in 1968 and after.

Perhaps that impact is best summed up by Peter Sedgwick when he argued that ‘people simply gawped at the first public CND marches; we were external to the public upon the pavements. And now there simply is no longer a public which is exterior to demonstration and visible mass action^{xxv}.

This book came out of a conference and as inevitably happens at such events some speakers who were due to appear were unable to make it, some who could not speak on the day were able to submit papers, and some of those who did speak decided not to be part of the book. Their contributions were none the less welcome for that.

ⁱ Crossman Diaries September 5th 1956, p507

ⁱⁱ Peter Hennessy, *Having It So Good, Britain in the 50s*, London, 2006

ⁱⁱⁱ David Butler, and David Rose, *The British General Election of 1959*, London, 1960

^{iv} Source: Bedford speech, 20th July 1957

^v *New Left Review*, London, 1960

^{vi} Anthony Crosland, *The Future of Socialism*, London, 1956

^{vii} Eric Hobsbawm, Speech at UCLA, January 29th 2003

^{viii} For CIA influence in the British Labour movement see Richard Fletcher, *Who Were They Travelling With*, Nottingham, 1977

^{ix} Alasdair Macintyre [1929-], eminent British philosopher

^x CLR James [1901-1989] Marxist and cricket writer

^{xi} Peter Fryer [1927-2006] Daily worker journalist in 1956

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- xii Joe Boyd, *White Bicycles, Making Music in the 1960s*, London, 2006
- xiii Dorothy Thompson in *New Left Review* 215, 1996
- xiv The Pagodas used for British nuclear tests can still be seen at Orford Ness in Suffolk
- xv John Osborne [1929-1994] *Look Back in Anger*, London, 1956
- xvi Tony Hancock [1924-1968] Hancock's Half Hour transferred to television in 1956
- xvii John Saville *Memoirs From The Left*, London, 2002 p.111
- xviii The first conference of non-aligned nations was held at Bandung in April 1955
- xix Kingsley Amis; *Sunday Telegraph* 2nd July 1967 'Why Lucky Jim Turned Right'
- xx John Saville *ibid* p.122
- xxi David Widgery, *The Left in Britain, 1956-1968*, London, 1976
- xxii Anthony Crosland, *Can Labour Win?* Fabian Tract 384 May 1960, p.21; *Encounter*, October 1960
- xxiii *New Left Review* Editorials Nos1, 2, 1960
- xxiv Fleming/MS article
- xxv Peter Sedgwick, *op cit*, p22

CHAPTER ONE

LOOKING BACK ON HUNGARY 1956

NIGEL WILLMOTT

Fifty years on, 1956, like its decade, seems a backwater of history, sandwiched between the global upheaval of the Great Patriotic wars of the 1940s, and the prosperity and social and cultural liberation of the 1960s. Yet there is a strong argument that 1956 was the tipping point of the post-war world. The year when the possibilities for different outcomes to the uneasy settlement of the colossal and catastrophic world war were set for the next 40 years - and perhaps beyond.

And if that year is the turning point of the post-war world, we can perhaps identify a precise fulcrum: October 30 1956. On that date, the Soviet Union was debating whether to roll back the Hungarian uprising - or revolution according to choice (I shall use uprising on the basis that the events did not last long enough to establish anything permanent enough to be termed a revolution) - while the old western powers, Britain and France, in a last imperial adventure, were on the verge of initiating their Suez intervention, after their co-conspirator, Israel, had invaded Egypt.

The mechanisms that led to both events are still being unravelled by historians, thanks particularly to access to new material in the archives of the Soviet bloc countries since the "changes" of the early 1990s. But the consequences are with us in a very direct fashion.

In Britain the migration of workers from eastern Europe provides a visible, human indicator of the fall-out of the collapse of the Soviet empire, while the unresolved and increasingly bitter conflict between Israel and the Palestinians, and the American occupation of Iraq, highlight the shift in the global power structure. The new imperial power, the US, which forced Britain and France humiliatingly to abandon its Suez engagement in 1956, now acts

directly in Iraq, and through its support of Israel, to crush resistance to the Middle East settlement that guarantees the flow of oil to the industrialised, mainly western, nations.

