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AFSN LD3004111190C

DDAT 900426

SLIN Moscow Television Service in Russian 1500 GMT 26 Apr 90

AUTH Gorbachev and other officials to workers at the Uralmash production association in Sverdlovsk on 25 April, and including Gorbachev answering workers' questions -- recorded

SUBS [Addresses by Gorbachev and other officials to workers at the Uralmash production association in Sverdlovsk on 25 April, and including Gorbachev answering workers' questions -- recorded

SUBJ TAKE ALL-- Gorbachev Addresses Uralmash Workers

Full Text Superzone of Message

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[Excerpts] [Gorbachev] I believe that what the Urals are doing and the responsibility resting on the shoulders of the working people of the Urals demand that everything that happens on this soil should always and constantly be within the field of vision of the center, the government, the party Central Committee, the leadership of the country.

What is worrying us? It is the fact that the Urals, which has done, is doing, and will do so much for the country, that this mighty region now is experiencing great distortions and strains in its development. Not only production and economic distortions, but social ones, as well. This already is spilling out into certain moods. The situation is worrying us.

These last few hours of contacts and conversations with the Uralmash people show that the correct information is reaching us. People are confirming what was already known to us, which gives rise to a certain disquiet. All the same, we evidently are getting into a situation in which this region, which has done so much and always has tackled -- on the move, as they say -- enormous state tasks, tasks concerning the whole state: in defense, in the whole economy, in the country's power, has ended up in a position in which many issues concerning people's lives here have been moved aside, as it were. In any case, one evidently can speak of certain deformations having taken place in the development of production forces in the Urals. On the one hand, a mighty cadre and scientific potential has been created, which yet is capable of performing great tasks. On the other hand, there are problems of ecology and social tension because there are great distortions and lags, primarily in the development of the social sphere. What does the center need to do? What do you need to do here? What must be done together? I would like to ask you to talk about this, especially as our meeting and my arrival in your oblast coincide precisely with a very important stage in the development of our economic reform. We have gone through a sort of preparatory stage in that reform and have come to understand the country in which we live. Perhaps we have mainly understood its illnesses, which along with its achievements, undoubtedly exist. We have tried many approaches in the economic sphere, many new methods of management. Some have succeeded, others not. Here and there we have simply miscalculated. Now we have the starting foundations of a legal order and economic experience. We have acquired experience, and have started thinking and talking to each other differently. An environment has come about in which one can get economic reform underway solidly and radically.

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- Therefore talk is important from these positions, too. What is more, I see anxiety. It has appeared both in the press and here. There is also what we are always discussing and want then to put forward for judgement with you the working people, specialists, and scientists and the whole country: the proposals we need to implement now in order for us to embark on sharper changes and more serious turnabouts, to put it bluntly. Misunderstandings and anxiety have arisen here. Primarily, all people have gotten the idea that it is planned to do something to prices, so how we are going to live? In general, it touches precisely upon what we are going to do in order to live better, so that the situation should change for the better. Evidently the people's patience is already at its limit.
- We have conducted two Presidential Councils, joint session of the Presidential Council and the Council of the Federation, and we will assemble somewhere around the 10th. The government will carry out the critical observations and evaluations that have been expressed on the proposals we discussed, all the things I have just been talking about. We will return to that again, and then, as they say, we will go to the people in order to weigh everything up thoroughly. Such a change needs to be made by everybody, together, if we understand each other. You have your own wishes, desires, demands, and judgements here on all aspects of our life, both domestic and foreign policy, on everything that worries you and that you would like either to put forward or to ask directly, in a spirit of openness, truth, and glasnost.
- 7 LD3004111190TAKE1
- [Excerpts] [Uralmash General Director Stroganov] [Passage omitted: problems and barriers in the way of transition to free market] The third thing on which I would like to dwell is taxation, which already is being examined by the government today. To be frank, we have prepared a letter to you and would like to ask you to examine it. What do I want to say in connection with that? I think that the system has not yet been thought out deeply, and I mean taxation as a whole. As for the approach with which we are familiar -- we participated; I was at a meeting with Nikolay Ivanovich Ryzhkov on the transition to a free market, and our specialists participated -- if we put it into practice, then I am not afraid to say, Mikhail Sergeyevich, that it will be the end for machine- building because there simply will not be any money left for develoment, not expanded reproduction, but normal development of the enterprise. In other words, for us to develop normally, to develop normally and to live, it is necessary for us to be left with--I do not want to calculate this percentage precisely today -- but at least no less than 60 percent of our earned profit.
- Gorbachev] I noticed that labor productivity is growing decently at your enterprie. Is this linked with modernization of production, price formation, or with the intensification of labor?
- 10 [Stroganov] Unfortunately with intensification...
- [Gorbachev] When you say that according to your calculations the changeover to the new economic relations could ruin machine-building, which calculations do you have in mind?
- [Stroganov] These calculations have been done on the basis of the planned deductions: 30 percent to the union budget, 25 percent to the republican budget, plus new types of payment for land, electricity, and labor resources. If you add all of this together, then we are left with less than 30 percent. That is to say that nothing remains for forming capital

funds. This is a key question for us.

