Video: How the U.S. Caused the Breakup of the Soviet Union. Sean Gervasi

Sean Gervasi 1992 Lecture

By Sean Gervasi and Dennis Riches
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Region: Russia and FSU, USA
Theme: History

We bring to the attention of Global Research readers the text of an unpublished Lecture delivered in 1992 by the late Sean Gervasi on the history of the collapse of the Soviet Union and the US Strategy formulated during World War II to bring down the USSR.

The full transcript and video of Sean Gervasi's presentation is preceded by Dennis Riches' Introduction.

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Introduction

We defeated totalitarianism and won a war in the Pacific and the Atlantic simultaneously… We worked together in a completely bipartisan way to bring down communism… So now we have to use our political processes in our democracy, and then decide to act together to solve those problems. But we have to have a different perspective on this one. It [global warming] is different from any problem we have ever faced before…[i] – Al Gore

These words above were spoken by former US vice-president Al Gore in 2007 in his film An Inconvenient Truth. Because audiences at the time were in rapt awe of him, treating him as a savior in the campaign to solve the global warming crisis, they never seemed to reflect on the outrageous assumptions underlying his comments about "defeating totalitarianism" and "bringing down communism." These are worth examining for what they say about perceptions of world history among the American political class, and they even hint at how the errors in these perceptions led Mr. Gore to being self-deceived about what would be necessary to solve the problem he has devoted himself to since he has been out of power.

Although the United States played a crucial role in WWII, it was slow to get involved and it let the Soviet Union do much of the heavy lifting and suffer the heaviest losses. The United States had a lot of help in achieving the victory Mr. Gore claims for America, and we could assume he knows this, so the way he chose to describe historical events is telling.

Perhaps acknowledging the reality would have detracted from his second point about "bringing down communism." Everyone knows that what he is referring to so proudly is the destabilization and destruction of the USSR, the Warsaw bloc nations, and Yugoslavia, not the abstract notion of communism. He is referring to a "victory" which precipitated civil wars and a disastrous collapse of the economy and social welfare systems in these countries, one that killed and impoverished millions. In China, Cuba and the DPRK, contrary to what he stated, these nations' versions of socialism haven't been brought down at all.

[1992]

Explicitly describing the "bringing down of communism" as America's deliberate actions to dismantle the USSR might run the risk of reminding the audience about the illegality of interfering in the internal affairs of sovereign nations, and it might have reminded people of what a betrayal this was of America's WWII ally and partner in the détente of the 1970s. The inconvenient truth is that the USSR was the WWII ally that played a crucial role in the victory that Mr. Gore claimed solely for America.

Nonetheless, the comment about "bringing down communism" is refreshingly, and maybe accidentally, very honest. Most descriptions of the Soviet collapse, even those done by historians specializing in this field, pay little attention to American efforts to undermine the Soviet Union in the 1970s and 1980s. The political class always denied that America had a plan to dismantle the USSR, and denied having any significant influence on events which they claim arose from domestic causes. If America's influence is addressed at all, it is considered as a matter of speculation, a mystery hardly worth thinking about when one can more easily look at the dramatic events that occurred on the surface within the Soviet Union in the last decade of its existence. The following transcript of the lecture by Sean Gervasi, delivered in 1992, shortly after the collapse, is unique and valuable for what it reveals about the significant, and perhaps decisive, American role in the collapse of the Soviet Union.

In his conclusion, Mr. Gervasi came to this judgment:

> The Soviet Union today, in the absence of this extraordinarily crafty, well-thought-out, extremely costly strategy deployed by the Reagan administration, would be a society struggling through great difficulties. It would still be a socialist society, at least of the kind that it was. It would be far from perfect, but it would still be there, and I think, therefore, that Western intervention made a crucial difference in this situation."

The journey to how he came to this conclusion is well worth the reader's time.

A final comment about Mr. Gore's remarks: He is oblivious to the inconvenient solution that has been staring him in the face all these years: that the necessary reduction of carbon

emissions will require severe constraints on capitalism, a thesis developed by Jason W. Moore in Capitalism in the Web of Life.[ii] Mr. Gore should know that a radical solution is needed. In his recent sequel to An Inconvenient Truth he complains about the undue influence of "money in politics" that has gotten so much worse over the last ten years, but that's as deep as the class analysis and ideological exploration can go in America. He evinces no awareness of the historical figures who developed answers to the problem of unaccountable private control of a nation's government, resources and productive capacities. Gore is still proud of having actively worked against a revolution in human affairs that aimed to curtail the savage capitalism that led to the present ecological catastrophe.