At first glance, other years might appear more crucial to the post-war settlement, most obviously 1945, the end of the second world war. That year saw the Yalta conference and the agreement on post-war spheres of influence between the great powers, by then largely the US and USSR, with the de facto supremacy of the Soviet Union in eastern Europe, and the US in western Europe and East Asia. Other candidates might be 1949, with the victory of the Communist party in China and the snuffing out of any remnants of national and democratic independence in eastern Europe; 1953, which saw the death of Stalin and the overthrow of the democratically elected Mussadeq in Iran, setting in train the modern western dominion over the Arab and Islamic world; 1957 and the treaty of Rome, establishing the European Economic Community; or even 1968, with the widespread rebellion against the political status quo in both the west and communist world.

But all these, in retrospect, seem to involve the playing out of already established changes in power relationships. By contrast, the events of 1956 appear to represent one of those rare moments when history seems at a crossroads, with the two great power blocs genuinely facing choices, if not always completely aware of them, about their future direction

Budapest's Statue Park is hardly a stunning memorial to a landmark year, whose crucible was the Hungarian capital. But a closer reading of the subtexts of the modest sculpture park on the edge of the city, home to the communist-era statues and plaques moved after the peaceful regime change of 1989-90, reveals the rich political history they encapsulate (now well documented in Bob Dent's guide to the sites of the uprising, *Budapest 1956 - Locations of Drama*).

The park's very existence and the preservation of the iconography within it indicates the thoughtful engagement of the Hungarians with their traumatic past. In 1956, in a very different mood, their angry iconoclasm fuelled the uprising; with the toppling and smashing of the enormous statue of Stalin on the main boulevard in Pest. The monolith was so strong it had to be hacked off at the knees, symbolically perhaps, just leaving the jackboots on the plinth.

The more thoughtful removal of soviet-style imagery during the “changes” in the early 1990s, involved much discussion over each piece. Some parts of memorials, seen as representing national resistance to Nazi occupation, were kept in place in the city, while other bits, identified specifically with the Communist party, were consigned to the political graveyard. Unlike the blind fury against the excesses of Stalinism in 1956, it seems as if the Hungarians were conscious of the weight of history, and its remaking. Plus, of course, the changes were peaceful - itself almost certainly a consequence of the October days.

In an interesting parallel, the events in Hungary and the Middle East which came together at the end of October 1956 both have their roots in events three years before. In March 1953, Joseph Stalin, the *deus in machina* of the authoritarian command economies that became the model for communism, died. In August the democratically elected prime minister of Iran, Muhammed Mussadeq, branded a communist by the imperial powers because of his desire to nationalise the oil industry, was dismissed by the Shah in a coup engineered by Britain and the US. Control of the Gulf oil fields and the tanker route through the Suez canal were now to become the key strategic goals for the growing car-based economies of the west.

If the effects of the death of Stalin were delayed, it is a testimony to his iron grip on the system and the fear at the heart of the whole structure of power. In a possibly apocryphal story, the post-Stalin Soviet leader Nikita Khrushchev, challenged by a heckler at the 1956 party congress which exposed Stalin's crimes, as to why he did not stand up against the excesses of Stalin, is reputed to have asked the person to identify himself - to a telling silence.

Nevertheless, things began to loosen and unravel following Stalin's death. In June 1953, East German workers rebelled against deteriorating economic conditions, as the planners tried to squeeze wages and consumption for enforced investment in heavy industry - in part dictated by the wholesale plundering of German factories by the Soviet Union as "reparations". It was put down with the loss of hundreds of lives. Scores of demonstrators were shot in the streets and hundreds executed afterwards. Even so, conditions were relaxed.

The next three years would see unrest and attempts to relax the harsh economic and political structures in Poland, Germany and Hungary. Even in the USSR, there was an expectation of change, with protests in some areas. The new politburo may not quite have been the Directoire replacing the Jacobins, but

Beria, the head of the secret police was quickly removed (executed in December 1953), and under a new secretary general, Khrushchev, the worst excesses of Stalinism were halted.

It was Khrushchev general secretary of the Soviet Communist party from September 1953, who would add the fuel, if not the spark, to the events of 1956. Khrushchev's famous speech to the 20th party congress in February, denouncing Stalin, came a full three years after the Great Helmsman's death - and details of his speech only became public in May, through the Moscow correspondent of the Observer newspaper. But it was perhaps not so much the revelations in the speech - which most ordinary people, if not the party faithful, in the eastern bloc countries must have already known from experience, or suspected - but what lay behind the speech that are important.