- [Gorbachev] Tell me, do you compare your output? Is it competitive on the world market? At least, what percentage is competitive? In connection with that, my next question: For your competitive output, what is the difference between union prices and the world prices at which this output is sold?
- [Stronganov] By way of example, I will say that our quarry excavator is absolutely competitive with foreign machines of the same class. We supply this equipment to Soviet customers for 190,000 Rubles. There has never been an instance when we sold an excavator abroad for less than R600,000.
- [Chebotarev] I am Yuiry Fedorovich Chebotarev, chief of the social and cultural service directorate of the Uralmash works. I would like to say a few words, specifically, on the subject of consumer services. [passagee omitted: covered by referent item]
- 16 [Gorbachev] How much housing do you have and what is the subsidy for maintaining it?
- 17 [Chebotarev] The subsidy from the works is almost R7 million.
- 18 [Gorbachev] Obviously many people would agree to take apartments as their own property?
- 19 [Chebotarev] There is such an initiative, but the right to carry out such a transferral has not yet been given to the local soviets.
- 20 [Gorbachev] But this concrns your housing, it is departmental.
- 21 [Chebotarev] Departmental; yes, it is departmental, but there are many complicated issues here.
- [Gorbachev] But this is a matter of handing them over for free. The apartments are received; people live according to the norm. We are not talking about those who are waiting. Their situation, of course, must be improved, but those whose housing corresponds to the norms should have it given to them as their own property, for free. Let them amaintain their apartments themselves and pay for it themselves. For comrades, when we say that rents here are low, this is an artificial approach. They reduced wages, and at the expense of this they made housing cheap.
- Naturally, this does not concern people in need, people of little means. The state is bound to take care of them, but as far as the basic mass is concerned, it is possible to act in this way. However, when someone realises that it is his own apartment, he will maintain it in a different way, and the housing stock will be in a completely different condition, especially our entrances.
- 24 Look at what the West has done!, There wages decide everything.
- 25 LD3004111690TAKE2
- 26 [Excerpts] [Gorbachev continues] Public stock is very small. On the whole, people live on their wages. They get, say, \$2,000 and immediately 30 percent goes on housing and 11 percent on taxes. Forty-odd percent of their earnings have gone already.
- We are used to this or that being free, and people do not see their wages anyway. Now, if they were to receive them in full and pay for everything themselves, then it would be a completely different matter.
- Apart from this, what does receiving housing as property mean? It means that people have received property: One person, two, or many. That is how market relations appear in society. So far, this does not exist here, but the question probably must be considered properly.
- 29 [A.A. Tokminov, leader of Uralmash's mixed-skill team] workers' initiative and their labor vigor and fervor have declined significantly here

- recently, Mikhail Sergeyevich. [passage omitted: covered in referent item]
- People somehow need to be taught to work well, to earn well, and to live well. If we teach any person, not just the producer, but the worker, the designer, and the technologist, they all will do their work.
- 31 [Gorbachev] If we forget how to work, or to put it the other way round, do not learn how to work even better, nothing will happen. You might have the most brilliant rallies and even, let me tell you, the very best laws I do not think we already have ideal laws, but assume that we do but it will all be left hanging if it does not come through the person and his labor.
- 32 [Tokminov] [passage indistinct]
- [Gorbachev] This is the first thing I support very much. I believe that 33 all the good things that have been accumulated to stimulate human labor -both moral and material stimuli -- must be used, while adding new ones to them -- I do not want to talk about this now -- through new provisions, so to speak, to enable the person to have a real influence on all matters. We have been throttled by egalitarianism [uravnikovka]. If we do not properly value the labor of the worker, the collective farm worker, the teacher, the doctor and the engineer, but keep on assessing it according to the scale and the rate, we will not move forward. I have been told of cases in which surgeons, for instance, cannot carry out an important operation without high-grade nurses, but a surgeon does not possess any rights to encourage a specialist who, in his opinion, is worthy of a professor's wage. So what happens? Such a nurse leaves the team and the whole cycle of complex operations falls apart. There is a similar picture everywhere.
- In science, too, remuneration is according to rank and degree: seniors, juniors, and scientific assistants. However, the contribution to the common cause over a year, over the last five years, which a man has contributed, hardly bothers anyone. But if his work was noticed because, according to the contract, some amount was received thanks to this, then in any case it was divided equally.
- 35 We are faced with the problem of stimulating the labor of our top scientists. First, conditions must be created for them, so they all have the necessary apparatus and are armed, so to speak, with appliance to realise their potential. Second, in general, we must, accept the appropriate expenditure in this case. Once, in Stalin's time, a practice dragged on for a long time -- and we have not gotten away from it yet -for developing, for solving the task of the atom bomb. The leading academicians were given property from the state forever, in order to solve that task, to say nothing of other matters. In other words, we must, in general....[changes thought] There is a task. The collective has made a decision; it must be stimulated. One hundred or 200 must be given over, and not counted. Really, R300 have been counted, and that is all. Or 200, and that gets you nowhere. What then? What will happen then, in general, to the smaller number and better quality? After all, who can do it better and produce more? It is the person who is capable of providing quality. That is talent, his own talent. I do not know; this has to be thought about without waiting for any reforms. I wanted to support you completely.
- 36 [Workshop chief Tobolov) [passage omitted: Calls for an end to the election of managers]

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- [Foundry worker V.F. Boyankin] [passage omitted: General complaints about waste] This used to be a purely male profession. People asked why there were no women, but men do not come here now; the pay is low. This is at hot furnaces you have seen what sort of furnaces we have; they are not Russian furnaces; they take a load of 300 to 500 tonnes it is not something to be done by women.
- 38 [Gorbachev] In general, the situation of women, above all, is an indicator of the fact that our society needs changes. Let us acknowledge this honestly. Take just the USSR Presidential Council: There are no women.
- 39 LD3004111790TAKE3
- [Excerpts[[Gorbachev continues] Take the other leading bodies: It is the same dismal picture. On the other hand, they are working in places where there should not be any women at all; In hot workshops. So comrades, we can look at any issue and we will see that here, in this matter, all the work still lies head of us.
- If you have no objections, I will answer your questions and say something. Right. [video shows Gorbachev and officials on a platform; Gorbachev and subsequent speakers take the rostrum in turn, with Gorbachev interrupting rostrum, speakers from his position on the platform; then Gorbachev leaving the platform and mounting the rostrum, from which his subsequent remarks are addressed]
- The first thing I have felt in my dealings with the people of the Urals—until now I knew about it only from reports—is that the people here have endured much and are enduring much, and they are reliable and strong, but that much anxiety and alarm has appeared, even among these people. This also has begun to reach us: precisely, an understanding of the meaning of the Urals for us, and within the Urals, of Sverdlovsk Oblast, which probably shares second or third place in terms of its potential, probably behind Leningrad. All the same...
- 43 [Unidentified speaker from out of shot, interrupting] Ahead!
- [Gorbachev] Ahead, eh? Well, that means you have achieved second place. This confirms even more the thought of what role and contribution are made both by the Urals as a whole--that mighty industrial area of our country and major region in the scientific field and in all other respects--and within it, by Sverdlovsk Oblast and the working people of this oblast, where--if you leave out the northern parts, so to speak, and the forests--huge masses of people are concentrated who are dealing with great tasks for our country, on the defense, economic, and scientific planes. All this, taken together -- both the role played by the people of Sverdlovsk, this region of yours, and its labor collectives, and the anxieties and concern that have begun reaching us from here--have brought me here to you, although I have long had this desire. I even believe that it was, strictly speaking, a considerable omission of mine, and I am very glad that I am making up for it. I think that both the president and general secretary of the CPSU Central Committee, as well as other members of the Soviet leadership probably need to pay more attention to the Urals.
- That was the first thing. I have felt that, in general, people are not losing heart, but they have already said a lot. This conference has supplemented even further what was said directly in my meeting there, in the course of lively contacts with workers, the working people of Uralmash. I understand all that, comrades, and I want to say right away that it is all of very great importance for me because we have approached a stage in the development of the country and the development of

