
ROUND TABLE

Translated by Tim Ennis

IMPRESSION OF THE SOVIET UNION*

Arturo Fontaine T. y David Gallagher

Enrique Barros:

It has fallen upon me, in the name of the Centre of Public Studies, to chair, if that is the right word, this conversation with Arturo Fontaine Talavera and David Gallagher who have just returned from a fascinating visit to the Soviet Union, invited by the Cato Institute, the Atlas Economic Research Foundation and the Academy of Sciences of the Soviet Union. The format that we are going to follow is the following: we begin with an introduction from Arturo, followed by a commentary and a further contribution from David: afterwards there will be an interchange of opinions between the two. We will follow this with a debate involving the audience and conclude with two short summing-ups from our speakers. I shall now leave you with Arturo Fontaine.

ENRIQUE BARROS. Professor of Law at the University of Chile and columnist for the newspaper *El Mercurio*. On the board of the Centre of Public Studies.

* Edited version of the seminar given on October 22nd 1990 in the Centre for Public Studies.

Arturo Fontaine T.:*

To visit the Soviet Union today means to travel. Because the idea of travelling today has left us: we can be in Arizona or Puerto Montt or Paris or Antigua or Guatemala and we really haven't travelled. That is to say, that we find the same type of room, more or less, in every hotel: the Coca Colas taste the same etc. To travel as we used to, breaking up the co-ordinated and mundane in life, is almost no longer possible nowadays. Travelling, in the sense that Marco Polo did, the type of travelling which provokes travel diaries, just because you had to communicate the experience, as there was no other way of communicating it, has vanished. Travelling has a lot to do with Literature, because it is just these travel diaries, these commentaries on travelling, that originally appear in many great works of literature: The Odyssey, El Quixote, Gulliver's Travels, the journeys that Jules Verne narrated or Michaux, who was maybe the last great traveller.

However we could say: but.....this is not like that. Because journalism is inundating us with information about the Soviet Union: everywhere we are reading what is happening, and the Special Report on National Television, in a series of startling images using sound, also shows us what is really happening in the Soviet Union. Effectively, all that they show us is true. Nevertheless, what is happening is that technological advances have allowed us to expand our hearing and sight, but not our sense of smell or taste. So that although we can see, at this moment, by means of a television, what is happening in GUM, the main store of Moscow, there is no way of smelling what is happening there at that same moment or experience the taste of the soft drinks, that in GUM justify forming a queue.

And I should like to stay for a while on the topic of soft drinks. Pepsi, which has been highly successful in consumer societies, installed itself in the USSR during the Brezhnev era. In a certain way, this was a victory of capitalism, but it deserves other observations. It was a victory of capitalism in the sense that Pepsi, like Coca Cola and other colas, are typically an unnecessary taste: they are the typical superfluous necessities that socialism used to propose to avoid so as to assign resources to basic and indispensable needs. So it happens that after more than 50 years of communist society, there is a demand for Pepsi Cola, and the regime, the hard regime of Brezhnev, accepts the demand and opens the channels with

* Degree in Philosophy from the Universidad de Chile and M.A. and M.Phil. from Columbia University, U.S.A. Professor in the Institute of Political Science of the Catholic University of Santiago. Director of the Centre for Public Studies.

the idea of establishing a make called Pepsi, which apparently is the same as THE Pepsi.

There is a moral defeat of socialism here and an aesthetic one. It is an important defeat, but it is debatable if it is a triumph of capitalism, because, in reality, what is sold there as Pepsi is a debased product, virtually undrinkable for anyone who has drunk a Pepsi before and who approaches it hoping that it will be the same as it is in other countries. This is how it is not only for those of us who come corrupted by consumer societies but also for any Soviet citizen. They are willing to pay many times the value of a Russian Pepsi for a foreign one, which we, from whatever consumer society we come from, would not, that is to say that in Guatemala, for example, we wouldn't change a Coca Cola made in Guatemala for one that was made in France at such an obviously different price.

Immediately, in the Soviet Union, Pepsi becomes a monopoly product. There is no Coca Cola. I should like to point out two more things based on Pepsi: one, is that it indicates the relativity of the signs with which economic development is measured. When we talk about milk and meat we are not always talking about the same thing. So when we say "but the Russians have Pepsi" we are actually saying that they have something that comes in a can which says this, but that bears very little resemblance to what Pepsi represents for us. And something similar happens with the milk, the meat and the fruit. Because the fruit which the Muscovite eats today, which goes under the name "apple", for example, is something that we would not eat under that name. So to compare the life of a communist society with that of a capitalist one you have to be very careful with indicators, because they happen to be very misleading. Frequently we tend to miss the factor of quality of life, which is not a question of quantity, i.e. we end up comparing quantities which are not comparable. The second point is that the history of Pepsi could be a metaphor for what could happen in the USSR under capitalism, that is to say that what is emerging there or will emerge there is a debased version of capitalism, a version that is relatively unpalatable. Although who knows.....

At the heart of this socialist society one encounters an indication of a consumer one, a very peasant - like one and, at times, one that is a grotesque version of the consumer one. One does not encounter the ideals of Marx or the ideals of socialism. You don't find the ideals that are found in literature neither in the art at the start of the revolution or during the period of social realism. The Salvadoran poet Roque Dalton, who was a Marxist and committed to the revolution, was aware of this many years ago. In a satirical poem situated in East Berlin (which I read a long time

ago and which I have not been able to find again amongst my books) a woman defends the virtues of the socialist regime, saying that the fridge that she has is almost as good as the ones that were being sold in West Germany. What I want to say is the following: "the dreams that they have are the same as bourgeois ones: cars, trendy clothes, clothes with a up-market label.....all things that have been created under capitalism. It is these dreams- dreams that are often spurned by the mass of a consumer society- that end up guiding the hands of socialist planners. And here is the paradox, in a way: we have here a society that is constructing a tremendous apparatus of central planning, sometimes with a great deal of effort, just to try and satisfy a quantity of desires that have been piling up in the capitalist world, like Pepsi".

There are, therefore, no aesthetics, no perceivable socialist way of life: we cannot detect any socialist values. If you visit a cell in a monastery of mediaeval monks- I remember this moment when I was in Fiesole- you find aesthetics. The space, the light, the few objects point to an ascetic life, centred on what is necessary, on the minimum. But, at the same time, where the window latch gave off a feeling: where, in some way, the wood of a chair, worked in a simple and functional manner, communicated the style of life that instigated the design. This does not happen in a socialist society. Here, in the austerity, in the poverty and the detachment from material values you don't feel that they have visualised an alternative ideal, but rather that it is a parody, a mimetic and unsuccessful gesture which is incomplete. What most catches the attention are not the economic or political failures, which are visible everywhere: the most surprising thing, the one that really hits you, is the tremendous spiritual failure of socialism as a project.