In run up to 1956, unrest in the east European countries was dealt with by a mixture of tolerance and repression; allowing political, economic and cultural changes up to a point, then reining them back. Behind the wavering approach, lies the key question: not, as the satellite countries saw it, what national autonomy will the Soviet Union allow us to define our own route to socialism (or not); but the wider question of what was to be the overall shape of post-Stalin communism, notably in the Soviet Union itself.

Since the crushing of the Budapest uprising by Soviet tanks between November 2-4, debate on the left has concentrated on the nature of the Hungarian events themselves - whether they were counter-revolutionary, driven by residual local fascist elements and foreign intervention; or a genuine workers' movement based on proto-soviets, revitalising a degenerate socialism. But arguably of more interest today is their impact and influence on how the USSR's new leaders hoped to renew their own political and economic structures.

It should be remembered that the Hungarian uprising began on October 23 as a result of a march called in support of the changes in another east European country, Poland. It remains a matter of dispute who fired the first shots and why, after what had been a large, but good-natured demonstration swelled by people joining after work, massed in front of the radio station to try to get the protesters' own manifesto for change in Hungary broadcast. From then on, the events had their own dynamic, but they cannot be seen to the exclusion of external factors, whether it be unrest elsewhere in the eastern bloc, or the invasion of Egypt, fuelling Soviet fears of a wider western assault.

Today many might regard the idea of soviet economics as an oxymoron. If everything is centrally planned and the only indicators are the targets in the five-year plan, what is there for the dismal science to model and forecast? However, the years prior to 1956 show an interesting and developing economic debate, both at the theoretical level, in terms of alternative models of socialism, and the practical level, in terms of restructuring and attempting to devolve decision-making. And while political demands were most prominent in the unrest in the eastern bloc countries, usually behind them were underlying economic demands.

In 1956, Poland led the way in demands for political reform, but it was also the country where the liveliest economic debate was taking place. Economists such as Oscar Lange and Michael Kalecki had returned from long sojourns in the west, in the US and Britain respectively, ready to implement models they had been developing since the 1930s, which aimed to create more flexibility within the socialist economic model (their ideas were later to be tagged "market socialism").

It seems clear that if, as was clearly desired by most of the people, there was to be less concentration on capital goods production (in particular military production and spending) which is amenable to command structures and targets, and more concentration on consumer goods, which are not so amenable to central diktat, then more devolved decision-making would need to be implemented - with all the political consequences for organisation and control by the party.

Other younger economists cutting their teeth on this central problem who would come to prominence later, included Ota Sik in Czechoslovakia, Abel Aganbegyan in the USSR and Retzo Nyers in Hungary.

These issues were played out between "Stalinists" and "reformers" in Hungary in the three years prior to 1956 and then in fast-forward during the uprising itself. They were personified in the two figures of Matyas Rakosi and Imre Nagy. In economic terms, Rakosi was identified with heavy industry, while Nagy (like Khrushchev from a peasant background) became, as minister of agriculture, an expert on rural welfare and the concerns of the broad mass of small farmers who were particularly squeezed by the centralised economic plans.

In 1953, Nagy became prime minister promoting his New Course, exploiting the more relaxed post-Stalin atmosphere. But in 1955, he was dismissed and expelled from the party, as the pendulum swung back to orthodoxy. Rakosi, who as general secretary had imposed Stalinist policies on Hungary after the communists became the largest party in 1947, reimposed the old line. (Nagy was briefly restored to power during the October events, to be arrested on November 22 after taking refuge in the Yugoslavian embassy when the uprising was crushed. He was hanged in June 1958 after a secret trial, along with other leaders of the uprising.)

It became clear very quickly that the events of October had gone beyond the pendulum of reform and repression of previous protests. The opening of the archives and the researches of bodies like Hungary's 1956 Institute mean that much more is now known about the sequence of events and the players. At the time, information was severely limited because journalists were restricted to a small area of central Budapest, away from the areas of most of the fighting.

Whether this new data has changed the historical interpretation of the events is debatable. George W Bush's visit to Hungary in June 2006 to mark "the heroic fight for liberty and democracy against communist totalitarianism" underlines that it is the victors who write history. Today's Hungarian right had wanted Bush to apologise for the US and the west not intervening at the time - which seems to overlook the likelihood of nuclear Armageddon had they tried to directly unravel the Yalta agreement.