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perestroyka itself—that policy aimed at the renewal of our society—in which we have to take political and socioeconomic decisions that are very important for the destiny of the country. What people are thinking, how they are reflecting on the subject of perestroyka, how they assess the situation, what they think has to be done urgently, and what proposals they have on this point all are very important for me now. You understand that, of course, I have my own position and my own convictions. I might say a little about them. At the same time, throughout all the years of my life and work, I have professed style, apart from what you think, any decision, any matter, must be compared with and checked against the opinions and judgements of people, the working people. This is all of great importance because it is precisely this that is perhaps a most important condition for both elaborating a correct policy, and managing with fewer losses and mistakes.

- After all, comrades, through perestroyka and what we have been doing in recent years we are heading for new forms of life in the economy, the organisation of social life, the political process, democracy, and our federation. We are heading for the forms that then will determine how or society will live in subsequent decades.—therefore, it is the greatest responsibility, the greatest responsibility. If we say that as early as that turnabout, when we started prestroyka, we saw our society and its history in one light. Then when we got into it more deeply, and began considering and studying what sort of society we are actually living in, what we had managed to do, what kind of problems had arisen to confront us, what we had come up against, why we started shifting from one foot to the other and had, in essence, stood still in our society's movement, we realised that minor repairs alone, painting and a change of wallpapers, would not do, comrades. That would not do. The matter was very serious with regard to the economy, the federation, the party, the soviets, and everything, culture and the whole spiritual sphere. Everything required very, very serious changes. The aim of all these changes is, all the same, to ennoble society and create an environment and living conditions for people--from the material, cultural, and spiritual point of view--which enables a person to feel normal. It would seem a simple task for a person to feel normal and confidente. So, ir order to reach our goal through him, we have to reject much, and above all, put our brains in order to overcome the confusion that has arisen here on the basis of our attempt to grasp where we have ended up and what has to be done, to understand each other, to consolidate, and having made our choice, to proceed courageously because it is not so simple to cross that road to changes.
- 47 LD3004112290TAKE4
- [Excerpts] So we now have approached the stage of adopting very major decisions. Therefore, I decided to come to you, knowing the human, intellectual, scientific, and cultural potential of people living here, in this region. This consultation is very important for me. Thank you for the meeting you have given me. I value it very highly. I regard it as support, and I will say right away that there have been very pointed statements in the course of these conversations, and there also have been very pointed statements at this conference regarding perestroyka, the policy of perestroyka, and the activity of the center. For the most part, I understand these critical observations as an attempt by people to draw attention to things, to insure that the leadership does not commit any

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serious oversights or omissions, and keeps those matters in mind. That is how I understand it. For this, I express appreciation in a party-minded fashion. I will tell you directly that we did not manage without demagogy in some conversations. There was that, too. Well, such is our reality Demagogues also make use of democracy, perhaps even more strongly, more often, and to a greater extent than we do. However, it should be the other way around. Everything sensible and responsible in our society should make use of this glasnost and democracy that have opened up to take power into their hands in a real way and to participate in the whole process of elaborating policy and of changing and restructuring our lives. In this spirit, I want to reply to the question that was raised in the conversation and is also here in these notes, [points to written questions on lectern before him] I will begin with how the party, the country's leadership, and I personally, as president and general secretary, view the role of the working class at this very important, historic stage in our society's development. Comrades, the party will not be able to achieve the implementation of its policy, to continue its life successfully and to march in the vanguard of changes unless it bases itself on the working class. I view with great alarm the note that comrades have sent -- I think it is, precisely, the head of the foundry -- saying that twelve workers submitted their resignations from the party today. That worries me greatly because ultimately, it is at this very time that we need the active involvement, firmness, resolution, and support of the working class in everything the party is unfolding. I am very disinclined to view this in the following way: somehow, just to think, that is the way the times are now; some come, others go. I would ask both the works party committee and simply, party and works comrades to meet the comrades, have a comradely talk, and understand each other over what it is about. As a rule, probably, these conversations will end with understanding being found.

The country's present leadership — the president, the government, and the Supreme Soviet — hopes for an active contribution to everything. Not just at the lathe, although certainly at the lathe, too. Here I agree with the comrades who say — and as the last of them asked — when are we going to finish with the rallies and with the discussions, and when are we going to work harder, more vigorously, and more productively? Presumably we all of us already realize that the discussions will probably continue, but the center of attention ought to be switched to implementing policy — both as regards the economy, social reforms, the party itself, and so on and so forth.

51 LD3004114890TAKE5

52 [Excerpts] [Gorbachev continues] In all of this we are relying on the support of the working class. How has it come about? I believe that the Party bears responsibility for this, and perhaps the resignation of certain working class comrades from the Party is an expression of their dissatisfaction over the Party's work from the viewpoint of the support of the working class, and in the sense of its active involvement in all the transformational processes. All the same, it is not normal that in the elections, both the USSR People's Deputies and deputies for the Russian Federation, or even to the local soviets, all categories of workers were very hard pressed. I believe, comrades, and I shall tell you straight, that the soviets will lose out as a result of this. In order to prevent this, the soviets ought to think things through and set up consultative

bodies to be attached to every soviet without fail. The most prominent and vigorous workers, workers who are committed to our cause of renewal, should join these in order to ensure that the elected soviet and the commissions under then are in permanent contact with the working class. That is the first thing. The second point is that they should report back to the workforces and labor collective on what they have done.

I shall tell you frankly that without this link between the newly created 53 bodies, the soviets will not function properly. The workers will not be happy. They must know everything that is going on, and what decisions are made. We need to introduce this correction factor. That is my first

point.

