

## THE THEORY OF STRUMLINE

### What The Balance Ought To Contain

Strumline starts with the principle that the U.S.S.R. can be considered as a great economic unit, "as a single combine" made up of a series of "work shops" producing goods and services. To defend this conception he takes for a basis a quotation from Lenin, who in The State and Revolution writes: "All society will be a single bureau and a single factory." At the head of this combine will be the "sphere of government," which, in communist society will have for its peculiar task "the administration of things and the direction of the process of production" and which at the same time discharged not only with the planning of the economy but also, aided by the state apparatus, with the government of persons, maintenance of the social order and, in conditions of capitalist encirclement, with the defense of the country. It is the organization of this immense economic unit, constituted on the one hand by a "productive sphere," on the other, by the sphere of services and government," that the balance ought to reflect, of which it should reproduce "the whole complex anatomical structure" and define the relations and proportions. One sees the scope that our author gives to the notion "balance of the national economy" and the reason for this scope: the idea that, in Soviet society, governmental activity is too strictly bound up with economic life for it to be excluded from the balance of the national economy. The contents of this balance is then, identified with the totality of economic activities and activities having connection with economic life; we shall see farther on to what this immense content corresponds concretely.

### What The Balance Should Reflect

To ask oneself what the balance should reflect is to pose a question other than that concerning the content of the balance. The content is the scope of the balance, the activities that should be expressed in it; what the balance should reflect is ~~this or that~~ various relations, various evolutions. According to the structure given to the balance, given the same content, it can reflect very different things.

What the balance should set about to reflect now is the distribution of labor and of the social product among the productive sphere, the sphere of services and the governmental sphere of the economy. Particularly, the balance should reflect the growth of outlays of labor for material and cultural services and the diminution of "outlays for government" in relation to the sum total of outlays and resources of society as a whole.

Beyond this political role, the balance should play a more precisely economic role. It should reflect two processes. On the one hand, the process of accumulation, on the other, the process of transfer of resources and value from one branch of production to another. Accumulation which, in capitalist society, is a factor in overproduction, crises and anarchy, should, in Soviet society, develop in a regular fashion without disturbance, conforming to the needs of production, consumption, and general economic equilibrium; that is why it is of the first importance to find in the balance of the national economy the reflection of this planned accumulation.

On the other hand, ~~xxxx~~ the fact must be kept in mind that the schema of Marx make an abstraction from a series of concrete factors and consist of series of hypotheses, which do not exist in reality, while the national economic balance on the contrary, should reflect reality and should not be too schematic. The national economic balance, even in its most succinct form should contain all the principal categories and subdivisions of the Soviet economy, and indicate in adjoining tables the possibilities of their development.

We have <sup>thus</sup> finished with the different theoretical questions which are at the basis of the conception of the national economic balance as Strumilin has elaborated. We must now describe the schema of this balance and analyze it briefly.

#### The Schema of The National Economic Balance (See Table III)

On the horizontal line, is a division by branches of the Soviet economy, a division which could be extended to the various types of production and even to the principal enterprises. Particularly, agr culture could be divided into ~~xxx~~ 1) sovkhoz, 2) kolkhoz and kolkhoziens' economy, 3) individual sector. In the part of the balance dealing with industry, special place could be reserved for individual artisans.

It should be remarked that Strumilin divides ~~industry~~ not only industry, but also the entire productive sphere, between the two groups I and II, (or A and B, that is to say, production of the means of production and production of the objects of consumption); the relation between these two groups permits an answer to the two questions: are we in the presence of simple or expanded reproduction? In the latter case, what is the rhythm of this expansion?

Concerning the non-productive sphere, Strumilin gives great importance to the division of non-productive services into 1.) social services and 2.) domestic economy; the first designation comprising among others social feeding (restaurants, cooperative restaurants, etc.) and child care; its development at the expense of the second is an index of the development of socialism, of the liberation of woman from domestic slavery.

Here are, among others, the subdivisions which Strumilin gives to the designation "social services:" 1.) socialized economy of housing and communal economy, comprising the organization of communal services and the aggregate of institutions for child care; 2.) all the institutions for the protection of public health; 3.) the academic network of public instruction; 4.) science and art, consisting of all the Academies, scientific research institutes, laboratories, museums, etc.; 5.) all the organizational work of the Party and the professional social organizations. As for the domestic economy, he contents himself with dividing into rural and urban.

On the other hand, in the sphere of government, Strumilin gives great importance to the distinction between two class fictions:

1.) organization for ~~the~~ economic direction, consisting of the organs of planned direction and those of the concrete direction of all the spheres and branches of the national economy;

2.) organs of self defense of the new order: armed forces, administrative and judiciary bodies and other organs of state control

According to Marxist theory in capitalist society, the transfers of ~~product~~ value from one branch of production to another take place either by themselves, through the gathering of capital around spheres of investment or in the stage of monopoly capital, consciously, through enterprises brought together in a single groupement, trust, cartel, etc.; in Soviet society all enterprises are brought under a single authority which plans production and consciously works out the transfers of resources. In order that these transfers ~~are~~ accomplished effectively and consciously, they must find their reflection in the balance of the national economy.