And so you rebel, you say: this cannot be so, at least it can't be as bad as that, and you begin to ask questions, to investigate. nevertheless, it's a fact that the sons of Professor Kochevrin, who is a distinguished member of the Academy of Sciences, are decked out in French types and show them off with an obvious pride. And it's a fact that Natasha Romanova, our friend, who is a member of the Communist Party, wears a jacket made of Austrian material and tells us that she got it from the Party's office in the institution where she works. And any Russian who is walking down the street about 50 metres away would think that the Kochevrin boys and young Romanova are tourists: the difference is so obvious in the quality of the clothes, the design, the materials and the finished product. For example, nylons on Russian girls' legs do nothing for them in comparison to the nylons on the legs of non-Russian girls, in the same way that using Russian

shampoo means that the hair of Russians is nothing like that of non-Russians. When you approach the guest house that belongs to the Academy of Sciences in the late afternoon, from about 50 metres away you start to hear Madonna or the Lambada. This is because the manager of the hotel rents, off his own bat, rooms for parties. A case of “spontaneous privatisation”. Young people hurl themselves into these improvised discotheques like the young people out of “Grease” and, dressed in black plastic helmets that look like leather, they walk about on the bonnets of the old Ladas that go in and go out, dawdling like condemned men, and kiss the Russian girls dressed in bodices that glitter with gold, like costumes out of a poverty-stricken circus.

But you keep on looking for where the mistake is, which, in a way, is what escapes you. Because it cannot be the case that 70 years of socialist experience has led to this. The search for an egalitarian society responds to a project which has, at bottom, an ethical content. Its destruction has something sorrowful about it. So, you begin to visit the houses and look for values there. What does it matter that the sofas in the living room double as beds for the owners of the apartment. Even if we are talking about a chemical engineer with a lot of prestige who works for an important company, married to a wife who is also a professional....what does it matter: it's normal. Sofa-beds also exist in the West. It's also interesting to be seated there, on the bed of the couple you are visiting: it's a cosy way of welcoming someone. For better or for worse, there's always Pepsi. And, finally, they have milk almost every day, so they tell us, and an abundance of potatoes, which they serve us like good Russians. They also give us rice and bread. We eat at the table which is in the kitchen. The other room is the children's. The meal is tasty: for dessert we have water melon. So, we say, for a lot of people is definitely like this. In spite of the queues and the black market you can still get the basics. You cannot talk about hunger.

Moreover, you remember the successes of the space programme, the chess players, Olympic athletes, the classics that the Russians really read (like Goethe's “Faust”, Dickens’ “Great Expectations” etc. at less than 30 U.S. cents each). They are a cultured people.

During the Brezhnev era, you also had to queue, but not for meat. Now, as you can't find it in supermarkets and the supply is not guaranteed by the channels of distribution via the party or the unions, it is necessary to look for it in the unofficial market where the prices are prohibitive. Previously basic products were less scarce but there was more fear. There was a black market but it was a less general one. The loss of fear, therefore, the product of glasnost and perestroika, has unleashed the forces of the infor-

mal economy. There is a power vacuum. The established institutions are being by-passed and the new ones have still not taken shape.

I was moved going down into the Metro that Stalin constructed. It's much deeper down than any other Metro I know. It's subterranean areas are awe-inspiring, it's illumination is impressive. Bronze statues representing young miners or strong and enthusiastic members of the proletariat next to women who are also strong and healthy, and whose children are the same, smile while exercise inflates their muscles. It's only that the smile is somewhat kitsch.

They exhibit dental work that could be a little too perfect and deceptive. Because a very attractive Russian girl that I saw in a bookshop in Arbat street, where they also sell posters, made the mistake of smiling: she showed one or two false teeth made of steel or something similar. All Russians have bad dental work. A very important economist, about 45 years of age, very involved in present day economic planning, also has 2 or 3 metal teeth.

At this exact moment David Gallagher suffered a violent attack of toothache: so now we had to resort to the advantages of a socialist society. We went into an old Chemist's shop, like something out of a storybook, where there was an infinite variety of similar small bottles, all made of glass with white labels. A type of antique pharmacy. For a derisory sum we bought some painkillers that had an instant effect on David. We left, happy with socialist medicine and saying to ourselves that is what this regime has really supported. However, a few blocks later, the effect wore off and it was necessary to find a dentist. We were eating in the house of some friends and I put the problem to them. David resisted the idea but I was convinced that he had to go and try out the advantages of socialist medicine. Unfortunately the experiment never got very far, because our friends, including one from the Communist Party, pointed out that it would take at least 6 months and that this was normal. Which is why the dentist limits himself to replacing a natural tooth with a false one made of metal.

But you go on investigating and searching for a way to gain access to the mystery which sustains this society. And, in a way, this world opens itself to you and produces, in part, a process of virtual Russification. In time you begin to appreciate the value of certain disciplinary measures. Each one, in his own way, suffers his own experience of partial Russification, of metaphysically asking about the Russian soul.

I actually think to be domesticated can have certain advantages. Once there was a rooster who had to make a decision between being free and vulnerable like a pheasant or being the cock of the hen-house: at a

certain moment he saw that there was an advantage in being domesticated and staying where he was. Discipline attracts because it is a form of protection against chaos, against uncertainty. A type of freedom from responsibilities is produced through a clear sign of authority. Glasnost and perestroika show the dangers of disorder. the magnetism of freedom but, at the same time, the vertigo of a power vacuum and the need for order. A ghost is wandering around the Soviet Union and it's name is Bakunin.

During this process of discovery, I began to value the architecture of Stalin's times. Lenin was a romantic figure. He was like, Simon Bolivar, a myth. The figure who one must really understand in order to understand the Soviet Union is the figure of Stalin. Stalinist architecture has something Gothic about it, something of the old skyscrapers of Chicago, and I began to get interested in it.

One day we were invited to an apartment block on Gorky Avenue that had been constructed in Stalin's time. Its facade seemed to us to be impressive and imposing. But when we entered there were puddles of uncertain colour and a distinct smell of cats. We crossed this hallway that made breathing difficult, went up a long flight of stairs and arrived at a cosy apartment. And it was this that produced a small reflection on the difference that existed between the private space and the communal one of the building. It so happens that they cannot employ anyone to clean the communal space but they can clean their own and the difference between one and the other is very noticeable. That is to say, that when something is entrusted to social care there is undeniable and visible deterioration, which is to be expected as the same would occur in Chile, and it is the same point which is always argued against socialists. They, however, always answer that the change in values, the product of a radical alteration in the production relationship, would throw up a different result. After 70 years of the socialist method of production, after 70 years of socialist education, we cannot see this change in values. This is not an argument against Marx, who stated quite clearly, in his Criticism of the Gotha Programme, that incentives under socialism would not differ too radically from those under a bourgeois society. Marx was confident that this change of values would emerge with a communist society, once the super-development of the forces of production made the power of the state and the structures of class domination superfluous. Marx-unlike other "utopian" socialists- never placed his trust in "re-education" or "educating the consciousness of the masses". But, obviously, what happens, as everyone in Russia knows, is that the level of development of the forces of production is low when compared with the creativity of capitalism and therefore it cannot anticipate the

“jump from the realm of necessity to the realm of freedom of choice”. The method of socialist production looks rather more similar to what Marx called “the Asian production method”. It could arrive at some form of mercantilism or even capitalism but not communism.

We are in Natasha's house after a very welcoming meal. Being close to the Russian soul makes one disposed to ask for favours and to open oneself up much more than usual. Remembering the Natasha of War and Peace, who dances, I wanted this Natasha to dance as well. Besides Russians don't wear shoes inside their apartments and Natasha, if you remember, took off her shoes to dance. There is an additional incentive for Natasha to dance. She is drinking tea, prepared in an electric samovar. We converse animatedly between ourselves but this Natasha is not going to dance. She tells a story about her family, a story which is no dancing matter. It is the story of her grandfather, who, being a Party man, like his wife, found himself implicated for one reason or another in some affair. They arrested him. Six months later his wife received a notification, together with his clothes, that said that her husband had been tried and condemned as an “enemy of the people”. The wife interpreted this as a mistake on the Party's part, but continued being a Communist. And she continued being one, even after her son, Natasha's father, entered Law School at University, and, after a week of classes, had to leave the University as it had been discovered that he was the son of a man who had been condemned as an “enemy of the people”. This lady continues to be a communist up to today. And her grand-daughter is a communist because, through being one, she can live a better life in this society. But she doesn't believe in Marx, or in a centralised economy or in socialism. But she is a communist. At a given moment in the conversation another Russian who is present confronts her: to be a communist has allowed you to have a successful career. That's why you are a communist.