- The second thing is that we must think things through. Comrades have 54 asked the question: What sort of election campaign was it that introduced great chaos and which resulted in many people simply refusing to go and take part in the election campaign. Some of them -- workers -- pulled out. Even once they had been nominated, they refused to participate in the contest because it was proceeding in a form, in a manner that unsettled them. Well, I must say that we cannot simply disregard this. We must think about the entire response we have elicited with an eye to the future in order to introduce correctives. Lessons must be learned from this election campaign. Lessons must be learned. We cannot allow the soviets -- which to some extent have, I would say, been deprived of the genuine representation of the working call and the peasantry -- to become cut off from real life and the real concerns of people. We must ensure that they are in constant touch with the working people via the electoral constituencies and consultative machinery. This must be done, and we must act in this fashion.
- And so, in answering the question of how I regard the role of the working 55 class at the present time -- an important time, I repeat -- my main thesis is that of the working class stands aloof from these processes, or at any rate does not take a particularly vigorous stance, then I shall tell you here and now that perestroyka will lose out. Lose out. We will be left marking time. I want us to understand this. There are still great opportunities to take part in tackling all these issues. The Party, the trade unions, the councils of labor collectives, all these mechanisms must be utilized in such a way that the working class exerts its influence on all that is going on just now.
- Now I want to answer a number of questions, because they may just cover 56 much of what I was going to talk about later. Two years ago in the country, a resolution of the Council of Ministers and the Central Committee was adopted on the development of private housing construction. At the present moment we have people willing to build housing for themselves under any conditions, but for the past year and a half the initiative group has been coming up against the problems of land allocation. You cannot build on farmland in accordance with a resolution of the Council of Ministers, you cannot build on forest land, because the State Committee for Nature Protection does not permit it. Where can housing be built? Now we must think it over; we need a different housing

First, different cities. So the old ones must also be used and rationally 57 reconstructed. But now it is necessary above all to build. Second, we must lift the restrictions on cooperative and private housing construction, and we must open up every opportunity, provide opportunities

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to make use of loans, building materials, and so on and so forth. I consider this to be such an important question that the comrades are raising — I am replying to a question that was asked of me: Mikhail Sergeyevich, did I believe that by the year 2000 we would fulfill the very task that we had set. If we work as we worked in 1989 and we started to lower the scales and rates of growth of housing construction, then I will tell you plainly that we will not fulfill the plan. However, if we step it up as we started to in 1987, and 1988 especially, and we develop housing construction using all sources, all forms of housing construction, bringing in people's own funds, too, going half way to help with loans, with enterprises, then we will develop initiative, and we could considerably expand the scales and solve the housing problem more quickly. I consider that we must at this stage think things over and get going. Resources must be diverted.

58 LD3004115590TAKE6

- 59 [Excerpts] [Gorbachev continues] Resources should be diversified, and in connection with this our investment policy should be reviewed. There is now a real possibility to really speed up housing construction using people's initiative and drive. Therefore, I have been pondering over a proposal on this account -- I even have already spoken about it -- and in the near future I want, as president, to put forward my ideas for the country -- and to instruct by decree -- in order to continue work aimed at expanding housing construction on a broader scale and using new approaches. I would not like to go into details now. You will learn about that, but I would support and I ask the local bodies of power to examine this issue from the point of view of allocating land for individual housing construction. Ways should be found, comrades, and assistance given. Countries build in different conditions and find such plots of land. Similarly, land should be allocated for gardens and orchards, so that people may grow all they need for themselves. This has significance both in terms purely of food production and in social and educational terms. Man who lives on land and is in touch with land and nature is a totally different man. Next question: Mikhail Sergeyevich, in the spirit of openness, allow me to express the view that the open letter of the CPSU Central Committee on consolidation on a fundamental basis is, in my view, contrary to the fundamental basis set out in your talk on Lenin. To me as a rank- and-file party member, your basis is closer. Knowing your style well enough, thanks to the media, it was to my liking that you personally did not take part. [Gorbachev corrects himself] it seemed to me that you personally did not take part in drawing up the letter. What can you say about this?
- Well, if I am to answer only the last question about whether or not I took part, I can say that I did take part. But this, perhaps, is not enough. I think, comrades, we have to regard the letter as concern coming from the party organization. Simply, communists alarm and disturb us very much every day. We have received letters from you, including I think some letters from the urals, and from the party conference at the Uralmashzavod, which contained definite demands. That is right. In other words, a good deal of worry about the party emanates from conferences and meetings of communists, concern about preparing the congress in a defined way so that the congress can cope with the tasks facing it, both from the point of view of the purposes of restructuring and from the point of view of strengthening and enhancing the vanguard role of our Party in this

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restructuring. In other words, the question is that we should more speedily reform our party along the lines of democratization and by opening up all the possibilities and forms enabling rank-and-file communists to participate in all processes of Party life.

- 61 We have taken this onboard and have tried as far as possible to give it expression in the platform and in the draft rules. Perhaps we should have worked on them a bit more, but we published them so that Communists could discuss them, so that they could gather material and critical remarks in time for the congress and come to it with good, necessary documents that would strengthen our party and give it another aspect, and so that communists might feel like masters of their own party. If you take the platform or the party rules, then the main idea is that a Communist should feel that he is in charge within his primary party organization, in his rayon party organisation, and in the Party generally. Therein lies the role of the primary party organization: to allow communists to select their own delegates, and in this way to exert influence on what the congresses decide. We embarked upon this even without changing the rules; we took it to the Central Committee where it was adopted -- district by district, from the primary organizations. We opted to support the desire of Communists to elect their leaders directly -- people they know, rather than electing 20 or 30 people and then finding that the secretary is someone else, and not the person expected by the communists. Decide at your assemblies; decide at your conference on a multi-candidate basis; decide at the congress, when all is said and done. That is the way we phrased it; on a multi-candidate basis, directly. Let the delegates arrive at the congress straight from their constituencies and elect the main party leadership. We want to uphold this idea. It could be that not everything will work out. It could be that we are not quite ready for everything. As the saying goes, there is something here to grasp hold of and to say. Comrades, we must see this through; we must build up our experience; we may come down with some illness; but we have gone in the right direction and taken the correct line.
- 62 LD3004122990TAKE7
- [Excerpts] [Gorbachev continues] Following on from this, we invited people to submit alternative points of view and platforms. We want this: we want dissent, we want a contrast in viewpoints. We encourage this. The Democratic Platform -- we published it and started discussing it. Then the platform of a Marxist party appeared -- a Marxist platform. We took it on board it and published it. Now, comrade communists, discuss it! But against that -- and this is why we had to write that letter -communists are worried that instead of discussing views and going to the congress with some sort of [Gorbachev changes thought] Instead of consolidating and coming along with progressive and far-reaching documents, instead of that, practical work has begun to split the party. To split it. This is not a struggle between opinions, nor a comparison of viewpoints, nor a search for the truth, nor the consolidation of the party, all of which are important. This is already an attempt to split the party in the run-up to the congress- - or perhaps at the congress itself. At this important, indeed crucial stage in the development of the country, the state and society, we cannot expose a force like the Communist Party to attack. There, this is only directed against the splitters and not those who think, who criticize the platform and the draft statutes. When the letter was discussed, we asked what it was they

