

# TOWARDS SOCIALISM OR TOWARDS CAPITALISM ?

## The Language of Figures

By L. TROTSKY

### I.

**T**HE State Planning Commission (Gosplan) has published a comprehensive table of "control" figures of the national economy of the U.S.S.R. for 1925-26. All this sounds very dry, and, so to speak, bureaucratic. But in these dry, statistical columns, and in the almost equally dry explanations, there can be heard the fine musical notes of the harmonious growth of socialism. It is no longer here a question of guesses, of suppositions, of hopes or of theoretical deductions. On the contrary, we have here the weighty language of figures, convincing enough for even the New York Money Exchange. We wish to dwell for a short time on the most fundamental of these figures. They are well worth it.

In the first place, the very fact of the publication of these comprehensive tables represents for us a veritable economic triumph. The day of their publication (August 20) is a noteworthy day in the Soviet calendar. Agriculture and industry, the goods turnover, both internal and foreign, the circulation of money, the price of goods, credit operations, and the State Budget, are all reflected in these tables, both as regards their development and their mutual relations. We have here a clear, simple and convenient comparison of all the fundamental facts for 1913, for 1924-25, and of the estimated figures for 1925-26. In the explanatory text statistical data for other years of Soviet national economy are given wherever necessary. Thanks to this, we have a general picture of the development of our social structure and of the prospects for the following economic year. The very possibility of constructing such tables may well be considered a victory of the first order.

Socialism is a keeping of accounts. Under the conditions of the New Economic Policy only the forms of our account keeping are different from those which we endeavoured to employ during the period of Military Communism, and which will receive their final form with the development of socialism. But socialism is account keeping, and at present, in the new stage of the new economic policy, it is possibly of even greater importance than when socialism has been finally established. For then account keeping will be purely of an economic character, whereas now it is bound up with complex political problems. And so, in these comprehensive tables and estimates, we see for the first time the Socialist State taking into account all branches of economy, their relations to one another and to their development. This is undoubtedly a great victory. The very possibility of doing this is an undoubted testimony both to our material economic achievements, as also to our success in taking into account every detail, in generalisation, and in directing economic thought. These tables may indeed be looked upon as a kind of matriculation certificate. Only we must remember that a matriculation certificate is only granted to people, not when they conclude their education, but when, having finished their secondary education, they are ready to start on a higher educational course. It is precisely problems of a higher order which these comprehensive tables of the Gosplan place before us. We desire to subject them to an analysis.

The first question which arises when glancing at the tables is, how far are they exact? Here there is wide scope for reservation and even for scepticism. Everyone knows that our statistics and our methods of account keeping are often faulty. Not because they are any worse than other branches of our economic and cultural activities, but only because they reflect all, or, at any rate, many sides of our general backwardness. But this by no means justifies any wholesale distrust. At the present time the figures of the Gosplan are the nearest approximation to the actual facts. Why? For three reasons. In the first place, because they are based on the fullest possible material, which material, moreover, is worked up from day to day by the various sections of the Gosplan. Secondly, because this material has been worked up by the most competent and skilled economists, statisticians and technical experts. Thirdly,

because this work has been carried out by institutions entirely free from departmental interests, and always able to confront the departments directly.<sup>1</sup> It should also be added that there are no commercial or economic secrets for the Gosplan. It can verify (either itself or through the Workers' and Peasants' Inspection) any industrial process or any commercial calculation. All balance sheets are open to it, as also all departmental estimates, and that, not only in their final form, but also in the original drafts. Of course, there will still be disputes regarding separate figures. Certain facts are disputed from this or that point of view by the departments. The corrections of given departments, whether accepted or not, may exercise a considerable influence on certain practical enterprises, on the export and import estimates, on the assignments made in the Budget for certain purposes, and so on. But these corrections can have no influence on fundamental facts. There cannot be at the present time better thought-out and more thoroughly verified figures than those published in the Gosplan tables. And in any case even inexact figures, providing they are based on previous experience, are far preferable to working in the dark. In the first place, we introduce corrections based on our experience, and we learn therefrom, whereas in the second case we simply exist on chance.

The tables are brought up to October 1, 1926. This means that in about twenty months' time, when we shall have at our disposal the reports from our economic departments for 1925-26, we shall be in a position to compare the facts of to-morrow with our suppositions of to-day as expressed in figures. Whatever discrepancy we may find, the very possibility of making such a comparison will in itself be a valuable economic lesson.