In spite of the flaws one might see in what the Soviet Union actually became, flaws that arose to a great extent because it had to fight against external threats throughout its existence, the goals of the revolution of 1917 are still relevant to the crises of the 21st century, and this is what makes Sean Gervasi's research so valuable now, after a quarter century in which America doubled down on its "winning ways" and worsened the crises that were evident long ago in 1992.

About Sean Gervasi

Sean Gervasi (1933-1996) spent the latter part of his career exposing the role of the United States and Western powers in the breakup of the USSR and Yugoslavia. He was working on a book,Balkan Roulette, at the time of his death.

Gervasi was an economist trained at the University of Geneva, Oxford and Cornell. His political career began when he took a post as an economic adviser in the Kennedy administration. He resigned in protest after the 1961 Bay of Pigs invasion of Cuba.

After his resignation, Gervasi was never able to get work again in the United States as an economist, despite his impressive academic credentials. He became a lecturer at the London School of Economics after leaving Washington. Notwithstanding his great popularity, the school refused to renew his contract in 1965.

During the 1970s and 1980s he was an adviser to a number of governments in Africa and the Middle East, helping them navigate the hostile and predatory world of transnational corporations and megabanks. He also worked for the UN Committee on Apartheid and the UN Commission on Namibia.

In addition, Gervasi was a journalist, contributing to a wide range of publications, from the New York Amsterdam News to Le Monde Diplomatique. He was a frequent commentator on the listener-supported Pacifica radio station WBAI in New York. In 1976, Gervasi broke the story of how the U.S. government was secretly arming the apartheid regime in South Africa.

In the late 1980s, Gervasi began to focus on the Cold War and what he called the "full court press," a basketball term for a highly aggressive "all in" strategy. In an article published in the Covert Action Information Bulletin in early 1991[iii], when the breakup of the USSR was imminent, Gervasi showed how the Reagan administration's strategy of economic isolation, a gargantuan arms buildup with the threat of a nuclear attack, overt funding of internal dissent, and CIA-directed sabotage had been decisive in bringing down the USSR. Gervasi backed up his analysis with careful scholarship and documentation.

Gervasi was widely respected as a leading independent figure in the left, but his views were contrary to the fashionable dogma that attributed the USSR's collapse almost exclusively to such things as failures of leadership, centralization of the economy, the black market, Chernobyl, or independence movements, and not to external hostility. These are the subjects which he addressed in the following lecture given to a small audience in January 1992. The lecture can still be found on internet video sites, but the thesis of this lecture still remains marginal and obscure two decades later, even though it is highly pertinent to the Cold War replay that is underway in the second decade of the 21st century—one in which Russia stands accused of turning the tables and doing a comparatively very tame version of the propaganda war waged on the USSR in the 1980s.

After 1992, Gervasi focused his attention on the breakup of Yugoslavia, which he discovered was a replay of the strategy used to break up the Soviet Union. He became active in exposing the role of external powers, particularly the U.S. and German governments, in fomenting the civil war in the Balkans. His view that the war in Bosnia was sparked by the aggressive machinations of these nations, and not age-old ethnic rivalries, alienated Gervasi from much of the liberal and progressive movement.

Journals to which he had once regularly contributed would no longer print his articles. He had great difficulty finding a publisher for his book on the Balkans, but some of his research on this topic can be found in the article "Why Is NATO In Yugoslavia?"[iv] published by Global Research in 2001.[v]