were criticizing? I myself, the Politburo and the members of the Central Committee raised the question. Incidentally, we sent all Central Committee members a draft of the letter -- all members of the Central Committee and first secretaries. They took part and expressed their thoughts; and a question arose there: What's this, if they criticize the platform or the draft statutes, does it mean that that a comrade or comrades must be excluded from the Party? In that case the first one we must exclude is comrade Prokofiyev, secretary of the Moscow City Party Committee, who expressed very critical and serious remarks on the draft platform at a recent meeting of the Politburo. No, this is not what it is about. It is about those who are creating groups, creating factions, creating intra-discipline, and pushing to break up...[Gorbachev changes thought] The party cannot fulfil the role of a vanguard in the present responsible stage if it is drawn into this struggle or into factions. Therefore, whoever does not like our principles and aims should leave. That's one choice; and they won't be treated as an enemy of the people or put in prison. It is a political shake-up, a political shake-up of those who have embarked on a splittist path; (?it is also) a consolidation of all forces. It also includes those within the ranks of the Democratic Platform who both compare, ponder, and defend. It also includes those who have proposed, so to speak, a Marxist platform. People are pondering. Something is bothering both groups. So let's compare all of these points of view. Let's proceed so that our Congress fulfils its task.

- What do you think? What level of work quality can one expect from a kindergarten teacher if his workload is such-and-such and his wage is such-and-such? Well, I accept that question. Much that is convincing has been said here. We need to think.
- 65 I have talked about the working class. I was just referring to a particular note.
- 66 Do you know that the composition of the Presidential Council has not met with approval among a significant part of the population? I don't know, and also I'm not convinced that comrade Zhenin, who said to me that the Presidential Council has not met with approval among a significant part of the population, himself knows, and I would advise that conslusions on this should be made with very great care, conclusions to the effect that somebody in our country knows everything. We've got used to the people consider, the people think, the people condemn, the people. Let's start using these categories more carefully. These references to the people: The people will say what they think. In the final analysis they will express their decisive word. When it is necessary they will always have their say. Therefore one must not talk about the people in this way. As for approaches to the Presidential Council, a certain part is, as it were, formed according to the post principle. This is a Presidential Council with political functions. Incidentally, it is a council. It is a collegium. It is not a deciding body. It advises in order to help; it advises and works through questions for the president.
- 67 LD3004133990TAKE8
- [Excerpts] [Gorbachev continues] Incidentally the Presidential Council has not yet finished being formed. I think that one or two major economic planners should be on it. We have agricultural experts on it but there is no economic planner on the industrialists' side. The working class is representated by comrade Yarin. He has proved himself already. He is a man of firm convictions, fairly adherent, so to speak, to socialist

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He stands firmly on positions of the working class and has sufficient strength of character to speak the truth to everyone -- which is very important -- and to convey the workers' mood to the Presidential Council. He has broad contacts so he was included in it. As for the others like Nikolay Ivanovich, that is obvious; the minister of foreign affairs and of defense, I think that is understandable, there is no need to justify that. Our science is represented and natural sciences are also represented, as is economic science. Russia's representative is Comrade Rasputin from the creative intelligentsia, and Comrade Aytmatov is representative to our multi-ethnic country. I must say that the last few sessions which have been held attained huge satisfaction from the participation of these people. There is very much that they can say that is useful. So, I, comrades, believe from the first sessions that the collegium can justify the hopes of the president, and I have had no disappointments so far. We shall not hasten, life will show. But much will depend on the president, too, on where he turns.

69

The government's economic measures which are to be taken in the immediate future contradict the assurances of the chairman of the Council of Ministers at the second congress. Why is this? Yes, this is the second question. Well, I have already touched on this with you, I think. I have tried in the conversations during my visits to the workshops to tell the comrades and answer this question, and here we have already touched on the subject. Comrades, we are really approaching a very important stage in the development of economic reform. As proposed by the government in its program in the fall, you will remember it contains a pre-market stage, so to speak, on the creation and improvement of the market, the improvement of the financial system, and the implementation of measures in monetary circulation. All this has to be implemented. Well, we can see that the four months since have shown that the measures which we wanted for 1992 and 1998 have to be brought forward. The economy, perhaps, cannot hold out until then. It will collapse. So I would say this is not a denial and we are not repudiating the program. We see that adjustments have to be made to the program and the schedules have to be tightened. We have to make the transition more quickly. We have given up the commandadministrative methods but we have not replaced them with the economic methods yet and we have to put this whole system of measures into action as soon as possible, which means we must get moving.

That means we must move in a responsible way toward a market economy, toward the mechanism of a market economy, toward new approaches to price formation, toward the whole package connected with a market economy. We must work through many issues and decide our next moves for both the remaining months of this year and for 1991 onward. These will be very important moves. We shall certainly publish them and have a nationwide discussion on them, and after obtaining general agreement, so to say -- at least that of the majority of our people -- we shall launch them. They will be measures providing for both radicalization and intensification, but at the same time safety mechanisms will be included: fixed prices for a number of the most important goods, so that, in particular, things affecting people's lives should not collapse, and so that the market should not worsen things yet further for us. There will be measures for protection, for compensation, and so on and so forth. In other words, people must know this for certain: As we said, we shall discuss these questions when we approach that stage, and when we have to engage in price

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formation and everything else.