Be that as it may, the fact is that, in one way or the other, the electric samovar, which is, at the end of the day, a samovar, the Russian tea, which is actually Chinese but is being drunk in Russia, and the little pieces of really tasty bread which we dip in the tea, and which remind me of the Madeleine of Proust, start off a certain process that, if it is not remembrance, is similar to it. Because, in a way, at that moment I felt I was there, that I could have been there, and that I really was beginning to be there. After drinking tea from a Russian samovar it is possible to find yourself in a maze of distortions of the imagination. So you allow yourself to be taken into the mysterious Moscow of the 19th century, into buildings worked with plaster. Probably at the same time that Anna and Vronsky are

boarding the train, with Anna certainly still believing that he is going. And the following morning, in St. Petersburg, going under the name of Lenin-grad: and you find that there are no neon lights there, which is marvellous, and there are no skyscrapers either. It is like everything stopped in 1917. The ghostly cape of Gogol's may appear on one of the many bridges of Fontanka, and, arriving at Nevsky Avenue, you are not sure of what you are seeing, if it is you that is seeing these things or Gogol when he wrote: I know that none of these pallid and hierarchical inhabitants of St. Petersburg would change the Nevsky Avenue for all the gold in the world. Nevsky Avenue really is enchanting. The palaces start to appear, Mikhail's one, which is now the Russian Museum, built by Rossi, the Italian architect who left his mark on so many places in this city: the Belosel'sky-Belozersky one, a baroque palace in red, Yusupov's house....and finally the Art Nouveau buildings which are frankly quite extraordinary. The Singer building for example. The difference between the Winter Palace and so many of the other palaces which have been touched up, as though they are made of papier-mache- which is obviously what makes them so mysterious and enchanting- and the art-nouveau buildings is that the latter appear to be real, vigorous and original. And so to the theatre, the Malig theatre, the old theatre or the Kirov, which look marvellous at night. The quality of the opera Eugene Onegin is really extraordinary. Everything is done by people from here, all burdened with Russia's past.

Afterwards you feel tempted to go and see old women kissing icons, kneeling in front of a saint or popes with long hair, similar to father Zosima in the Brothers Karamazov, and mujiks with wooden houses carved like lace. And, after making an effort and bribing people and breaking the law, because they don't give us a visa, we manage to arrive at Vladimir and Suzdal and see the countryside and everything that's there or exists in some form or other. So we say, this is pure nostalgia: in reality, what is there is what I have read about in many Russian novels and I am inserting them into the steppes. In fact it's like that and not like that. What there are, in fact, are video clips of Madonna everywhere, and as there are no programmes on television, the spaces are filled with rock music: what there are queues for buying cigarettes and people with bags who go round putting themselves in the first queue they come across, to buy the first thing they find from grumpy salesmen, or, in the best of cases, indifferent ones who calculate their prices with an abacus.

But there is also this nostalgia, this Russian nostalgia, which is very real. An exhibition of papers and photographs of the last days of the Tzar is packed with people. In it, there is an interview with Gorbachev in which he

says that the murder of the Tzar was a crime. And in a little square off Nevsky Avenue, next to political pamphlets criticising Gorbachev- for being a conservative- and pornographic posters, reproductions, insignia and photographs of the Tzars are being sold. All of this surrounded by the halo which is conferred on all things that are forbidden.

And, let it be said in passing, that the people who look the most surprised at the posters of naked women seem to be the Russian women themselves, wrapped up in their raincoats, who crowd together looking at them with odd expressions of incredulity and amazement, while nervously smiling. Above all what there are, in their thousands, are people like in *Dead Souls*. Chichikov, whom I believe to be the person that most represents the real Russia, plans a business in the book, which, if we have time later, I would like to go back to, because business today in the Soviet Union is probably not too different from the one that Chichikov planned.

David Gallagher

I am also an inveterate reader of Russian novels and I also passed through these ups and downs in my perception. It is a country, as Arturo says, in which you don't really know what you are seeing, you always find yourself facing phenomena that seem to be inexplicable (even though I don't have a language problem as I speak Russian). On numerous occasions I have been in cities where I haven't known the language but where, nevertheless, I have felt completely at home: where I haven't felt this sensation of not understanding what is going on. It is a phenomenon that I will return to later because it has a lot to do with the political and economic decay in which the country is plunged.

In reality, what we witnessed are the symptoms of a growing economic catastrophe. Symptoms like the extraordinary queues to buy basic products, not to speak of the endless queues for luxuries like a Macdonald's hamburger (a company which as you know came to Moscow only a few months ago). The queue to get in and eat a hamburger lasts for an average of from two and a half to three hours, which is really unbelievable. At the same time, and for reasons about which there is a lot of speculation, there is a shortage of bread and tobacco. And this phenomenon of shortages is one of many which the Russians themselves don't understand (and I believe that Gorbachev doesn't understand it completely either). The potato, which basic to the diet of the Russians, has not been harvested well and the harvest of all other vegetables, which should have been carried out between September and the middle of November, has not got higher than some 30%.

There is a catastrophic economic situation and also a political break-up in every sense of the word: political, social and moral. I have the impression that, by now, nobody in the Soviet Union knows what are its relative strengths: nobody knows what is what. Gorbachev himself gives orders that do nothing more than echo around the Kremlin because they rarely issue out of there and nobody implements them anyway. Yeltsin rants against Gorbachev from his stronghold but these are also echoes in the air and probably have no significance or practical effect.

I remember when we passed through a critical era in Chile, during 1983 and 1984, that there was a sensation- Arturo has commented about this a lot- of failing to recognise what was the relative strength of your opponent, that is to say, Jarpa didn't know what was the true strength of Valdes and vice-versa. Now if you can imagine that multiplied to the n degree you have the Soviet Union today.

As for the economy, there is a severe information problem. In the continual fights between economists, there is no question of agreeing over the significance of statistics as nobody believes that any trustworthy statistics exist. It is estimated, for example, that the fiscal deficit is around 25% of GDP, but this is just to begin with as the variance could be from 25 to 50 per cent. In fact nobody knows what the GDP is. I was asked a few days back if the GDP had fallen a lot in the Soviet Union: but the concept of a fall or rise in the GDP actually doesn't exist, because no one has any reliable figures whatever.

