

PETER RUTLAND, *The Myth of the Plan: Lessons of Soviet Planning Experience*. La Salle, Ill.: Open Court, 1985. iii + 286 pp., index. \$26.95.

This book is presented as a general introduction to the political economy of the USSR for readers considering it for the first time. Rutland seeks to place the subject in the context of debates over planning and the market which "rage unabated" among economists in the West, and to enlighten socialists in the West who adhere to the ideal of a planned economy (p. 1). "The myth of the plan" refers to "its claims to rationality and its representation as a path to a desirable future" (p. 247). The author's "basic message . . ." is that the planning approach is strewn with pitfalls and dangers . . ." (p. 2).

Rutland compares the positive features of the market with the negative features of the Soviet economy:

Economic systems where the market is dominant do, of course, face severe problems of their own. But it would be impossible within the confines of one book to offer an analysis and assessment of the rival claims of both plan and market. In this volume we merely select the *positive* features of the market (recognizing that it does have some) and use them to aid in our critique of centrally planned economic systems. (p. 3, author's italics)

. . . [T]he Soviet economy . . . should be examined in detail, and progressive and regressive tendencies laid bare. The present volume concentrates mostly on the negative features of the Soviet economy, on the grounds that the advantages will tend to speak for themselves, while the task of social science is to provide a *critique* of the existing state of affairs. (p. 5, author's italics)

Rutland first examines some ideas about socialism and planning, mostly in the West rather than in the Soviet Union (Chapter 1). Next he reviews elements of the planning vs market debate in the 1930s among Lange, Hayek, and others (Chapter 2). Rutland argues that planning is a form of "embedded utopianism" (Chapter 3). He then traces the emergence of the Soviet planning system during 1917-1930 (Chapter 4), and surveys selected aspects of its contemporary operation, such as priorities, organization, performance indicators, pricing, supply, investment, consumption, labor, and agriculture (Chapter 5). Discussions of problems of coordination and control in the Soviet economy (Chapter 6) and of possibilities for economic reform (Chapter 7) follow. Health, housing, and environmental issues in the USSR are also considered briefly (Chapter 8). Rutland concludes that political, especially organizational and ideological, structures underpin Soviet planning (Chapter 9) and that the command economy must be analyzed as a political phenomenon (Chapter 10).

For his analysis of the Soviet economy, Rutland relies chiefly on secondary sources in the English language. When Soviet sources in the Russian language are cited, the titles are not translated for the benefit of the nonspecialist readers to whom the book is addressed.

Rutland's exposition of technical aspects of the Soviet economy is sometimes imprecise. For example, he does not clarify that official Soviet "national income" statistics refer to net material product (p. 109). "Basic production funds" are defined as "capital," rather than as "fixed assets" (p. 110). "Khozraschet" is rendered as "cost accounting," rather than, say, as "economic accountability" (p. 126). According to Rutland: "Apart from capital, raw materials tended to be treated as 'gifts from God' and were not priced" (p. 127). Also, he characterizes the 1967 reform of industrial producer prices as a "review," and the 1982 revision of these prices as a "reform" (p. 127), although basic pricing principles were changed in 1967 but not in 1982.

There are numerous errors in citations to English-language sources, such as attribution of essays to books in which they did not appear (for instance, on pp. 159 and 210, to books edited by this reviewer) and misspellings of authors' names (for example, on p. 234, Alastair McAuley in note 11 becomes MacAuley in note 12).

Other books offer nonspecialist readers better treatments of the several subjects addressed by Rutland. Such superior alternatives include Gregory and Stuart (1986) for an introduction to the Soviet economy; Lavoie (1985b) on the planning vs market debates of the 1930s; Lavoie (1985a) on contemporary controversies about planning in a capitalist-regulated market economy; and Hare (1985) on the relevance of Soviet experience to proposals for economic planning in Great Britain.

## REFERENCES

- Gregory, Paul R., and Stuart, Robert C., *Soviet Economic Structure and Performance*, 3rd ed. New York: Harper & Row, 1986.
- Hare, Paul, *Planning the British Economy*. London: Macmillan, 1985.
- Lavoie, Don, *National Economic Planning: What Is Left?* Washington, D.C.: Cato Institute, 1985a.
- Lavoie, Don, *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered*. New York: Cambridge Univ. Press, 1985b.

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