In discussing the exactitude of our forecast, it is necessary before all to understand what manner of forecast we have in mind in the given case. When, for instance, the Howard Institute in America endeavours by means of statistics to determine the direction or rate of development of various branches of American national economy, they work to a certain extent in the same way as

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<sup>1</sup> "The figures given by operative economic departments are more than incomplete, they are even weighted in a given direction." This is an explanatory note by the Gosplan. We must carefully bear in mind this severe stricture. With the participation of the Gosplan and the press, our operative economic departments must be taught to give objective, that is, correct accounts.

astronomers. That is to say, they endeavour to determine the dynamics of processes entirely independent of their will, with only this difference, that one cannot apply methods anywhere near so exact to statistics as to astronomy. Our statistics stand in a fundamentally different position. They exercise decisive influence in the institutions which direct our national economy. Estimates are here not merely the product of passive forecast, but they are the pivot of active economic observation. Every figure is not a mere photograph, it is a signpost. The table of estimates has been worked out by a State Department in which the very highest directing staff of our national economy participates. When the table says that our exports should rise from 462,000,000 roubles in the current year to 1,200,000,000 roubles in 1925-26, that is by 160 per cent., this is not merely a forecast, it is an instruction. On the basis of what we have already achieved, we are shown here what more we must do. When the table says that the capital investments in our industries—that is to say, expenditure on the renewal and extension of our basic capital—should amount to 900,000,000 roubles, this again is not merely a passive calculation, but a statistical well-founded practical task of the first importance, and this is precisely the character of the table from beginning to end. It is a dialectical combination of a theoretical forecast with practical observation, *i.e.*, the combining in calculation of objective conditions and tendencies with the subjective formulation of the economic tasks confronting the workers' and peasants' State. Herein lies the fundamental distinction between the Gosplan tables and all possible statistical data, accounts and forecasts of any capitalist State. Herein also, as we shall see below, lies the gigantic superiority of our—that is, of socialist—methods over capitalist methods.

The tables of estimates of the Gosplan give, however, a valuation in figures of socialist economic methods, not in general, but in their application under given conditions, that is to say, at a definite stage of the so-called new economic policy. Spontaneous economic processes can be dealt with in the main by the objective statistical method. In their turn, the economic processes directed by the State at one stage or another make themselves evident in the market, and thereby are linked up with the spontaneous, so to speak, uncontrolled, economic processes, which owe their origin principally

to the irregular phenomena of peasant economy. To a very large extent planning at the present time consists precisely in the conjunction of the controlled and directed economic processes with the spontaneous processes of the market. In other words, in our national economy, socialist tendencies at various stages of development are combined with and interlocked with capitalist tendencies, again at different stages of maturity and immaturity. Our estimate figures give the connection between the one set of processes and the other, and thereby reveal the equilibrium of development. Therein lies the fundamental socialist importance of our draft plan.

That the economic processes developing in our country are fundamentally antagonistic, presenting a struggle of two systems which mutually exclude one another, this we have always known and never concealed. On the contrary, precisely during the transition to the new economic policy, the historical question was formulated by Lenin in two pronouns—"who whom?" The Menshevik theoreticians, and particularly Otto Bauer, condescendingly welcomed the new economic policy as a sensible capitulation of the premature violent Bolshevik methods of socialist economy to well-tried and reliable capitalism. The misgivings of some, and the hopes of others, have now received a very thorough verification, and its results are expressed in the estimate figures of our social-economic draft plans. Its significance lies also in this, that it is now impossible any longer to talk in a general way of the socialist and capitalist elements of our national economy, of plans *in general*, and of spontaneity *in general*. Even though it may be only roughly, and in a preliminary way, we have now made our calculations ; we have now defined quantitatively the relation between socialism and capitalism in our national economy, both for to-day and for to-morrow. We have thereby obtained valuable practical material for a reply to the historic question—"Who Whom?"

## II.

In all that has been said above, only the theoretical significance of the Gosplan tables has been dwelt upon. We have shown the enormous importance for us of the fact that we have at last been enabled to estimate all the fundamental processes of our national economy, their connections and developments, and thereby obtain

a basis for a far more conscious and considered policy, and that not in the sphere of national economy alone. But of far more importance to us is, of course, the actual content of the Gosplan comprehensive tables, that is to say, the actual statistical data which express our social development.

In order to receive a correct reply to the question—towards socialism or towards capitalism?—we must first of all formulate correctly the question itself. This question naturally divides itself into three sub-questions : (a) Are our productive forces developing? (b) What are the social forms of this development? (c) What is the rate of the development?

The first question is the simplest and the most fundamental. Without the development of the productive forces, neither capitalism nor socialism is conceivable. Military communism, which had its birth in stern historical necessity, spent itself quickly and impeded the further development of the productive forces. The most elementary, and at the same time the most compelling, significance of the new economic policy, consisted in the development of the productive forces as the basis for any social movement whatever. The new economic policy was welcomed by the bourgeoisie and the Menshevists as a necessary (but, of course, “insufficient”) step on the road towards the liberation of the productive forces. Menshevik theoreticians, both of the Kautsky and of the Otto Bauer persuasion, approved of the new economic policy precisely as the dawn of capitalist restoration in Russia. They added: either the new economic policy will destroy the Bolshevik dictatorship (a happy consummation) or the Bolshevik dictatorship will destroy the new economic policy (a very sad outcome). *Smenavekhovism*<sup>2</sup> in its first form rose from the belief that the new economic policy would ensure the development of the productive forces in a capitalist form. And now, the comprehensive tables of the Gosplan give us the basic elements for a reply, not only to the question regarding the general development of the productive forces, but also to the question as to what social forms this development is assuming.