More cynically, for the west, whatever genuine feelings of revulsion at the suppression of the uprising there were, it was a win-win situation. If Hungary became a "bourgeois" multi-party democracy, with a growing market sector, and left the Warsaw pact military alliance, it would have been a blow against the whole Soviet system. If the uprising was quashed, it would underline the authoritarian nature of communism and probably - as it did - split the western left in a longer-term struggle for hegemony.

What seems to be missing from the account (writing as someone who is not a professional historian) is exactly what were the thinking and actual involvement of the western diplomatic and secret services - one of the key issues for the left at the time and for many still. This, together with the nature of the social forces involved in the uprising, were the main focus of the debate which split the communist and communist-influenced left three ways.

Each, inevitably, pointed to the facts that supported their case. Those who believed (and still do) that it was a counter-revolution pure and simple noted that the original demonstration was called by students and academics. They highlighted the speedy escalation of events and the ready availability of guns, the atrocities committed in the siege of the Budapest communist party offices, and the reports of search parties going door to door searching for communists (and, according to some reports, for Jews - it was after all only 10 years since the overthrow of the Hungarian fascist regime). And, not least, they cite the coincidence of the attack by western powers (Britain, France and Israel) on Egypt, a country with growing ties to the Soviet Union.

Peter Fryer, the *Daily Worker* correspondent in Budapest, who later attacked the Soviet invasion in his book *Hungarian Tragedy*, was certainly aware of the likelihood. As he wrote in his letter of resignation to the *Daily Worker*, printed in the *Manchester Guardian* of November 16 1956: "The danger of counterrevolution did exist. Austrian communists told me before November 4 some 2,000 emigres, trained and armed by Americans, had crossed into to fight and agitate."

This became the standard response of the communist parties, though as we now know, the split went right to the top, with two members of central committee of the British communist party, Arnold Kettle and Max Morris, opposing the party's support for the Soviet action in crushing the uprising. It is interesting to speculate how much the split and loss of members more sympathetic to reform made the CPGB and other western parties even more conservative and sclerotic - as witness their irrelevance to much of the wave of radicalism in both east and west in 1968.

Those who see it as a socialist revolution - or the germs of one - will point out that most of the fighting took place, with the highest casualties, in the working-class areas of Budapest and other towns and cities; that the workers' councils, rooted in the factories and workplaces, often had the involvement of communist party members; and that their demands were socialist and opposed to any return of the old political and economic structures.

Fryer continued in his resignation letter: "But the power was in the hands of the armed people, and they were fully aware of the danger of counter-revolution and were themselves fully capable of smashing it. The great mass of people have no desire to return to capitalism and want to retain all the positive social achievements of the past 12 years."

When *Hungarian Tragedy* was published in December 1956, one of its major impacts, albeit unintentionally, was to regenerate the Trotskyist left in the west. In Britain, it led to the formation of the International Socialists, later the Socialist Workers Party. (The debate and growing split on the left at the time is graphically documented by Stan Newens elsewhere.)

Less clearly defined perhaps are those in the middle who, shaken by the human costs of Soviet-style communism as revealed both by Khrushchev's 20th Congress speech and the crushing of the uprising, drifted from revolutionary politics towards Labour and other social democratic parties, and a greater commitment to democratic and consensual politics.

These fissures have had a lasting impact on the politics of Britain and can still be traced today in the politics of the left. But the more interesting question now is the impact of 1956 on the wider communist world. Would Khrushchev and his allies have reformed the system more had it not been for the uprising and Suez? More speculatively, was the communist system doomed after Hungary and the consequent stalling of reform?

On the face of it no. Barely a year after Budapest, the Soviet Union was sending a monkey into space, followed by the first manned flight of Yuri Gagarin in 1961, and event which severely shook the confidence of the US, the apparent winner of the events of 1956. A slow unravelling of the Soviet gulag and a return to greater legality, more investment in consumer goods (typified by the Togliatti car plant, set up by Fiat, and the growth of Black Sea holiday resorts) seemed to indicate a new confidence and achievement in the eastern bloc countries. Fears grew in the west that the socialist model of planned growth could outperform a capitalist system subject to booms and slumps. In 1964 the colourful but unpredictable Khrushchev was replaced by the grey technocrats, Brezhnev and Kosygin in the wake of the adventurism of the Cuban missile gamble. Fears of a nuclear holocaust receded. Bolshevism plus car factories seemed to be working.