In truth, this a society that has applied the practice of double standards for too long. I.e. what you say and what you think, what you do and what you believe have been so split that there is really little notion of the truth. And this, added to an extraordinarily artificial economic system, has given rise to another and very alarming factor of decay: a tremendous corruption. I thought that I could never get to know a country as corrupt as the Soviet Union (where I myself committed dozens of corrupt acts every day). I say this because we witnessed some very remarkable scenes, like the one involving our taxi driver who was stopped by the police for having made illegal turn and who got out of his taxi, smiling away, because he knew that the only thing he had to do (as we found out later) was to give the police fifteen roubles- about a dollar at the market rate- which he did without any pretence of hiding it. And as there is no market, as there is no natural relationship between supply and demand, daily living is full of bottle necks of one type or another which are solved with a bribe. The corruption is, to a certain extent, a spontaneous natural reaction of human beings, and is almost welcome, I would go so far as to say, as a reaction

against an artificial monster created by socialist reasoning. But it has a more serious side, because in this country, where everyone has a double function, where everything is duplicated, every member of the so-called Soviet nomenclature is, at the same time, a member of what are called the “mafias”. The perception of those Russians we were with, and you can call it paranoiac or real, was that, at bottom, the Soviet economy was in the hands of those Mafiosi. And as a description of what was happening in the economy, I remember a newspaper using the memorable phrase “economic cannibalism”. Added to that is the fact that we are present at the disintegration of an empire. I believe that Lenin, and, above all, Stalin, as Arturo has said, prolonged the Empire of the Tzars just at the very moment when those of the Habsburgs and the Ottomans were crumbling and kept it going artificially by a very efficient injection of totalitarianism. But now that's over.

Every day you read in the press about events in the Soviet Union, but I should like to say two things. The first is that in the West, in general, they are happy that the Baltic states, Ukraine and others have regained their legitimate rights as nations. But what is happening is that all this is bringing us many more problems than we had previously imagined. First, one which Gorbachev summarised very well by saying: “I think that the West should be worried by the fact that fifteen republics can emerge out of this, and each one has got nuclear weapons”. In fact, there is a kind of nuclear interrelationship in the USSR which is very remarkable and at this moment the Russians are trying to withdraw missiles which have been placed in areas such as Azerbaijan, Kazakhstan etc. (in Kazakhstan alone there are 300 missiles with nuclear warheads). In the West they are dreaming that these republics can break away and become autonomous, and that afterwards there will be a marvellous Soviet Common Market of independent republics. However these republics are very complicated entities, in part because of Stalin's policy of moving populations about. Kazakhstan is an interesting case: 40% of the population is Cossack, 40% Russian and the remaining 20% is made up of different Muslim groups. Gorbachev made another intelligent comment when he said: who is the craftsman who is going to divide Kazakhstan in a way that every one in the world will be satisfied ?. It so happens that this is a republic which has almost one third of the cultivated land of the USSR and a very important quantity of strategic metals: it also has the principal space station and the main nuclear testing sites of the Soviet Union. Because of military reasons, small villages and towns of Russians were created in Kazakhstan, which are now insisting on autonomy because they see themselves as being surrounded by people who consider them to be menacing foreigners.

Only a few days ago the Financial Times published the news of a small town with a population of 100,000, called Stepnogorsk, which had expressed a desire to be autonomous from any kind of independent republic of Kazakhstan whatsoever. It so happens that Stepnogorsk, for several reasons which are undoubtedly worrying and about which we know nothing, is a town which, up to now, nobody knew existed and when they did find out, which was about 4 or 5 days ago, nobody knew exactly where it was- and still don't.

There is in this country a tendency towards anarchy, towards chaos, towards decay. It is impossible to predict the future, not even tomorrow, and this produces a volatile state in people. We began to live it ourselves at the congress we attended. On one occasion the mayor of Moscow burst into a luncheon to express his indignation as to why the plan for economic liberalisation and the return to the market had not been presented to the Supreme Soviet that morning. He announced that, as a result of this, he would be calling the people out onto the streets of Moscow the following Sunday. Which he most certainly did.

I would like to reflect a little on why this country is in such a state. I will not enlarge on the innumerable texts which theoretically attack central planning, above all in a modern society which is subject to tremendously rapid change, and where, for obvious reasons, no rigid plan has the remotest chance of having the information which is managed in society at its disposal: neither can it be maintained nor can it work, even in the most mediocre way, unless there is a blind faith in it on the part of the population. Probably several had this faith in the first years of the revolution, and afterwards, when faith began to disappear, along came the Terror (because without terror a plan like this cannot be maintained). So- what happens when the Terror finishes and the glasnost of Gorbachev begins ?. It produces a liberalisation and with it the plan starts to be questioned.

The opening up of the glasnost era (with its clarity and transparency) consists of liberty of the press, of expression, of opinion etc. Running jointly with this is perestroika, a restructuring or economic reform devised by an Armenian economist, Abel Aganbegyan, who was also the architect of the plan approved by the Supreme Soviet on the 19th of October past (only 3 days ago).

What did the plan of 1985 consist of ?. I don't think that this has ever been analysed well in the West. In synthesis, it was a mixture of ingredients which were hardly very promising. In the first place Aganbegyan thought that the problem of the Soviet Union was based on industry which was very badly equipped and which therefore needed to be renewed- and he said this very candidly at a conference that we attended.

So they proceeded to re-equip industry- without consulting the market- at an absolutely gigantic cost with Pharaoh- like plans of industrialisation that are nothing more than a repetition of the exercise that Stalin carried out in the 30's. And, at the same time, to keep the people happy, they applied a policy of salaries and incentives, which I would call Peronist or populist. I believe that this populism stems from the fact that Gorbachev is a man who has always wanted to be the good guy in the film: he is the type of political demagogue who likes to be generous. For example, in the plan for perestroika there is an excessive incentive for the construction of housing, the result of which is a kind of forest of enormous cranes that we could see throughout Moscow, next to half finished buildings, and which had to be abandoned because they had run out of resources.

To summarise, perestroika produces an increase in the fiscal cost which was already out of control thanks to the imperial ambitions of Brezhnev. Moreover, the disproportionate costs of the military did not begin to diminish until after 1988, when a relaxation in relations with the West really began. This relaxation or *détente* was due, in my opinion, to the fact that the Soviet Union had no other alternative but to reduce military costs, and, therefore, get out of Afghanistan and make peace with the United States and the West, whose aid was necessary and still is necessary from the point of view of income: i.e. credits. During perestroika (1985-1989/1990) not only did fiscal costs accelerate but also the price of petrol fell and this resulted in a reduction of income from the exportation of crude oil, the most important source of foreign currency for the Soviet Union. And this growing financial imbalance is accompanied and mixed with glasnost; that is to say, everyone could say what they wanted, freedom of the press. Freedom that was, it is true, somewhat relative as the communist Party controlled 85% of the press and there was an enormous shortage of paper in the country, despite their gigantic forests. To control and put limits on the circulation of the opposition press, there was always the familiar excuse of lack of paper. The mixture of populism and liberty proved fatal.

Nobody can understand, including, for certain, Gorbachev, with his limited reading (which is understandable, to a certain extent, given the situation over there) what the prospects can be in a market where freedom of expression has just begun. And glasnost itself has produced tremendous problems. Thus, in May 1990, Gorbachev announced that from the 1st of January 1991 there would be a general rise in prices of all basic products to the tune of 40%. Naturally, on the same day there were huge queues at all the local suppliers in every city of the Soviet Union and everyone hoarded what they could.