Dennis Riches, November 2017

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VIDEO

Scroll down for the full Transcript

> Byline of the video:
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> *Propaganda expert reveals details in 1992 of RAND Think Tank plan under Reagan to bring down USSR, the major socialist challenge to capitalism in crisis, called Operation Full Court Press when announced at a Reagan limited invitee press conference upon its launch. It involved targeting mid-level Soviet bureaucrats with publications and Air America broadcasts pointing to problems they were facing having better outcomes in the US, military provocations when they were considering their budget in order to spend them into bankruptcy, luring them into Afghanistan followed by arming the Mujahadeen with surface to air missiles and such; and fanning flames of ethnic rivalries within the Soviet Union, like by sending publication equipment to Baltic ethnic groups.*
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> *In first 20 minutes Sean prophetically lays out the impending crisis of capitalism that drives their urgency to stamp out socialist competition. Sean died under mysterious circumstances in Belgrad where he had set up shop pointing out a PR effort in the US Congress by Ruder Finn hired by Croats and Kosovo Albanians to start a US war against Yugoslavia for their secession.*
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> Event January 26, 1992 arranged by Connie Hogarth of WESPAC, Camera: Beth Lamont

Transcript

(edited by Dennis Riches)

Introduction

I've been speaking in the last year or so about developments in the Soviet Union from the perspective of a person who follows the workings of the Western intelligence agencies, something in which I was tutored while I was working at the United Nations, and was on the receiving end of quite a lot of that activity.

That is an important theme that one needs to look at: the role of the West in developments which have taken place in the Soviet Union, and it's one that I've been focusing on, but of course the wider and more important issue is: how shall we understand the meaning of events in the Soviet Union in the last five, six, ten years? That's really the critical question.

As you know, the developments, particularly the end or collapse of communist rule in the Soviet Union, and finally the breakup of the Soviet Union itself, have been presented in our media insistently and incessantly as evidence that socialism or social democracy, or what-have-you, which we'll discuss, is unworkable. And this, of course, in tandem with the theme which has been disseminated so energetically by these same people in the last decade, that capitalism:

1. a) is more or less the same thing as democracy, and
2. b) must be seen as the core and triumphant achievement of Western civilization…

Hence the thesis that this is the end of history, that we have achieved everything that there is to achieve, that the present system of institutions in which we live in the West represents the pinnacle of human capacities, intellectually and organizationally, and is the best of all possible worlds.

That's the thesis, or those are the twin theses which surround us and which have been, I think, creating an enormous amount of confusion and consternation because I think people sense there is something wrong with this idea, and the effort to close off all discussion about alternatives to, what I would term, our "regime" in the United States today, and possibly in Western Europe, which is a moving backward from the more enlightened and liberal capitalism, liberal democracy and capitalism, which evolved after the Second World War in Western Europe and the United States.

We are today, I think, living in an irrational and savage capitalism of the 19th-century variety, which for particular reasons, people who have power in this society either have acceded to or have energetically worked to institute.

Part 1. The Crisis in the United States

The question is whether this great wave of propaganda makes any sense, and so I think we should examine whether the idea that socialism and alternatives to raw capitalism are impossible, undesirable, and unworkable. I think we have to look at that in two ways. First of all, we have to examine our own situation in the United States, historically, and we have to also, I think, look at what has happened in the Soviet Union because what has happened in

the Soviet Union is really very different from what we are told by the mass media. We have not merely witnessed a collapse of communism in the Soviet Union. We have seen something really very different, but it has been systematically misrepresented in the Western media.

I would start then with examining the basic proposition. I would start by examining our situation in the United States today, and I'd frankly start with Charles Beard's interpretation of the American Constitution.

There's a great deal of misunderstanding about the kind of society that American democracy really represents, and that misunderstanding is both historical and contemporary. There is a tremendous tension which we are all aware of in our society. It is a tension between egalitarianism and inequality. It is a tension born of the evolution in the in the 16th, 17th and 18th century in England, and the transfer of a particular kind of society onto American soil through British political traditions, notwithstanding our rebellion as colonists at the end of the 18th century. And that is the particular set of institutions known as liberal democracy. Liberal democracy is a combination of parliamentary government and capitalism, and liberal democracy inevitably, therefore, contains some very serious tensions because the progressive development of parliamentary democracy has tended to give greater and greater scope to the principle of equality in human life and politics. That's why in the course of British 19th century political development there was a progressive expansion of the franchise. And that's why in the United States there was also an expansion of the franchise. The United States did not have the same encumbering property qualifications in the beginning, although we did have property qualifications in the 18th century in the United States, but eventually we had the full franchise extended to all adults, and we've been redefining adults most recently. We've dropped the level of political maturity or political enfranchisement to 18 years.