71 LD3004140490TAKE9

72 [Excerpts] [Gorbachev continues] We shall discuss these questions.

There was a question here from -- I'm sorry, I don't rermember the surname 73 -- but a foreman-mentor [man shouts name from crowd]. Yes, comrade (?Boyavkin); he said: Mikhail Sergeyevich, you said -- I understand that people follow what the leadership of the country say -- that we shall not change prices, but that prices change. Comrades, if you remember, and you [Gorbachev changes thought] We shall not touch them for two years and so on; we always say that we shall not have a price reform, and we have not had one. We have done it via the law, through contract prices, at the enterprises, through stimulating new goods, we embarked on [word indistinct], on all those supplementary payments, just as you do, for quality and for new output, and this process is still going on. It is still going on. But we have not implemented such a large-scale and complex reform. We are now approaching this; wholesale, procurement, and retail ones. All of this will be fully considered, and we shall start to take counsel with you: How to act in these conditions and what mechanisms we need so that social protection may be assured. So we shall...[Gorbachev changes thought] In my opinion, on the level of principle, we are keeping our word and we remember what we said.

74 I have tried to answer in brief.

75 Third. Possible alternatives in the development of events in Lithuania. We still hope that by using measures, even severe ones, we shall arrive at a political solution to this problem. We are committed to this.

- But we have come up against I have to say this both before you and before the country we have come up against a leadership that is inclined to adventurism and separatism. That has to be said bluntly. It is speculating on democracy and our adherence to political solutions for all questions that have come to a head. Listen: How do we resolve the simplest of questions in this or that oblast, in one or another republic? A proposal is prepared. Then there is preliminary discussion of it in this or that soviet, at this or that session. Then it is put out for discussion by people in one or another republic, or one or another region. People express their opinions and then we return once more and adopt this or that decision.
- Here a fundamental question is being resolved about the fate of a republic and the people living there. This solution affects the fate of our entire multi-national state. They assembled at night, raised their hands, and decided. This does not fit into any kind of democratic framework, and we can't... [Gorbachev changes thought] I think that the Third Congress of People's Deputies acted correctly, and we that means the president, the government, and all at the center have only the mandate of the third congress. The constitutional system must be restored. We have to return to the position of 10 March, and then we will be ready to consider the question.
- Then we'll show the cards. Here's a variant for when you leave the Soviet Union. Here's what it will mean. What will people do, who may perhaps want to return to their indigenous republics and there are about 800,000 such people there, non-Lithuanians? What will the fate of Belorussian lands be? In 1940 they handed over five rayons. The Belorussians have put this question. Klaipeda was in the hands of the Germans for 500 years. As a result of the war it became ours, so to

speak, and since then Lithuania has become part of the Soviet Union. Today the people of Kaliningrad are putting forward a proposal to join Klaipeda and the whole coast to Kaliningrad. Russia is also putting the question — the Russians. Russia expanded towards the seas for hundreds of years. It should have ports, and it is putting forward these proposals; it is calling on the center to resolve these questions. Finally, how are you going to pay for oil, for everything, for other things — with hard currency? We'll discuss this.

79 LD3004145590TAKE10

80 [Excerpts] [Gorbachev continues] We will settle all this. I beg of you, we'll settle these divorce proceedings. This initially requires a referendum to see what people want. I think the Lithuanians too are a very reasonable people, very cultured, educated, and capable of reflection. True, they are in the grip of euphoria, and now the Sajudis is exploiting the people's craving for an independent Lithuanian state, so to speak. But we say that state independence can also be settled in the framework of a new federation. So we have something to offer. Let the people reflect: either this way or another. But this question must be settled normally in constitutional forms. We will not withdraw from the mandate of the third Congress of People's Deputies. I think sober voices are on the increase in Lithuania, understanding voices.

81 I am conveying, at the wish of many people, the desire to take part in such meetings with you. Azalmal. Well, I am taking note of that. Tomorrow, comrades, there is a proposal to expand the hall, to change it for another one where there will be more people. But overall I would say plainly that in the factories I would like to have meetings just like this one in a hall like this. I know what 2,000 is and what 5,000 is. I have conducted three Congresses of People's Deputies; I conducted the 5,000-strong 19th conference. So, comrades, you can have meetings, but conversations like the one you and I are having today, delving into the essence of issues, is difficult in such halls. Here, I can see all of you, and you can see me. That is very important for this process, so to speak, to take place. Here we have no doubt come to the stage when there is more business, more depth, and not just a proclamation of slogans to one another. We have already had our meetings. Now for business. Even for the most inveterate enthusiasts of meetings who get into the soviets the time is ripe for business, and it is business which will be the test of these lovers of meetings. They have become agilated. [applause]

82 The question is being raised: Why is a ship canal not built in the narrow part of Sakhalin Island for the passage of our ships to Sovetskaya Gavan. Well, I take note of it. I cannot say anything. {laughter}

Incidentally, there was also the question: Will we give back the islands or not? We don't have an inch of superfluous land, but we don't want somebody else's either. [applause] The question is clear. This, comrades, is excluded, and we will stand on the positions of Helsinki and the recognition of post-war realities, including the inviolability of borders. Here we have the question will we give the Kurile Islands back to Japan. I've answered.

True, there is one other very serious question: Does the government occupy itself with such phenomena as unidentified flying objects? [laughter] Well, I think that this isn't a joke. Probably there are some kind of occurrences in nature, and in that sense the comrade wants an explanation. In general certain scientific collectives are oriented, and they must know

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and be involved with the nature of these phenomena. 85 A question about ownership: What awaits us -- people's ownership, people's enterprises, or state ones-- and how can one overcome the alienation of the worker from the means of production? One needs to start with the last statement, and we began with that. You see, the kind of society we have found ourselves in, comrades, is one in which the working people in a socialist society have found themselves alienated from power, from ownership of the means of production-- they were not genuine masters-- and let's say, from the sphere of culture, from the attainment of culture, and so on. It is necessary within the framework of what we have set in motion, and along all directions we are returning man-- via democratization and economic processes -- we are returning man's labour collectives. By using new methods of management and new forms of ownership we are returning this process -- as a master, as a manager. We are returning via a new system of elections; via new approaches to forming electoral bodies to soviets; via the party; via new approaches toward the formation of party bodies; to the political process of man; and thereby we are overcoming his alienation from politics. It is just the same in other spheres. The whole idea of perestroyka is aimed at this, at returning man as the character, the main character, to the center in our society. That's the idea. As for development, how our economic life is going to develop on the basis of adopted laws, then I think that one can forecast to a certain extent. Of course, state property will play a decisive role in our society for a long time. I think that is not in doubt. Another matter is that this property also needs to be used in introducing new mechanisms of management, and in order to stimulatε man, so that he takes on more responsibility and gives better results, displays initiative, enterprise, beginning (?both) at the level of enterprises and lower-ranking collectives. I think we will see...[Gorbachev changes thought] We have avoided the concept of private ownership, but there will be family ownership, some kind of family labor collective -- that is individual labor ownership.