To sum up, the Soviet Union is entering a vicious circle of fiscal imbalance and an explosive mixture of expectations and shortages, whose obvious consequences are a progressively deteriorating economy. The political consequences are, I feel, unpredictable. The mayor of Moscow, Gabriel Popov, who was present at our seminar, represented a type of new political alliance which has emerged in the Soviet Union and it is difficult to say if it is going to last or not. According to Popov, the end has arrived of what he called the centre-right alliance, i.e. in Russian terms, the alliance between conservative and moderate Communists. This would now be replaced by a centre-left coalition made up of the more moderate Communists and the Liberals (who are referred to as Leftists in Russia), which would carry out the necessary reforms. The problem is that Popov and Yeltsin, as well as Sobchak, the mayor of Leningrad, are people who were Communists up to 6 months ago and so their credibility is in doubt. To tell the truth, during the time we were in Russia we could not get a single Russian in the street, that is the taxi drivers and others with whom we spoke, to express a good opinion about them for just that reason. They said that they were the same as always and that, at the end of the day, it was only a power struggle with new rhetoric. In a way this is the impression that exists.

I would venture to say that there is a tendency towards anarchy where each individual Russian, especially if he is an intellectual or occupies a position of some importance, has a kind of vision of how to solve his country's problems and the only true solution is his one: each has his own global solution and wants no compromise with anyone. On top of all this and in the background, strange ideologies are emerging, many of them totalitarian ones. From time to time Solzhenitsyn intervenes in the discussions. When we were there he published a kind of manifesto, almost biblical in tone, in which he called for a return to a rural Russia, a Russia of villages, of the values of the earth, launching fierce attacks at the same time on consumerism. And in which he also describes a really complicated electoral system where representatives of small villages or towns only are directly elected. In a country as big as Russia, says Solzhenitsyn, national representatives should not be directly elected since the people don't know them nor can they get to know them.

In the Soviet Union there are an endless number of global ideas, like a kind of maze, with respect to how to solve the country's problems. Some used to talk of a "return" to the market, for which there were various plans: I don't know how authentic that is historically. Last Friday one was finally approved, Gorbachev's, extremely vague, which is not a plan at all.

It was accompanied by another Peronist blow: they were going to set aside a thousand million dollars to supply consumer goods of all kinds to the oil workers who were threatening a massive strike. To summarise, I don't believe that the programme for a return to the market which Gorbachev has introduced will solve anything: it will only delay confronting the problems yet again. Therefore we will have to wait for developments, which are going to get more and more complicated.

Arturo Fontaine T.

I should like to emphasise several things that have sprung into my mind as a result of what David has been talking about. As he illustrated in the case of the cat smells in the building on Gorky Avenue that we visited, and as you can see in practically every vehicle in circulation in the country, it would appear that there is a relationship, known from the past, between property rights and responsibility. It is an indisputable fact, every Russian knows it. People don't take care of the communal in the same way as their own. As I have said, the followers of Marx did not manage to remove that law which he considered to be a suitable law of human development and which subsequent evolution would overcome. Private property is a mechanism to channel the effects of actions so that they fall on whomsoever carries them out. With the absence of private property, responsibilities are dispelled.

The second point has to do with work. As there are no profits, there will always be many more people working in companies than the turnover and output of each unit of production justifies. This means that, at whatever moment, someone can be doing nothing and it's almost not noticeable. Besides that, it's extremely difficult to fire a worker. Therefore there is no work discipline. For example, one day you find that your room has not been done in the hotel. On the second day you lodge a complaint and ask them, please, to do the bathroom and make up the room because the towel is still wet. When all is said and done, the towel in the hotel of the Academy of Sciences is not a towel like ours. It's a word that scarcely applies to the same object. It's a narrow towel like a scarf. In my bathroom there are two in gaudy and uneven colours. One design is of little dogs and looks like it's been made from a piece of a child's bedspread. The other has an abstract design. But at least they were dry before while now they are not. So you complain to the floor manager. I shall add that I have seen the maid sitting down, with her shoes off and her feet up, smoking on the windowsill

in front of the bedroom she has to do and which she has not done, in spite of bribing her with packets of “Marlborough”, which are worth 30 roubles in a country where the average wage is 50 roubles a month. She is probably waiting for more. The reply is that they can't fire the maid. The quickest way to do this, they explained to me, is to have her accused of being “an enemy of the people”, i.e. to take the matter to the KGB. So one can see how the mechanism of political repression is linked to an economic structure which forces one to use the same mechanism of repression. In the end, there is no other efficient mechanism to make people react: they are negative stimulants. The question of the KGB, therefore, is not purely one of ideological madness. The manager, desperate because the lorry doesn't unload materials, suddenly “discovers” that the drivers who are not moving are enemies of the people. And this effectively makes sure that things move. If he didn't have this power, he wouldn't have any. What is happening today, as David has described so very clearly, is that a loss of fear has shown up all these faults. The people look and shout: the emperor has no clothes. In reality, he always was naked: what happened was that there was fear and fear put clothes on the emperor.

One of the discussions which was introduced by mayor Popov, and in which we participated, one of his headaches, is that he has to decide the exact day and hour when all Moscow's heating is turned on. However, the boilers in Moscow are not in the buildings, they are all centralised. They are enormous thermal plants with chimneys which present a serious ecological problem. They have to be turned on at some moment in time: as you know, winter in Moscow is a serious matter. A week more or less of heating has a great political and economic effect. Now, can you imagine how they would decide this in a democracy ? Private life is so tied into public life that the situation becomes unmanageable as far as liberty is concerned.

Something more with respect to the theme of Russification. You journey looking for internal images. And I was told: one of the authors that you have to re-read in order to understand what the Soviet Union is today is Gogol, in spite of the fact that Nabokov, who has been forbidden for such a long time, unleashes real passion. And when I wanted to talk about poetry, about Voznesensky and Yevtushenko, I was answered by quotations from Mandelstam and Brodsky. In particular, Chichikov of *Dead Souls* interested us and Dostoevsky who also seemed to be an author very much present. The great absence, in our perception, was that of Tolstoy although he was the most present in our imagination. I think that the only person who used to wander about St. Petersburg in those days and speak Russian with

Tolstoy's accent was David Gallagher. He also surprised the Russians that I knew. They commented that he must be a Russian aristocrat from the old St. Petersburg that you never heard today. We are actually talking about an accent that was picked up from Russian émigrés in Paris.

Chichikov was a clever, ambitious but mediocre person. What he discovered to make himself rich was a very Russian dodge, very much the product of a country with too much legislation. With legislation there are always censuses, there is a type of GDP, an official figure which is naturally overdue. For this census to function the landowners have to admit to the number of serfs and pay a tax. As there is a backlog (the census is carried out every certain number of years), an enormous amount of deaths accumulate. During this period the landowners have to go on paying the tax because they can't prove that a certain number of the serfs have died. Chichikov offers to buy the dead souls from the landlords, i.e. the registers where all the dead men appear. He takes charge of the tax, which is low, and frees the landlords from a useless burden as the serfs are no longer working for them. And what does he do ? He, naturally enough, obtains credits for this as he appears to be a landlord with a tremendous amount of serfs. This what he figures out for himself, and with this backing thinks that he will make himself a rich man. It is the financial machine which Chichikov finds out about and which finally ends up finding out about him.

Chichikov is a conman, using subterfuge and a legal loophole. The Soviet Union is full of people like Chichikov who are multiplying in the world of an underground economy, which is the opposite to every over-regulated society. In such a case the system of financial transactions is more costly than one of free competition, owing to the risk, the non-definability of rights and resources and the uncertainty which comes with living by deceiving the law, which a bad-tempered Chichikov experienced. Business activity ends up being a travesty, a mutilated version of entrepreneurial activity in the competitive and formalised world market.

Despite all this, in Chichikov's time the existence of private property gave more reality to the economic life of the Russian people. Why ?.