But this flatters to deceive. The underlying political and economic rigidities had not gone away. Perhaps the most important development in this respect was not the lead in the space race that the US took with the moon landing in 1969, but the concurrent developments that led to the microchip. The economic revolution spawned by the increasing miniaturisation of computer power required redistributing and devolving decision-making power along with it. Even if the eastern economies had been able to gain full access to the

technology, it's difficult to see how they would have been able to exploit it within their highly centralised, more rigid structures. They eventually paid a price for their lack of democracy and pluralism. That inflexibility and inability to innovate is perhaps as important as the burden of military spending imposed by the arms race in the crisis of Comecon in the 1980s.

Ironically, the one state that did develop a more flexible model was Hungary. After the execution of Nagy and other prominent figures in the uprising in 1958, Janos Kadar, the compromised figure who had taken power in his place, did institute some of the economic reforms which were proposed during the brief revolutionary government and kept alive by the demands of the workers' councils after the suppression of the uprising. Retzo Nyers inspired an economy which did devolve some decision-making and did allow a small private sector, particularly after he joined the central committee in 1966. (Nyers was forced out in 1974, but returned in 1988, and as Hungarian leader in 1989-90, negotiated the the economic and political transition of the country with Mikhail Gorbachev.

By contrast, reform economists such as Ota Sik were forced into exile after the Soviet suppression of the Dubcek government in Czechoslovakia in 1968, and the initial dialogue with Solidarity was ended by Jaruzelski's Soviet-inspired clampdown in 1981. The related issues of greater economic flexibility and political pluralism remained unresolved within the communist countries.

Interestingly, the Soviet leader who paved the way for Gorbachev's reformist regime of the late 1990s was Yuri Andropov, who was the Soviet ambassador in Budapest in 1956. (One of Gorbachev's key advisers was the reform economist Abel Aganbegyan). Belatedly perestroika and glasnost tried to bring concurrent political and economic reform to communism in the Soviet Union. Whether this bold (or foolhardy, depending on your viewpoint) attempt to enact what was, essentially, the same the reform programme outlined in the Hungarian uprising of 1956 would have succeeded in guiding the USSR to a social democratic model from the left, if the attempted coup by hardliners had not given Boris Yeltsin the chance to sell-off socialism in a knock-down car-boot sale, can now only be conjecture.

It's worth noting that the other demand of 1956 - national self-determination - has been formally realised throughout eastern Europe. To many, the proposal of the Nagy government to follow Tito and leave the Warsaw pact

sealed the fate of the uprising. But according to János Rainer, head of the 1956 Institute, Soviet documents handed over by Yeltsin on his visit to Hungary in 1992 detailing Kremlin central committee decisions show that withdrawing Soviet troops was considered as an option, and even supported by Marshall Zhukov, the most senior military figure.

As Rainer writes: "The 'hardliners' had become confused, and the 'liberals' went to the limit, not just in general but also with regard to settling the Hungarian situation ... However, Marshal Zhukov arguing in favour of a troop withdrawal from Hungary will look a great deal less unlikely, if we place him into the ongoing, still unfinished process of decision-taking ... On October 30 that position also received open expression."

He concludes: "The October 30 statement of the Soviet government may be regarded as a temporary victory - indeed, the last up to the mid-eighties - of the 'liberal' view in the international area, the kind of thinking which dared to mention the withdrawal of troops. Even though the actual decision ultimately went the other way, that statement, when it was created, was by no means a cynical manoeuvre meant to mislead, but a genuine mirror of the debates and power struggles going on within the Soviet leadership, one of the rare moments when the Empire sent signals to the outside world that it might be opening up."

In the main, the Soviet decision to withdraw from eastern Europe in the late 1980s is a positive part of the "changes", but not without unintended consequences. The break-up of the Soviet Union, though dissolved peacefully, has left unresolved national disputes in the southern Caucasus and central Asia. Within Russia, the fight over the status of Chechnya has been particularly bitter and bloody - as has been the break-up of the Yugoslav federation. And many of the new states have swapped incorporation in one empire for inclusion in another - the neo-liberal empire dominated by the US. And while Soviet bases have gone, America has moved its own military into the vacuum, with a string of bases throughout eastern Europe and central Asia. Extraordinary rendition and CIA interrogation camps have replaced the gulag - albeit on an altogether smaller scale.