Capitalism, on the contrary, is a system of economic and social institutions based on the principle of inequality, and there's a rationale for that inequality which also comes from the 18th century, but the idea, essentially, is that it makes sense from the point of view of efficiency, and indeed equity, given all the considerations that one must take into account, to have a society based on the unequal distribution of property organized around that institution, to have an economy based on private property because, in the final analysis, it is most efficient, and in the long run holds the greatest promise of continuous progress. By the way, that's an argument that Marx made at a certain point—that at a certain stage of history a capitalist society is extremely progressive, that it gathers the technical capacities of mankind, personkind, and develops them and accumulates and accumulates until it creates something new, which we won't talk about just now.

But historically and currently in the United States we very strongly sense this tension so that we go back and forth between periods when we have enormous pressures to give predominance to the principle of inequality, to pay attention to the rights of property, and periods when egalitarian tendencies have been very strong. For instance, as in the turn of the century during the expansive phase of American populism and during the antitrust… of the great popular movements that sought—not just popular—but that sought to contain the power of the cartels and the trusts in the United States. And today we sense that too. We passed the law in 1946 that's called the Employment Act. By the way, it's not called the Full Employment Act. You have to remember that legislation. And yet we realize that our adherence to the principle of full employment was tenuous even in the 25 years which followed the Second World War, and completely spurious today. Why is that? It's because of

this tremendous tension between the realities of power under capitalism and the rather fragile hold which democratic principles and institutions have on that power.

Let's go back to the Constitution and the Philadelphia Convention. I've been rereading Beard and I'm very impressed by his grasp of who predominates really in this delicate balance in liberal democracy between the principles of egalitarianism, the principles of parliamentary democracy and the enormous concentration of power, which even then was inherent in the dominance of the institutions of private property. Beard's argument essentially is that in the final analysis a small group of men, whom he refers to as one-sixth of the adult male population—the only people who ratified the Constitution, the participants in the ratifying conventions who voted positively for the Constitution—represented one-sixth of the adult male population. That is to say 8% of the adult population in today's terms. Against our values that represents 8% of today's population—the equivalent.

Now, what was obtained in that framing of the Constitution? What was obtained was a system of political science, a system of government which was so structured as to ensure the dominance of private property, the power of private property in any contention between the forces of democracy and the forces of private property, and the forces of inequality, if you like, so that the structure which constitutes, at the founding of this republic, which constitutes the framework within which we operate today, is one which ensures that predominance.

I know that Beard has been attacked by many people, and it's perfectly understandable when you read Beard carefully, but it seems to me that today Beard becomes more illuminating. Why? I say I pay attention to the Constitution, to the Philadelphia Convention, to its ratification, to the numbers who ratified it and to the purposes which they saw themselves as furthering by their framing and ratification of this constitution because that is the framework within which the United States experienced the most successful and untrammeled Industrial Revolution in the history of mankind. Untrammeled. We had a straight run of industrialization which was the first to transform the condition of man in human society, by which I mean something very, very specific. And here I speak to things which were said by people like [John Maynard] Keynes, by people like [Joseph Alois] Schumpeter, but really ignored because they're extremely uncomfortable.

The rationalization for inequality in the institution of private property, in the thinking of eighteenth century philosophers, was that property had to be shared unequally and income had to be unequal because this inequality provided incentives which would constitute a constant assurance of the drive to the expansion of production. That was the rationalization, but in the 20th century, according to the economic historians and according to people like Keynes, countries like the United States and Great Britain began to end, began to transform the historical situation within which these institutions were conceived. How? By developing such a capacity to produce that gradually more and more numbers were lifted out of anything which could be historically or comparatively called poverty so that scarcity, which dominates the reasoning of economists, was really beginning to end in many respects. And Joseph Schumpeter was able to say, for instance, in 1928, that if economic growth continued in the United States for another 50 years we would see in 1978 the end of anything that could reasonably be called poverty.

Now that didn't quite happen. That didn't quite happen because of the enormous influence of inequality in the distribution of this productive abundance. But what it did transform was the lives of many, many people, and it transformed everyday life and the historical

condition. Look between 1870 and 1970 at how the number of hours that the average American works falls. In the period between 1945 and 1970, per capita production trebled, just in that period, and we already had a huge industrial base at that time, so I would argue [agree], with Galbraith, who—because he was right was vilified and ignored by the economist profession and studiously made little of by the mass media—that indeed America began to be transformed with the success of its enormous industrial revolution by the end of the period after 1865, when really heavy industrialization began to take place. And indeed I would argue that the reason for the Great Depression was that the United States had lost the ability to continue to absorb everything that it could produce in an adequate way, given the institutions of the time.