86 LD3004145890TAKE11

87 [Excerpts] [Gorbachev continues] I am asked: Are you allowing private property owners to emerge? But first, people in everyday life always say that private property owners put up prices — we've always said this about private property owners. That is, even in his subsidiary plot he is doing something.

88 You know, in principle I think we cannot go down the road of exchanging state property, people's property and collective property for individual, private property. I am convinced of this; I am convinced that by making use of the possibilities laid down in the social and public system that is socialism, we can solve everything that worries us, and the problems too. And this is a system for the workers. Private property will lead to radical changes in the basis of both the political process and in th esphere of power. For this reason private property obviusly could arise with us, and there will be some. I admit this, even though there are no laws, but I have said that at such and such a state it could appear. sort of small enterprises, where the large state enterprises won't take something on, or the cooperatives won't take it on or the cooperative or some private owners will tackle some problem on their own. But you know, this will be a percentage, and not one of decisive importance. It will, as it were, supplement things where large enterprises won't take something

on. We have lots of such gaps and lacunae, and there is a need to satisfy these services, to repair, to do some other such thing, some odd jobs. I think that in such a sphere it is possible. We must proceed further and further by way of what we laid down in the law on property, and it seems to me that there are great possibilities there.

- 89 Why, in my opinion, does comrade Yeltsin enjoy great prestige in the Urals and at Uralmash, and does not enjoy prestige among the government?
- 90 I was asked this question when I was speaking to Uralmash workers in the street. How I regard him, and my attitude to Boris Nikolayevich Yeltsin. Well, my attitude to Boris Nikolayevich Yeltsin has changed. When the need arose in Moscow to tackle the cadre question and the question of the first secretary, we took on what we had and the choice fell on Boris Nikolayevich Yeltsin. I must say that I tried to support him. He gave everything he had, passionately. I wouldn't like to dwell at length on this question, but things developed in such a way that in the end the situation started to become heated in the town party organization, and Boris Nikolayevich started to worry; the party organization started to have sharp conversations, there were exchanges of opinion in the framework of the Politburo. The question arouse acutely when I was on holiday in the summer. He sent a letter, but I said I would return and we would have a conversation. I returned and I said that once we have had the 70th anniversary celebrations we'll have a chat. My aim was to cool passions, and, so to say, let comrade Yeltsin continue his work, even though the situation really had reached an acute state by then.
- Well, Boris Nikolayevich didn't heed my advice and he did as his question. We were discussing the anniversary request at the anniversary sitting. He asked his question about the Politburo and the Secretariat. More about the Secretariat, really, and the fact that he wanted to be released. He didn't want to work in that atmosphere. I don't think the arguments were sufficient because, basically, it was a sort of whim, and that's how it was seen by the Central Committee at that time. We published the entire conversation in full. You've read it. To be frank, I was still convinced then that we had to keep him and no doubt you saw my position.
- 92 LD3004151290TAKE12
- [Excerpts] [Gorbachev continues] I tried to delay the procedure so that he could proceed within the framework of party democracy and comradely debate, even if it was of a critical nature. I tried to ask him again how he looked upon the comments from the comrades and was he able. No, he said firmly, I ask you to release me. So that is how the matter rests. That, then, is what we came to. I think that subsequently, even after all this, I still insisted that he remain in the Central Committee, that he be given a ministerial post, and that he use his experience to carry on with his activities. Well, there are all kinds of turning points in life. All the same, I feel it has not been a success, and, no doubt, those qualities manifested even when he was still here; you know his style better than I. We took it into account when we were deciding the matter.
- 94 But, you know, we thought that the Moscow Party Organization and the responsibility would bring him into line and set him to rights. It didn't happen. Then, I think, he chose what is not the best route. He embarked, so to speak, on a path of confrontation and I would say that what we get from him is the full measure of criticism. And so? That is the right of every member of the Central Committee or deputy. It is his right. But it seems to me now that the Comrade Yeltsins have got carried away. I am

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familiar with his program and his speeches. If you read his speeches in order, they are like an old and well-worn record, a collection of theses. The leadershiop is coming to the end of its time; it has worn itself out; it has become cut off from the people, etc.

- 95 Well, what can I say? If you take the critical part of it, there is some use in all this, but I cannot agree with the wholesale accusations which he makes against the leadership of the country, against the Party and the Central Committee. Everything that he touches on, all these subjects require serious political analysis, and this should be done only by devoting oneself in a principled, exacting, and critical way. But the dialogue must be conducted responsibly and seriously.
- 96 Comrade Yeltsin is speculating on the difficulties. on the dissatisfaction which really exists in our country, and indeed the socio-economic tension and other tensions are all something that exist. One can act by drawing lessons from this and turning the cause, the country, the Party toward solving the question. And one can act by simply speculating on it from demagogic positions. I think Boris Nikolayevich has become carried away; Yeltsin has got carried away and he just cannot get down and away from this destructive position, you understand.
- 97 Perhaps as I am in Sverdlovsk, since you ask me, I have said it more or less extensively, so to speak. I have never generally been drawn into these discussions. I consider them on the whole unnecessary. We need to do the job and not to become engaged in populist slogans and promises. You know, from what is being said by comrade Yeltsin and others, I could in every case show how much of it is unfounded and contrived.
- 98 Well, perhaps I should answer the Sverdlovsk people since much has been said no doubt to you also by comrade Yeltsin about privileges. No doubt this question is of interest to those in the hall and those outside the hall who are listening to our conversation, and Sverdlovsk people overall want to receive my answer on this account.
- 99 I have already said in my conversation with the Uralmash people: This is my point of view. We nmust get within sight of there being no unlawfully [Gorbachev corrects himself] no privileges, of there being one privilege: That a person's toil, talent, position, and merit should be valued, but on a legal (?basis) so to speak. In this connection we have already solved much. I think it has reached your region too and is being dealt with. In the country, overall, much has been tackled so that all kinds of mansions, special this, that, and the other -- all this is being transferred the whole time. In many oblasts and republics this process has indeed been completed. In Moscow the practice that took shape is that the country's supreme leadership was ensured state dachas. This practice exists from the times of Lenin -- even then.
- 100 LD3004154890TAKE13
- 101 [Excerpts] [Gorbachev continues] But later on, in the 1930's, this whole practice was given legal status, so to speak, by corresponding decisions. I will tell you about it. This was done to set leadership salaries at a certain level, to make sure that they would not differ sharply, so to speak, from the salaries of workers, officials, and the intelligentsia. The salary of a member of the Politburo was set at R800 [rubles]. A secretary no, all of them, both members and secretaries of the Politburo received R800. But it was possible to order provisions worth R400. And there was a perk. You could live in an apartment and pay for it at a fixed rate. And there were a number of other concessions.