The unacknowledged US empire now rings the globe, its power and influence unprecedented in history. This would seem to prove the fears of those who saw 1956 in Hungary as a counter-revolution. But in 1956 the US was still, to an extent, a reluctant imperialist. Whatever its meddling in the events in Hungary, it seems to have had no plans to support the uprising militarily. And in

the other key conflict, it was US power which forced Britain and France into a humiliating climb-down over Suez. It was Eisenhower, the president who vetoed the Anglo-French action, who was later to warn of the dangers of the military-industrial complex. His 1961 speech seems ever more pertinent, with its warning of "the potential for the disastrous rise of misplaced power".

But nature abhors a vacuum and as Britain retreated from east of Suez in the aftermath of the debacle, it was the US that moved in to shore up the oil dictatorships of the Arabian peninsula and Iran. And from early equivocal support for the state of Israel, after forcing its retreat from Egypt in 1956, it rapidly became its guarantor and unwavering sponsor. Fifty years after vetoing a Franco-British occupation of Egypt, it has turned full circle and is now the occupier of another strategically important Arab state, Iraq.

The "war on terror" is little more imperial America's term for its response to the rebellion in the Arab and wider Muslim world against this control of their resources and destiny. Regrettably for progressives, this is now a battle spearheaded by groups which espouse a fundamentalist version of Islam, and use suicide bombs rather than social and political organisation. But this is itself in large part a result of the crushing of secular Arab nationalism, most prominently represented by Nasser, whose nationalisation of the Suez Canal on July 26 1956 sparked the Suez invasion several months later. In Iran, a line can be traced directly from the overthrow of Mussadeq through the dictatorship of the Shah, to the continuing theocratic revolution of Ayatollah Khomeini.

In 1956 there were alternatives on both sides. The west could have worked with Nasser and other Arab leaders to help achieve the popular ambition for democracy. Instead its cheap oil addiction led it to do everything to frustrate these desires. The Soviet Union could have let Hungary follow its own path and worked to re-forge an equal alliance, allowing the Hungarians to test-bed the reforms of the communist system which it also was initially committed to through the New Path outlined after 1953.

Fifty years on, the Soviet Union is no more, and socialism of whatever variety is on the back foot, if not the canvas. Meanwhile, the US is now the superpower which can tolerate no dissent or deviation from its own neo-liberal dispensation. Bush's "you're either for us or against us", might sum up aptly the Soviet Union's response to Hungary in 1956.

If those two weeks in 1956 were such a seminal moment in modern history, what can progressives learn from them now. In 1956 most of the western left was clear where it stood: in support of the people of Hungary's right to determine their own road to socialism against the Soviet Union; and of the right of the people of Egypt and the other Arab states to control their own resources and define their own path to economic development. A notably rightwing leader of the Labour party, Hugh Gaitskell, denounced the Suez invasion in a memorable speech in Trafalgar Square. Democratic socialists left the Communist party over its support for the Soviet invasion of Hungary. The contrast of a Labour leader and government joining in the occupation of Iraq and Afghanistan, and giving moral and political support to an Israeli invasion of a neighbouring Arab state could not be more telling. A reappraisal of 1956 might well lead to a recovery of some basic principles.

And the issues which dominated the two crises are still with us. The reform communists wrestled from a socialist viewpoint with the problem of how to combine economic planning to secure social and economic stability, with the flexibility to allow consumers to define their own needs and pursue their own personal goals.

Global neo-liberalism can, at least in the developed economies, provide material goods beyond the wildest dreams of any previous generation and individual self-fulfilment that borders on narcissism. But basic systems of welfare and social solidarity are under increasing stress and the stability of the planet itself is threatened by overuse of fossil fuels and other natural resources. A third of the planet still survives on the margins of existence. Some element of resource planning - even within global capitalism - is now essential.

The political debates in Poland and Hungary before the uprising in Budapest - repeated in Czechoslovakia in 1967-68, Poland in 1980-81 and the Soviet Union in the late 1990s, and the work of socialist economists such as Kalecki, Lange, Nyers, Sik, Aganbegyan and their colleagues could be a good place for the left to start to address this central and pressing issue.