So what happened then was that within this framework, which is the same framework conceived by the James Madison and Alexander Hamilton. To further the purposes of property and to insure against what Madison called "the leveling attacks of democracy," we have industrialization enhance the expansion of an enormous power, which is the power that controls the machinery and the resources of that productive system. That is to say large corporations. The largest 500 corporations in the United States today, plus the largest 500 banks and the largest 50 financial corporations control more resources than the Soviet planners ever dreamed of controlling. The control of those resources, which is made invisible by the clever workings of economists, inheres in the ability to make investment decisions. Investment decisions are the key decisions in any economic system. The power to make those decisions is the power to continuously transform and to determine the terms of everyday life among human beings in any society. That power is not only invisible in our system of thought, carefully hidden by the descendants of the 18th century philosophers, but it is also totally unaccountable.

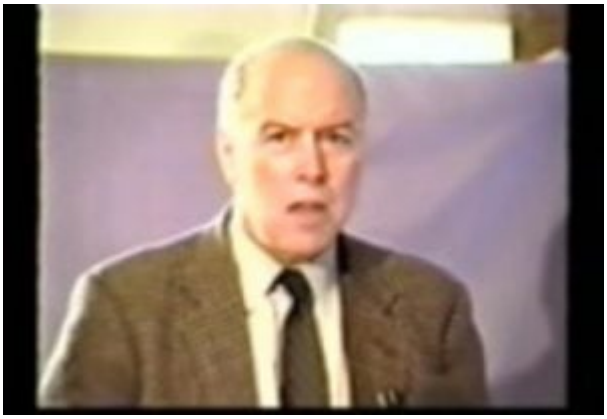
Now maybe you could say, and we did say this between 1945 and 1975:

> "OK this is a contradiction of democracy. This is the inheritance from the Philadelphia Convention, the Constitution in its ratification and the dominance of this one-sixth of the male adult population in 1789, but this system is so productive that we can alleviate the resulting social and political tensions by raising the standard of living of ordinary folks."

And that was the whole philosophy of the sophisticated American leadership in the first generation after the Second World War. That was the philosophy of the Rockefellers when they talked about the new enlightened capitalism of 20th century. Capitalism could deliver the goods and hence people would be content, despite the fact that the realities of power born at the end of the 18th century, and essentially enhanced by the enormous accumulation of power represented by industrialization and the growth of large corporations and their concentrated power in the economy. We could live with that because the United States economy was so productive.

Now, that's our history, and the tremendous tension of our situation today as contrasted with the post-war period because one thing is very clear today: that for 20 years in the United States this system has not been working. There has been a systematic retreat from full employment, high wages, advancing standards of living, security in one's job, and the advance of the welfare state. We have systematically been retreating from those things so that we have higher and higher official and real unemployment, which of course is about double the official unemployment—and the statisticians work very hard to hide the realities

of life.



Sean Gervasi

Between 1977 and 1992, according to the Congressional Budget Office, 70% of American families have seen their after-tax income fall. 70%! In the lower ranges of the income distribution those falls are quite sharp. Purchasing power falls by twenty 20.8% for the poorest fifth, by something like 12% for the next fifth, by something like 11% for the third fifth, and by smaller amounts for those in the middle of the income distribution system. So I would say that that represents, and people are increasingly becoming aware of it, a collapse of the American standard of living. And this collapse of the American standard of living is related to a gradual economic decline which is causing the post-war system, as we have known it in the United States between 1945 and 1970, to begin to disintegrate. And I think this is the reality of what is happening so that today even according to Wall Street forecasters like the Levies, attached to Bard College up here in the county, we are facing what they call a contained depression, which may be worse than the kind of depression we saw in the 1930s because the stabilizing role of the government makes it possible not to *avoid* some of the awful horrors that occurred in the depression, but to *diminish* them to a degree which makes them almost invisible.

