

Capitalism and Socialism, Spufford on Real Communist Economies

As you're reading the selection from Francis Spufford's *Red Plenty* (pp. 205-33), consider the questions below.

1. How did the Soviet economy in the early 1960s determine how much enterprises would produce? How did it determine how much input factors each enterprise received?
2. What is the "method of balances?" What did it balance? How does this compare to how these are balanced in a market economy?
3. What is the effect of the No. 2 line at Solovets being offline? How do planners approach such disruptions and what does this response do to the wider economic plan?
4. When trying to figure out how to adjust to the downing of the No. 2 Solovets line, why does the planner consider consumers "a natural sink for shortages" (p. 223)? What do you think that implies for the lives of ordinary people?
5. Why must there be a "budget of pain?" How much power do planners seem to have in this system and how do you think it compares to the influence of economists in market economies? Does socialist planners' power seem like a problem to you?
6. Why do the Solovets plant managers conspire to sabotage line No. 2? What feature of the socialist system made this problem so "maddening?"
7. How is deception routinized in the 'planning game' played between the Solovets factory and the regional economic council or *sovnarkhoz*? What does it have to do with private knowledge?
8. Why couldn't the Solovets factory go on indefinitely shorting production?