A Russian worker eats bread and cheese without butter, in front of a lousy T.V. set in a bar where there isn't anything more than bread or cheese, while they make the bread and cheese and while it lasts, because there isn't very much of it. And he's sitting there, at a table, with a bottle of champagne. Because it has been decided that champagne is a status symbol in a consumer society and in the old Russia and it's therefore worth having cheap champagne. Therefore Soviet workers drink champagne. How much is a bottle of champagne ?. Nobody knows as there is no means of

knowing. In one of the best corners of Leningrad there is a half- empty greengrocer's shop inside a splendid fin de siècle building. Is it rational for a palace like this to have a greengrocer's inside it ?. At first sight, no; but maybe it is. There is no way of knowing.

This was seen by Von Mises in the 20's. Robert Heilbroner entitled a recent article of his in the New Yorker "Von Mises was right". It so happens that it is impossible to decide on any price within the economy if the price of products is not adjusted by the market. The corner site above does not have a verifiable value. However we also don't know if the greengrocer's sales justify his being there. The same happens with the champagne that the Russian workers drink: nobody knows how much it costs nor who has to pay. Everything operates only through approximations whose reference point, at the last count, is given by the structure of prices in capitalist societies. There is also a parody involved here. Planetary socialism would be chaos. A Rolls Royce could be worth less than a Mackintosh computer.....

This is the general situation regarding economic wealth, a situation which causes, despite the extraordinary wealth of the Soviet Union, general disorder. Because of this it is possible that the quality of the train that takes us from Moscow to St. Petersburg, like Anna and Vronsky, may be excellent. We travel next to some admirals with enormous white berets, the same that go (illegally) for ten dollars on Nevski Avenue. For an instant they are living in a world very similar to ours. We have bought our tickets from Intourist, i.e. at this moment we are not individuals accredited by the Academy of Sciences in Moscow, intellectuals invited as such, but private tourists. There are people who travel in air-conditioned buses, with guides who show them specific places and who receive attention at hotels, which is second or third class American style or even fourth depending on the case. But they form small groups of people who have a more or less assured programme. This is a little like the admirals who live in a protected space. It is the world of so many visitors to the USSR- many of them intellectuals- who haven't had the problem of finding a taxi, of getting about the place, of having to eat. It's a bit like today's world coming to pieces which is a product of the crisis David has described.

The socialist project was fundamentally rhetoric. What continues holding the Soviet Union today is basically rhetoric: a rhetoric that calls for a transition to liberty, to democracy, to capitalism. But this rhetoric is different from the other. The old rhetoric used to unite the Empire, it was the justification for Empire: today's rhetoric questions the point of empire and, because of this, talks of decentralisation and dismemberment. Yet I

would say, in spite of everything, there is hope. But I want to leave this point until the end.

David Gallagher

As Arturo says there is a rhetoric in the air with respect to what has to be done but it is no more than rhetoric, although the intentions behind it are good ones. It is also obvious that certain people are looking for credit. Nevertheless I believe that there is a genuine intent on the part of a Soviet or Russian elite to find a way and this way is called, universally, the way to the market, to the free economy. There isn't anyone, especially in the higher levels of society, among the intellectuals, that doesn't take this for granted. However it is still a way that they look at in abstract or theoretical terms and it seems to me that this is happening in other Central European countries as well. Before going to Moscow I was in Prague attending a seminar on privatisation, where there were three ministers with the same title, a Czech, a Slovak and a Czechoslovak. Each one of them waxed lyrically about privatisation, but you had the feeling that to conceive of the idea, to imagine it, was sufficient. These ministers were not going to worry themselves about the details of the process or about the snags that lay on the way. And, having imagined it, they were almost desirous of passing on to another theme, because privatisation bored them: they had seen it in their imagination and it worked and prospered. You would think that a problem of this type might exist in Czechoslovakia, where there is a government of intellectuals, but the same problem exists in the Soviet Union. In fact the capacity of the Russian politicians for speech-making surprised me. The mayor of Moscow, who was the hero of our seminar, used to appear every minute and exhibit an infinite capacity for speaking which was really enviable, and everything he said was good. He spoke about how he was going to privatise or how they were already privatising business in Moscow, but everyone who walked around Moscow knew that there were no shops that had been privatised. There was a famous case, which was commented on by the Financial Times, of a Georgian who finally got hold of a place to rent in order to establish a co-operative: he managed to get together a range of products at a reasonable price that were both desirable and in demand but, after three or four days, they closed the shop because the district authorities, who no longer belonged to the municipality of Moscow, had discovered that the building in which the shop was located was an historic one, which had to be restored and which therefore could not be used for

anything at all until they had restored it. So all this rhetoric, which is full of good intentions, is paralysed in the implementation of anything because of those authorities operating at a middle level, the apparatchiks of the Russian system.

Arturo says that the Soviet Union, in many aspects, is a very favoured nation. Everyone knows that we are talking about a territory which could probably be the richest on the planet as far as natural resources are concerned (an advantage which many of the countries of Central Europe, like Poland or Czechoslovakia, don't have), and which could therefore have important foreign investment in the mining and forestry sectors and so on. But the pitfalls on the way are really tremendous. Those admirals whom we saw on the train, while Arturo was dreaming about Anna Karenina, fat and prosperous looking admirals, are part of the Russian Left or rather, Russian liberals, called the "military industrial complex", and it is this military industrial complex that, at bottom, dominates Russian society. This is the nomenclature. Certainly there were rumours of a military coup and we also saw a lot of troop movements in Moscow. Not one Russian seemed to understand it. The Ministry of Defence itself couldn't explain it and use to give out explanations that were barely credible: for example that the soldiers were there to help with the potato crop. I don't believe that the army itself represented a danger, but, obviously, they could have a military coup very soon and what I've just said previously could be absolutely refuted by some terrible event that we might read about in the papers later on. It is something difficult to forecast. From time to time we saw the Russian army on the move and they didn't seem very convincing to us. The army is made up of recruits from all the republics so that any one of the divisions could have men from Kazakhstan, Azerbaijan, Georgia and Armenia. How can they make this army march today ?. I think it would be very difficult. The tremendous resistance of the arms industry to change could be worse than that of the Armed Forces. This represents at least 25% or 30% of GDP (even though nobody knows what GDP is and all the figures are fortuitous).

There is an additional problem with nationalism. The way in which Soviet industry was conceived has something to do with what Arturo said about those central heating plants which could be right next to a beautiful church- but which are also useful as people can have heating. It is that Soviet industry is conceived as a series of monopolistic entities which produce a single product: so the only way in which they can function is to have strong commercial links with the republics. In fact the republics move between 30% and 50% of their products within their own country. This is

producing a move towards autarky. Each republic wants to be autonomous: each one is trying to develop its own industrial complex so as to cover its necessities and the last thing that they want is to export a product to another republic, unless it is part of an exchange system- which is now predominant in the Soviet Union-where the other republic gives something in return. One of the effects of the dismantling of the Empire is the breaking-up of the system of monoproducing and monopolistic industries and the enormous shortages which are occurring are, generally, a product of that.

Enrique Barros

We have got a few minutes to have an interchange of ideas with Arturo and David. Do we have any questions?

Question

I should like to know what it is which still keeps a structure as decayed as you have said it is, going ?. Is it inertia from the past or is there a project that visualises the future ?.