We know very well, of course, that the social forms of our economic development are of dual character, since they are based

<sup>2</sup> *Smiena Viekh* (‘The Change’ of Landmarks) was the slogan of a movement among Russian bourgeois and intellectual *émigrés* in support of the Soviet Government.

on both co-operation and antagonism of the capitalist and socialist methods and aims. The new economic policy has to work under these conditions of our development; therein lies its fundamental content. But such a general idea of the antagonism within our development is no longer sufficient for us. We seek and demand a measurement as accurate as possible of these economic antagonisms, that is to say, we demand not only the dynamic co-efficients of the general development, but comparative co-efficients of the specific gravity of this or that tendency. On the reply to this question depends much; more correctly speaking, everything in our internal and our external policy.

Let us consider the question from its most acute angle. We may say that, without a reply to the question regarding the relative force of the capitalist and socialist tendencies, and of the direction in which the relation between their specific gravities is changing as the productive forces grow, it is impossible to form a clear and reliable idea of the prospects and possible dangers of our peasant policy. In reality, if it turned out that, as the productive forces developed, the capitalist tendencies grow at the expense of the socialist tendencies, then the final extension of the framework of commodity-capitalist relations in the villages might have a fatal influence, directing all further development on the road towards capitalism. On the other hand, if the specific gravity of the State, *i.e.*, of socialist economy, increases in the general national economy of the country, then the greater or less "liberation" of the commodity-capitalist process in the villages becomes only a question of the relative equilibrium of forces, and may be solved from merely a business point of view. How? When? To what limits? In other words, if the productive forces in the hands of the socialist State, and which has in its hands all the commanding positions, not only grow rapidly, but grow more rapidly than the private capitalist productive forces of the towns and villages; if this has been confirmed by the experience of the most difficult period of restoration, then it is clear that a certain development of the commodity-capitalist tendencies, springing from within peasant economy, in no way threatens to take us unawares, or to overcome us by the transformation of quantity into quality; that is, by a sudden turn towards capitalism.



Finally, the third question before us is the rate of our development from the point of view of world economy. At a first glance it might appear that this question, although important, is nevertheless of entirely subordinate significance. Of course, it is desirable to reach socialism "as soon as possible," but once the socialist tendencies are assured of victory under our new economic policy conditions, then the question of the rate of this movement would seem to be only of minor importance. This, however, is not so. Such a conclusion might have been correct (but not wholly so) if we had a closely-knit self-sufficing economy. But this is not the case. Precisely owing to our successes, we have entered the world market. That is to say, we have entered into the system of the world division of labour, and, moreover, we remain surrounded by capitalism. Under these conditions, the rate of our economic development defines the force of our resistance to the economic pressure of world capital, and to the military-political pressure of world imperialism. And, at present, these factors cannot be left out of account.

If we now apply our three leading questions to the comprehensive tables and explanatory notes of the Gosplan, then we shall see that the reply of the tables to the first two questions regarding the development of the productive forces and of the social forms of this development, is not only both clear and concise, but most favourable. As for the third question regarding the rate of development, our economic development so far has only reached the stage of considering this question in its international aspect. But here too, as we shall see, the favourable reply to the first two questions prepares the grounds for the solution of the third question. The latter will form the highest criterion for our economic development in the near future.

*(To be continued)*



# SCARBOROUGH AND LIVERPOOL

By P. BRAUN

**A**FTER the Trades Union Congress and the Labour Party Conference the question naturally arises as to how it could happen that the same British Trade Unions could adopt the path of the class struggle against Capitalism and Imperialism through one set of representatives at Scarborough, while at Liverpool, through other representatives they came out in defence of class collaboration under the banner of social-imperialism.

If we forget for one moment the resolutions passed at Liverpool and Scarborough and simply deal with the structure of the Labour Party and the Trades Union Congress, we at first receive an impression of idyllic harmony and personal accord between these two organisations that the British working class has created. The executives of both organisations hold joint meetings, at which general questions concerning the entire British movement are discussed and decided upon. Both the Labour Party Executive and the General Council have their offices in the same buildings, have common departments conducting press, information and research work, international questions, &c. The biggest campaigns, as a general rule, are conducted jointly by both organisations. For this reason it is certainly so much the more astonishing that there was so acute a parting of the ways between Liverpool and Scarborough. In order to discover the reasons for this sharp distinction between Liverpool and Scarborough, we must first of all attempt to unravel the real physiognomy of these two Congresses.

Let us take Scarborough first. The Trades Union Congress at Scarborough started its work after the Trade Unions had succeeded in resisting the attack on the miners' wages without any assistance on the part of the Labour Party. The trade unionists proudly called July 31—the day when the mining magnates called off the lock-out—"Red Friday." This Red Friday was naturally popular with the workers, because, ever since Black Friday four years ago