#### The Two Theoretical Points of Departure of The Balance of The National Economy

The contents and the structure of the national economic balance being determined, it must be asked on what basis it should be constructed. Strumilin indicates that the Soviet economists and statisticians, in their attempts to set up a national economic balance, are always guided by the ~~same~~ "schema of reproduction" such as has been established by Marx. He adds that in his opinion the table of <sup>the</sup> production and the redistribution of the "total social product," which has been set up by Marx in the Critique of The Gotha Program, has ~~an~~ great importance, thus the national economic balance will have two theoretical points of departure: Capital and The Critique of the Gotha Program.

Nevertheless "the schema of Marx (in Capital) concerned the capitalist economy and we are dealing with socialism," says Strumilin; but he adds immediately: "This does not at all mean that the schema of Marx are inapplicable to our economy" and he justifies this statement by recalling that Lenin annotating a book of Bukharin, indicates that the equation  $C (II) = V (I) + S(I)$ , keeps its value in the socialist economy. Strumilin thinks that, in the working out of the national economic balance, it is necessary to never to lose sight of this indication of Lenin, for a balance which did not contain these elements would not be able to reveal whether the national economy was following the rhythm of simple production or has entered onto the way of expanded reproduction.

Does this mean that Strumilin would like to apply such Marxian schemes? No, he himself shows that these schemes, elaborated for a capitalist economy take on a new significance on the Soviet economy. Thus, while for Marx C is the symbol of constant capital, V that of the variable capital used in the payment of labor power and S the surplus value going to the bourgeoisie as a result of ~~their~~ unpaid labor of the workers, Strumilin says that in the Soviet economy, C means simply the means of production, V the share of the social product immediately destined for the current consumption of the workers and ~~the~~ S the ~~the~~ share of the social product destined for the ~~the~~ increase of productive forces and for the constitution of various kinds of reserves.

Having made the changes in the elements of the Marxian scheme, Strumilin thinks that they can constitute one of the bases of the national economic balance, but only on two conditions: on the one hand it must be remembered that, accumulation being the end of the capitalist economy, and in view of the fact that services cannot be accumulated, these latter do not enter into the schema of reproduction of capital - in the socialist economy on the other hand, the end being man himself, the production of goods and services should be included in the plan and in the national economic balance.

The development of 1.) in relation to 21) is an index of the development of socialism.

What these classifications consist of will be found in the left-hand column; the author furnishes no clarification and their succinct character shows that we are dealing with a simple sketch; that is why we cannot permit ourselves to comment on these classifications; we shall only indicate that in line with its purpose, thanks to these different classifications the national economic balance ought to allow us to study the evolution of national wealth, the phenomena of production, circulation, amortization, consumption and extension of capital in the course of a year.

Let us indicate over and above this, the meaning of the following terms:

a.) By "transfer of past labor" is meant two things: on the one hand the transfer of ~~xxx xxxxxxxxxx~~ a product from one branch of the economy to another, on the other hand, the feudalization of means of production in the process of production; in the two hypotheses there ~~xxx~~ is, according to Marxist theory, transfer of value, that is to say, of past labor, of "crystallized labor"; in the first case there is transfer of ~~xxx~~ the value of the product itself, which passes from one branch to another, in the second case there is transfer, proportionally to the utilization, of a part of a value of the means of production from this means of production to the product.

b.) The living labor expended in each branch of production is incorporated in the form of value in the production of this branch.

c.) The transfers outside of the plan are those which are due to the difference between the price (of purchase or sale) and the value; thus a branch of production in buying for ten rubles an object worth twenty and which resells for twenty-two after having incorporated two rubles of living labor, has benefited from a transfer of value equivalent to ten rubles; Strumilin opposes this transfer to investments which realize a transfer of value through the intermediary of the financial plan; it is precisely the superiority of the balance of the national economy to bring out movements of value which do not appear in the budget or in the financial plan.

d.) The extension of capital, of funds and reserves, in the different branches of the economy represent simply the accumulation of these branches, that is to say, their extension at the end of the year once all deductions are made: amortizations and transfers of various kinds.

e.) The national revenue consists of the value of production of the year less amortization; Strumilin distinguishes between the branches of the economy in which this national revenue is created and those in which it is consumed.

f.) The national wealth at the end of the year is made up of the national wealth at the end of the year plus the expansion or accumulation taking place during the course of the year; counted in the national wealth are only the products of human labor and not the "national resources" which in Marxist theory have no value themselves although they can have a price in a capitalist economy, for this price is then the capitalization of the surplus value which these "natural resources" allows to extract from the workers