- 102 We have changed all this, comrades. We made a decision. All the dachas have been handed over. We made the decision three years ago. We handed over all the dachas either to veterans, children, or for medical purposes, or turned them into holiday homes. And this process is still in progress. The Supreme Soviet must now tackle and discuss this problem, as is done in all states. As far as the top two or three people are concerned, the Supreme Soviet must make an official decision on what level of salary to set and whether they are allowed a residence or not. So that people know, all this must be published. It's as simple as that. The main criterion is that everything should be assessed in terms of salary, and from there on one lives as the rest of the country lives.
- 103 That is the path we are taking. It is not all that simple. We have now got as far as personal pensions and what we should do about them, and personal transport. It might seem straightforward. It might seem straightforward, simple. But when you delve into the issue, you find that it is not so simple after all. So, we want to sort out all these questions. What do we do about a director or the chairman of a collective farm? How will we solve these questions? If we had the same sort of maintenance base as in civilized states, we could probably solve this question quickly. If we had technical servicing centers and so on, we could do it. But we don't have these things. Eventually we will have both these machines and directors sitting in ravines or some other places. This all needs to be thought through.
- 104 I shall tell you directly. We are determined to enforce strict order in these things, strict party order. The state must decide who is entitled to what. What should be its first concern? Particularly deserving people, which categories of veterans and invalids, families families with many children? In other words, what privileges are they entitled to?
- We have to have a look and decide. And I think comrades, that even during these six months we shall finish off this work. It turned out not to be easy. But the main criterion is to evaluate the contribution of every person via their salary: the worker, the peasant, the professional, the scientist, the creative actor, the state employee. Talents in all spheres must be valued, comrades. Talents must be valued. We are all great specialists in redistribution. We must now put more stress on becoming even greater specialists in production. More, better skilled, of better quality, and so on. Then possibilities will open up for us by stimulating talent and productivity and conscientiousness to emerge into a market where we can realize our rubles and move toward a normal life. Everything stems from the fact that a lot of things have not been solved in the social sphere. All of this is a lot.
- 106 LD3004161690TAKE14
- 107 [Excerpts] [Gorbachev continues] So that's how it is. There was another question asked, that somewhere Gorbachev has a bank account in Switzerland. It's royalties or something. Boris Nikolayevich [yeltsin] too. [passage indistinct]. My royalties he is perfectly well aware of where my party royalties go: all go into the party purses. Of course there is no bank account. What a stupid thing to say. It is even humiliating to answer this. It's simply shameful when people lower themselves to such a petty level, to such narrowmindedness, using everything for political aims and nothing further.
- 108 There are many questions. They have to be tackled. The critical questions that are raised demand to be solved. Those dealing with cadres,

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and so on. And yet, comrades, we must act responsibly and seriously, and I will tell you the main thing clearly: We must finally prove in Russia, this huge country, that socialism can carry out profound changes in the framework of democracy and legality. Everything must be done to avoid confrontation, and civil war even more so. This group of three or four, or whoever you like. [sentence as heard] The law must reign supreme in our society. This is the main thing. There's incitement again, there is another witchhunt you see; they are looking out for the enemy; another step and there he is, the enemy of the people; let's drag him by his feet. What is this? The fate of Russia? The fate of socialism? We imagine that we must ennoble ourselves in this area, in this way? That's to say, we are marching toward democratic, humane socialism by way of lawlessness, by way of witchhunts again?

- 109 What is that? No, I believe that we in our country should do everything in a good way, in a good way. Patience and restraint are required. Therefore, I am aware of the remarks comrades have made. Many say: Mikhail Sergeyevich, give something else! Dear comrades, we are expanding the democratic process of building a state based on law, so that the people themselves, through democratic processes and sessions, through certain processes and democratic reforms within the party itself, everywhere, in the economy, so that the people solve questions. With all this bang, strike, disperse, catch, we will not be able to break this vicious circle. We must become a civilized country. Our peoples deserve better, having suffered so much and having done so much in history for the whole world, because without our socialist contribution, the world would have been different, totally different. And if perestroyka wins today, the world will be totally different. Will we lose? I think we will not lose, comrades. I think painful and less painful ways are possible here. The people cannot return to the old life, nor can their mouths be gagged. The breath of freedom that it has received, the oxygen that our society gets as a result of democratization and openness are what our people need. Man had been reduced to nothing. We could no longer continue in such a state.
- 110 Not everything works out the way one wishes it to, not everything. Faults have been committed and we are upset because of that. Do not think that we are people without feelings, so to speak, no, on the contrary, I think, we have so many feelings that sometimes this prevents us from showing decisiveness and firmness. This seems to be in evidence. But our people have suffered to much to put them through the mill again now. The task of tasks is to feel these ways and continue along them. I hope, dear Uralmash workers, that you will maintain your reputation and strong character. The country cannot live without you, nor can you live without the country. And let us part in this spirit of mutual understanding. I wish you great success. We will monitor and help the Uralmash. [applause] (endall) 261500

111 LD3004162190TAKE15