So we have a very tense situation. I ask you to reflect on that when we confront the enormous economic difficulties from which there follow all kinds of social problems in our society today which we face. These are connected to, and, if you like, made possible by the arrangements conceived by James Madison and Alexander Hamilton. If this crisis which we have been living in for 20 years, and have become more acutely aware of in the last 10, is intractable, it is, above all, intractable because of this invisible concentrated power which exists today after industrial growth—the rise of the large corporations in the framework conceived by Madison, Hamilton and the other Federalists.

So if you want to argue today that we need to reconsider this framework, you run into very fundamental problems. You run into the problem that the Constitution is treated like an icon, that people are unaware that the preamble to the Declaration of Independence is not the law of the United States, that people are unaware of the fact that the Bill of Rights, which is supposed to compensate for some of the failings of our constitutional system, has been systematically shredded by the two most recent administrations. Witness William Kunstler and his remarkable talks on what has happened to the Bill of Rights in the last ten years.

Part 2 . The Crisis in the Soviet Union

Now, let's get to the Soviet Union, keeping in mind always that it is against this background of crisis and the intractability of crisis, and it's rooting in the historical origins of the Constitution that we are asked, that we are invited—without anybody saying that that's the background—that we are invited to ponder the proposition that there is no alternative to the kind of capitalism that we have, and that this capitalism is the quintessence of democracy.

Now let us look at that proposition against a second set of data, if you like, which is supposed to prove the case that there was socialism in the Soviet Union, that the Soviet Union then, along with its Eastern European partners, collapsed in chaos owing to the essential unworkability of this kind of a system. Let's look at that.

When the Reagan administration came into office we all became aware rather quickly that something new was happening. We should have known that something new was happening because, in fact, the arrival of the Reagan administration in power had been preceded by a very careful build-up which was, in part, visible in the American polity, and that was the emergence of the development and the elaboration of the power of a group which we now call the new right—people who 20 years ago, 28 years ago in 1964, after Goldwater lost the Republican National Convention. Rockefeller took command of the party that had been relegated to what every major political commentator at the time called the lunatic fringe of the Republican Party. These were the people who, particularly in California, were coming out of the walls in the late 1970s, creating foundations, buying chairs of economics at universities. Look at it: the Coors, the Mises, with all of their contacts. These were the people who were building a new group, and the purpose of this group was to put a stop to the kind of systematic democratic entrenchment which they thought had been going on in the 1960s and the 1970s.

In the 1960s and the 1970s, there were three movements: (1) the movement for workers' rights, for unionization, the expansion of unionization, particularly among city employees and for raising wages, and the tremendous industrial disruption that attended the 1960s and the early 1970s in the industrial sector, (2) the civil rights movement, which preceded that, beginning in the late 1950s, and (3) the movement against the war in Vietnam, the war in Vietnam being one of the ways in which this society managed to utilize, in a profitable fashion, its enormous productive capacity without giving it to ordinary folks, without giving its fruits to ordinary folks.

The new right was determined to do something quite new. One of the new things that it did, and Reagan really was not its spokesman because that implies a degree of activity which I think he's incapable of. You can always program a spokesman. I don't think he had the wheels to do that.

Reagan launched, as you know, a massive, serious, intense, ugly confrontation with the Soviet Union, ideologically. At the same time we became aware that there was a significant drive on to re-arm the United States, to throw enormous resources— ultimately it was in excess of 1.7 trillion dollars during the 1980s—to throw enormous resources into the military sector, to throw enormous resources into shifting the technology of the military sector to war in space, SDI [Space Defense Initiative], etc. All of those things were on the agenda, but many of us at the time puzzled about this. I remember asking myself, "What is it with these folks? Do these fellows really want a world war? Can they not see that this can be the outcome?"

And I remember those discussions, and I remember when many of you and I on June 12, 1982 were at the demonstration of 750,000 to 1 million people in the center of New York City, which was an expression of the alarm that people felt at this enormous aggressive policy which was coming out of the Reagan administration, which threatened to shred US-Soviet relations.