David Gallagher

Of course there is a tremendous inertia from the past. I am going to tell you a little anecdote. Having been queuing for a long time, we found ourselves very near to a ticket office where we were going to buy tickets to go into St. Isaac's Cathedral in St. Petersburg (I prefer to call it Petrograd because St. Petersburg is German: the name was changed to Petrograd in 1914 for obvious reasons) when the lady who was giving out the passes inside the office (one of the thousands of Stalinist ladies who dominate Soviet society and who are involved in all the bottlenecks which happen during the day) suddenly decided, 15 minutes before the office was to close, to put up a sign saying "15 minutes rest time". When this was finally ended she said that she was very sorry, but it was five o' clock and she couldn't sell any more tickets. There were roughly 300 people there. I am sure that in most countries there would have been a pretty violent reaction: however the crowd, most of whom were young people, reacted in good humour. So there is an inertia, but it's one of resignation and acceptance. I think that the average Russian has lived really passively up to now.

There are things that could make the Russians rise up but some of them might not be very healthy for the future. For example, nationalism. Also strikes in strategic areas, which is what happened in Poland. I believe that a movement similar to Solidarity is emerging in Russia and that is the reason why Gorbachev is trying to buy off the oil workers. The same thing is happening with the coal workers, in Siberia as well as Ukraine. And there is also the possibility that an strong opposition union movement could emerge: in fact one is already emerging and there have been quite noticeable strikes. nevertheless we must realise that events have moved extremely fast and I think that Gorbachev sowed the seeds of a lot of hope with his perestroika and with glasnost (perhaps that lasted too long). Maybe now Yeltsin and Popov can also sow the seeds of hope in people. But I don't know when the moment will arrive to produce the fall of the USSR, nor who will produce it nor how it is going to happen. It is really very difficult to know. I don't know whether Arturo sees where the dynamism can come from or the force for change.

Arturo Fontaine T.

What I see happening at the moment is the struggle of the nationalities for more autonomy. Political autonomy or independence ?. Where this is leading is difficult to know. Apparently they have not been offered a way out, at least in the short term. The struggle of the nationalities is the consequence of the retirement of the State, of a power vacuum. But many of these nationalities , separated from the empire, could easily fall victim to other powers. It is possible that the Red Army is intending to put a brake on the process of independence. I believe that this does not necessarily indicate a return to central planning and socialism. And with respect to Mikhail Gorbachev, I like him. He has the courage to put an end to this farce at any given moment and begin a process of opening-up. Maybe it was a trifle ingenuous on his part but also he has confidence in the truth. The man put a stop to the comedy. It has been substituted for rhetoric, as I have said before. This is a country that has lived by rhetoric and continues to live by it. But in Gorbachev I definitely feel something more positive. It is the moment when the person who has put up with the comedy, a farce which is becoming more and more untenable, decides to tear off the mask and, recognise that things are bad and say: let's try and straighten things out. There is something that can be rescued here. I think that this is going to go down in history. Now, obviously, it is undergoing a revolutionary process

and it has got out of hand. Today, as David was saying, there is no control. It is difficult to know what forces are still keeping the Soviet Union upright today. This is a country which is changing its name, a country where they are discussing whether they should have one Central Bank or various Central Banks. There is a process of dissolution similar to that suffered by the Roman Empire but much more accelerated. And with the added difficulty that the point of union is an ideology in which absolutely nobody believes. We know of absolutely no one- no intellectual- and we were in an environment where we got to know a lot of Soviet intellectuals- who believed a little in Marx or that they might inherit something from him intellectually. And enormous gatherings, known over there as “the Left”, are shouting for the free market in the streets of Moscow. It is a very unusual situation.

Commentary

I think we have a very interesting picture here, somewhat anecdotal and, to use philosophical slang, phenomenal too and as such I should only like to mention the following: we are talking about a country that today is called the Soviet Union and before that used to be called Russia: we are talking about a country where a system of serfdom that was practically slavery disappeared in 1861 and we are talking about a country that began to emerge in the 13th century, when it freed itself from Tartar oppression, and that little by little, from its base which was the Principality of Moscow and via unbelievable methods, which we could term incomprehensible, succeeded in forming an Empire.

Finally, I have lived for a while in this country and I am afraid to talk in terms of a return to the market. There has never been a market there. Around 1911 a book appeared, entitled “The Development of Capitalism in Russia”, which was very optimistic, because it only spoke about certain focal points for the free market, an enormous amount of mujiks and nothing more. Therefore with this background and collection of anecdotes I believe that we should be able, not so much offer an explanation, because with respect to several of the phenomena it is too early, but at least, focusing on some of the sociological aspects, understand what is happening over there.

Arturo Fontaine T.

It is a point which interests me very much and which we constantly discussed on our trip, both between ourselves and with the Russians that we spoke to: certainly nobody in the Soviet Union today has a theory about

it. Obviously one of the things that you hear about is the question of serfdom. But this system of semi-slavery, a sort of quasi-slavery, also existed in the United States- and slavery itself existed up to a date not that far removed from this one. The answer doesn't appear to lie here. There was incipient capitalism, incomplete, whose traces can be found in the art deco buildings, for example. The Hermitage and the Museum of Pushkin have paintings bought by capitalist Russians, which have made me, for example, totally change what I used to think about Gauguin. I never knew that this Gauguin existed. He is distinct, as far as quality is concerned, to the Gauguin you see in other museums. There are some extraordinary Picassos of that era. People bought art with a great feeling for what they were acquiring. There were the beginnings of capitalism. David can talk more about this than I can. The traces exist. But it didn't manage to install itself. It was destroyed. Why ?. There was a brusque and mutilated process of modernisation. Maybe Marxism, using the rituals of Science and Modernity, concealed a process of ruptures and frustrations, wounds and resentments, whose purpose and reach are unknown to us. Possibly there was a type of disguised regression. Today no one knows where Soviet society is going. Dreams have been smashed into pieces and people, foul-mouthed, surrender themselves to the black market. The plans which are being discussed regarding privatisation are divided because, as David pointed out, there is no will to assume the responsibility for the political costs which this implies. Each plan includes its own reference to the privatisation process but to carry it out is something painful. Some people are going to end up with something while others are not. It is hard and clashes with many interest groups. It is easier to delay it by transforming it into a discussion over plans for privatisation. In spite of all this there are strong forces pushing things in this direction. A spontaneous informal privatisation is coming about. Property rights are being created through the administrative rights of managers. For example, as I explained earlier, the manager of the Academy of Sciences' hotel is renting out rooms for parties himself. Associations are springing up. The legal framework of co-operatives allows them to expand. It is not an ordered process nor a transparent one. On the contrary it is riddled with corruption and abused. It is a fact that public assets are being transferred. It is a development that horrifies those minds that are inclined towards what Pascal described as the "geometrical". Nevertheless, within the socialist system, privatisation is multiplying with the fertility and persistence of an inextinguishable weed. And in this sense I don't see a turning back.

What could still happen is a general anarchy, a civil war, but it's still not clear who will be on opposing sides. Unless it's a fight of nationalities. But even if this were the case, what would be the different factions ?. People are talking of a new authoritarianism, of an eventual dictatorship, either camouflaged or open. It's possible. This opening up of the political scene could fail: it could be closed down. Power vacuums tend to be filled up. In such a case, as Lenin said, we would have taken two steps forward and one back.