An interesting insight into the changes after 1990 comes in the work of Hungarian economist Jonas Kornai, originally a market socialist, who has split his time between Hungary and Harvard since the early 1980s. By 1990, he was discounting the potential for reforming communism, arguing that removing the intimidation and ultimate force that underpinned economic discipline in

command economies, without introducing effective market disciplines, must inevitably lead to inflation and indebtedness - which is indeed the situation that the east European economies found themselves in by the late 1980s.

In two 1991 papers, he persuasively advocated a speedy changeover to a system where most property is privately owned, combined with parliamentary democracy to set a new legal framework governing commercial contracts within the new markets, plus full freedom of expression, assembly and political organisation, and respect for basic human rights.

While he regards the peaceful revolution that happened in central and eastern Europe as a success from the standpoint of democracy and human rights - which he sees as the most important values for any society - in a 2005 paper assessing the changes in eastern Europe, he acknowledges (unlike many market fundamentalists) many difficulties within those countries.

"A dramatic restructuring has taken place in the area of income distribution. Though critics of the socialist system rightfully complained that a system of material privileges did indeed exist, the income distribution generally lay within a rather narrow range. The 10 to 15 years since then has been enough to affect a marked increase in the existing levels of inequality. On one side, a heretofore unknown level of conspicuous wealth has become readily apparent, while on the other, the poverty that was less obviously manifest before, has become more deeply entrenched and much more visible. This is appalling to the sense of social justice of many individuals who were otherwise not victims of the restructuring."

Add in corruption, unemployment and insecurity, and unfulfilled expectations, and it's a warts and all portrait.

But while few on the left would want to see a return to the party dictatorships of the communist era, Kornai's balance sheet of liberal freedoms against equality is even less impressive in the cases of the two major communist countries. In Russia (and many of the former Soviet republics) a rampant form of gangster capitalism is uncertainly offset by democracy and human rights. In China there has been no political transformation and the party has used its monopoly of power to maintain economic discipline and drive a supercharged pace of economic growth, using western capital. How it develops will no doubt define the geopolitics of the 21st century.

So can socialist economics be rescued? In his 1991 analysis, Kornai makes the assumption that the tradition rests on the continuing monopoly of power of the communist party and dominant state ownership of the economy.

But Lange's seminal work, *On the Economic Theory of Socialism*, was published in 1936 in capitalist Poland. Just before, Kalecki had produced a theory of "effective demand" in response to the slump of the 1930s, beating Keynes' *General Theory* to publication (unfortunately it was in Polish and did gain the recognition or influence of the British economist's work). So these two key theoretical works on organising socially regulated economies were not specific to the situation within a communist country - then just the Soviet Union - with a monopoly of political power. (On the other side, though the Keynesian tradition of "planned capitalism", or macroeconomics, is down, it is not quite out and survives in the work of economists such as Joseph Stiglitz.)

And though reform communists proposed changes within the existing structures, as Hungary in 1956 and Czechoslovakia in 1968 were to show, once events began to move and popular involvement in the political process was felt, the demands and policies were pushed beyond the status quo - in particular in demanding political freedoms and more democratic economic structures.

In his 1991 paper, Kornai makes a telling criticism - from bitter experience - of communist economies subject to bureaucratic political interference in the running of enterprises: "Instead of jobs being allocated by a competitive labour market, top executives are assigned to them by a strongly centralised, ubiquitous network of personnel departments controlled by the party and secret police. A quarrel with the centralised bureaucracy can badly damage or even ruin a manager's career prospects, while good connections in the party and other branches of the bureaucratic apparatus open up a wide range of other careers, as a party functionary, for instance, a high-ranking official, or a diplomat ... The key trait is loyalty to superiors, not business success or concern for customers. A manager is a bureaucrat, a member of the *nomenklatura*."

But in 2006, in the capitalist economies, a parallel situation seems to have developed vis-a-vis business and the state, most notably in the US, but with the dependency running in the other direction. It is now political positions, including the nation's chief executive (Bush) and board of directors (Cheney, Rumsfeld et al), which are part of "a strongly centralised, ubiquitous network of personnel departments" - this time controlled by big corporations and their political lobby groups. Virtually no one can now be elected to national office in