But in fact, retrospectively, we can see that there was something else behind it, that it was not just irrational madness. There was a bit of that, but there was a rationality to what was being done, and in fact, to understand that, it's important to see that it is connected to every single major line of innovative policy that the Reagan administration developed. It was extremely well thought-out, extremely shrewd. And [it involved] the military buildup and the aggressive rhetoric towards the Soviet Union, the deliberate effort to create difficulties in the relationships between the Soviet Union and the European powers. You remember that in 1982 the United States tried to force the European powers not to accept natural gas from the Soviet Union, to deny shipments of technology to the Soviet Union which would make it possible for the Soviet Union to exploit that natural gas, to earn foreign exchange, etc. It was all part of a very complex strategy, but it was a very clear strategy.

Let me say, though, that many of us, at least I at the time, missed that. We didn't quite comprehend what was going on, but we had in the back our mind flickers that something was wrong. There were people who were saying or hinting clearly at what was happening, and shrewd people, intelligent people who did begin to grasp what was happening.

Let me quote from one or two. Writing in 1982, Joe Fromm, who was then the editor of the United States' *US News and World Report*, said,

> "There was something behind," I'm quoting him, "the shift to a harder line in foreign policy." The US, in fact, seemed to be "waging limited economic warfare against Russia to force the Soviets to reform their political system." That suggests… that's a nice journalist, a reasonably liberal journalist at US News and World Report, but Joe then quoted a State Department official saying (actually, a National Security Council official), "The Soviet Union is in deep, deep economic and financial trouble. By squeezing wherever we can, our purpose is to induce the Soviets to reform their system. I think we will see results over the next several years." That's in 1982.

Robert Scheer wrote a book in 1982 called *With Enough Shovels: Reagan and Bush and Nuclear War*. I think I've got the title almost right. This is a very interesting book in which Scheer saw that there was something behind this enormously aggressive foreign policy, foreign and military policy, that the Reagan administration was deploying. And he saw that the United States was not simply playing nuclear chicken with the Soviet Union, as he put it, but that it was embarked on a policy designed to create such pressure for the Soviet Union as to force changes within the Soviet Union.

Now of course it had always been the case that the Cold War consisted of moves designed to affect the behavior of others. The Cold War, from the point of view of the West, had always aimed at modifying, as the State Department cookie pushers liked to put it in their delicate prose, the behavior of our antagonist. But this, I think you will see, went beyond that because, in fact, the Reagan administration embarked on a policy of many dimensions which included pressure around the world on countries with close ties to the Soviet Union. Insurgencies were initiated in Mozambique, Angola, Cambodia against Vietnam, Nicaragua,

and, quite a lot, Afghanistan.

I don't want to get into too many complicated discussions of Afghanistan, but I think anybody who reflects upon the United States' response to the Soviet entry into Afghanistan in 1979 must realize that the United States did not want the Soviet Union to leave Afghanistan, and in fact the purpose of these insurgencies around the world, which as you know, had expended billions of dollars, was to pin the Soviet Union down, and to inflict economic costs upon the Soviet Union. The purpose of the remilitarization in the West was to force the Soviet Union, at the risk of exposing itself to the pressure of escalation, to meet our resource commitments, to defend itself, or to place itself in a position to resist our pressure.

The purpose of escalating the technology of nuclear warfare, again, was to impose costs upon the Soviet Union. [This was] the purpose of every principled measure, such as withholding advanced technology from the Soviet Union, foreign assistance programs aimed not at assisting countries on the basis of their needs, but on assisting countries on the basis of the contribution they would make to putting pressure on the Soviet Union. All of these things were part of a systematic strategy designed to create havoc in the Soviet Union.

Now I'll say a little bit more about what the purpose of that was, but first let me point out that this is a systematic strategy consisting of a number of pieces, and that it did pose enormous economic and other costs upon the Soviet Union.

But who is Gervasi [the speaker] to say that this is so, beyond quoting Joseph Fromm? Well, let me tell you a little bit about an interesting experience I had. I had lunch one day with a friend who was passing through the United States, who had been in jail in South Africa for eight years, and had just got out. He had been engaged in planning one of the principal sabotage operations against the South African nuclear installations, and he was very happy to be out of jail. We sat at lunch and he said to me—we talked about many things, mostly about Africa which he and I had worked on together—and he said to me,

> "What's going on in the Soviet Union?" I said to him, "Well, you know, I really can't figure this out. I can't figure out what's going on." He said, "It seems to me that the Soviet Union is being destabilized." "My goodness," I say to myself quietly.