Enrique Barros

I should like to make a small observation and express a concern that I have. If we go back to what has been the history of Russia (not that of the Soviet Union) I think that we are going to find that the concentration of power in that country has gone through very noticeable variations: there are periods at which it has been at its lowest, as it seems to be now, when no one appears to be in charge and others in which the concentration of power has been horrifically high. It must be understood that the quantity of power that there is in a society is variable and clearly this seems to be the case in Russia. In no case is it zero. The interesting thing about Russia today is that having lost the ideology what remains is simply brute power. So my concern is - how long can a country exist in a state of anarchy like the one that apparently exists today in the Soviet Union ?. I should like to know David's opinion.

David Gallagher

Certainly there have been alternatives in Russian history. In Lenin-grad we saw a magnificent Russian opera, *Khovantchina* by Mussorgsky, set at the beginning of the reign of Peter the Great, when he was a child and there was absolute anarchy in the country. Mussorgsky was very much criticised when he wrote the opera: the critics objected that there was no plot, that people had no relationships with each other. But Mussorgsky defended it by saying that the opera reflected an era that was just like that-chaotic and anarchic. Afterwards Peter the Great came of age and Russia returned to experience a great concentration of power in the hands of one man whose symbol is St. Petersburg. In the modern age Russians have lived the contradiction of the famous Five Year Plans which are the product

of an unlimited concentration of power, but at the same time artificial, absurd, unattainable and whose goals, for some time, have not been achieved. From this stems the daily uncertainty that nothing has a known value: the rouble, which is nothing more than paper, has even less and because of this is rejected in almost all the financial deals, which has led to an increasing dollar influence in the economy.

What are the prospects ? I believe that the politicians, not without reason, are still not resigned to what they have to do to really convert the economy into a market one (and I prefer to say convert and not go back to, because the economic system in place before the Revolution was a mercantilist one and not a market one). It's a problem of sacrifice. If Stalin had to kill from 10 to 20 million people in the USSR to socialise the economy (and we don't know the exact figures), what could happen with the conversion to a market one. Today, 70% of the Soviet labour force is involved in the manufacturing industry, which, in that heroic era, reflected in the images that Arturo saw in the Metro, seemed to be marvellous. However we know that in the modern world it's unsustainable. What's going to be done with all those people ?. It has been estimated that in East Germany, out of the 8 million people in the labour force, 4 million could be superfluous and will have to be re absorbed. Nevertheless, with all the power that a united Germany has it is obvious that this problem can be confronted. But what happens if there are 40 or 50 million unemployed in the Soviet Union ?. There isn't one country in Central Europe that has faced up to the situation either: Czechoslovakia (a country for which I feel a great admiration, a country capable of producing a city like Prague, which is perhaps the most extraordinarily aesthetically beautiful in Europe) has, incredibly enough, only 20 thousand jobless. What is going to happen when it reaches 200 thousand or 2 million? These pitfalls are tremendous and I really don't know what the solution is.

The great hope of Russia lies in her being a country of enormous natural resources, many of which have not been exploited. Perhaps, instead of privatising the large industries which no one is going to buy, it is better to create a lot of alternative employment. They would have to liberate the obstacles to foreign and private Russian investment. To allow Russians to invest in new projects could also convert a big problem into an advantage. It so happens that in the Soviet Union, especially with the policy of high salaries that Gorbachev has followed, and given the fact that there isn't very much to buy, there is an enormous excess of savings in the economy. It has been estimated that there are more or less 300 thousand million roubles in savings in the State banks and roughly an additional 120 thousand million

“under the mattress”, i.e. in people's houses. Even at the official rate of exchange, which is 80 US cents per rouble, it's a huge amount of money. The instant that the economy is liberated these roubles are going to be thrown at the few products that exist and hyper-inflation will naturally follow. But if opportunities for investment are created (and this requires a courageous recognition that there really is a need for truly private property in the USSR- something that was, unfortunately, missing from Gorbachev's plan of last Friday), this mass of savings will transform itself from a problem into an opportunity and a virtue.

Finally, Russian nationalism itself could be converted into a virtue.

If you yourself suddenly feel an affection for that house with the samovar, which is something I share with Arturo (and I have always had a passion for this country which is why I learned the language), what do you think the Russians themselves feel? It's something- and here I am running the risk of falling into absurd concepts that are uncomfortable either to express or imagine-like a type of call from the earth itself. When I lived in Oxford, in England, I got to know three married couples consisting of English professors married to Russian girls, and they were simply disastrous because the Russians spent all their time crying for Russia. When all is said and done the country that we are describing as being so terrible has a magnificent culture which has produced perhaps the best music of the 20th century and an outstanding body of literature. Certainly the literature of this century is just as good as that of the 19th century. There is a lot of hidden treasure, which has been badly read because it has been read for political reasons. At this moment there is also a remarkable renaissance of Russian painting and plastic art, which has produced such genial personalities as the conceptualist painter Ilya Kabakov, who is now famous internationally. Unfortunately the New York galleries ruin them very quickly: they ask them to modify their art to a market conditioned to art that is coldly professional and the novelty of what they are doing becomes a little lost.

Russia is a tremendously important country and you don't only see this in the neo-classical palaces of Petrograd but also in the churches of Suzdal, and of Vladimir, constructed in the 14th and 13th centuries. It is a country with a very ancient civilisation which is very much its own and very unique. If it were Pushkin or Dostoevsky to be considered as well you would have to say that it is both a unique and universal civilisation. A country which has all this must have at least an interesting future.

Arturo Fontaine T.

In the last war 600 thousand people died of hunger in Leningrad alone. This a people that has been subjected to a level of pain and suffering that is unimaginable, not only recently but since its beginnings, since the wars with the Tartars who devastated and destroyed houses and cities....that was perhaps a war to maintain barbarism. Maybe the Tartars wanted to reduce civilisation, not to conquer, absorb and take advantage of it. Maybe they wanted to eliminate progress and to keep the steppe in ways they knew how to manage. And maybe their attitude was, in part, analogous to the one of the Old Believers in Mussorksky's Khovantchina, which David recalled. On being defeated by the forces of the modernisers, they burned themselves alive in their temple.

This people that has suffered so enormously has a great hope today: that of liberty. I would say that everything that we have described-the bad smell in GUM, the awful Pepsi Cola- all of it is nothing compared to the significance of the jump which has allowed them to be able to express what they think, to head for a multi-party system of government, to go for a more democratic system, to have the feeling that repression is not hanging above them, waiting to grab them, to generate property rights, to make transactions in a thousand different ways, to get round, where they can, the inconveniences of a fraudulent official currency. They have crossed a very difficult ocean and this has given them enormous strength. This is a people which does not want to go back to legendary violence of the Gulag, despite the fact that they are in a situation where it may be difficult to avoid it. They have tremendous moral reserves. They have a very strong and very fundamental love of what they are, as David said. It's not the first time they have been devastated. When Napoleon entered and took Moscow he razed it to the ground. There was apparently nothing left. And yet they rose up. As Kutuzov says in War and Peace, Russia is her army and her army is not in any particular part. It can move and it is moving. The rights developed by spontaneous privatisation, the transactions carried out in the informal economy, these are undermining socialism in the same way as the snow on the Russian highways during winter decimated Napoleon's armies. Kutuzov didn't plan his victory. He let the people and the Russian winter express themselves. He opened the floodgates and waited. That is the energy and the strength that I felt. It can be greater than all calculations, political and geopolitical, economic and financial. Perhaps. Probably. Something great should come out of such pain, out of such a noble dream cut to pieces. □