The thought had never passed my mind, but when my friend, Christie, said this I thought I should look into this, and I did.

The first thing I found was… I spent a little bit of time on a computer and some things came up, and I said that looks very interesting. Within a very short time I had discovered reams of material being generated at the end of the 1970s and in the early 1980s by organizations like the RAND Corporation. You know what the RAND Corporation is. It's an Air Force/CIA contracting agency in Southern California, very large, very powerful, very influential in the so-called intellectual defense community, the military industrial complex, and in Washington. People go back and forth from the CIA, from the DIA to the State Department to the RAND Corporation. And what were the chaps at the RAND Corporation doing? Well, they were producing very interesting studies with titles like *Economic Factors Affecting Soviet Foreign and Defense Policy*: *A Summary Outline*, *The Costs of the Soviet Empire*, *Sitting on Bayonets: the Soviet Defense Burden* and *Moscow's Economic Dilemma: The Burden of*

Soviet Defense, *Exploiting Fault Lines in the Soviet Empire: Economic Relations with the USSR*.

Anyway, I started reading the stuff. First of all, I started collecting it and I started reading this stuff, and I found out something very interesting: that these fellows at the end of the 1970s and the beginning of the 1980s were clearly fashioning a plan in which we began to see the pieces of in the emerging parts of foreign and military policy, foreign and military and economic policy under the Reagan administration. And the basic reasoning of this plan—I'll give it to you—is as follows: the Soviet Union was in a dual crisis. They knew what was going on in Soviet Union. Economic growth in the Soviet Union had begun to slow down. It had been very rapid, by the way, in the period from 1950 to the early 1970s. Between 1960 and 1984 per capita income and per capita production in the Soviet Union trebled, so it wasn't slow. That was a 4 or 5% rate of growth, very rapid considering that we're growing at about 1.5 which, is about, by the way, equivalent to the rate of growth on average during the decade of the 1930s in the United States.

Now, what I found out was that they also understood there was a leadership crisis in the Soviet Union. The old line of principal Soviet leaders born in the early stages of Soviet redevelopment after the Revolution, formed in the Second World War—that leadership was dying out, as we all knew. And in fact Mikhail Gorbachev, selected by Andrei Gromyko, was the first representative of a new generation of Soviet leaders, but in the late 70s and early 80s, people were dying. The major figures Andropov, Chernenko and Brezhnev, were dying, and there was a very great confusion about succession.

So the country was in a kind of crisis. The CIA calls it a dual crisis, a leadership crisis, not knowing to which new people of a new generation the leadership of the Soviet Communist Party and the Soviet Union should pass, and at the same time a beginning of faltering of economic growth, which was serious because since the Soviet Union had to always, like any country, choose between investing, competing in the arms race, and raising the standard of living of its population. The fact that economic growth fell off made that more difficult.

Now the next step in the reasoning of the RAND Corporation, gentlemen and ladies from the RAND Corporation, was that the United States and its allies could take various actions which would force the Soviet Union to increase its defense spending and its military assistance to allies and friends. They could take measures to deny the Soviet Union credits, which they did, and to deny it technology. They could also take measures which would reduce the overall volume of resources available to the Soviet Union and hold back the growth of productivity, which would exacerbate the problem, or force them to shift resources from consumers to investment. And [they knew] that all of these effects would (to quote them) "aggravate the difficulties confronting the Soviet leadership in a stagnant economy. So, a combination of these measures to impose costs on the Soviet Union could be expected to lead to falling investment and/or living standards, and such measures consequently might generate pressures within the Soviet Union for withdrawing from the world stage, and for political reform."

So the purpose of this operation, which I will try to define more clearly in a moment, was to impose, in a variety of ways, enormous costs on the Soviet Union, or to reduce the resources available to them in such a way as to exacerbate their economic difficulties. Let me quote from Abraham Becker, one of the shrewder Rand analysts:

> Thus the Reagan administration seized Soviet economic troubles as an opportunity to complicate further their resource allocation difficulties dilemma, in the hope that additional pressures would result in a reallocation of resources away from defense, or would push the economy in the directions of economic and political reform.

The purpose of this new aggressive multi-dimensional strategy was to force reform upon the Soviet Union. What that reform was to be is a later chapter. Now, it's one thing to say that these plans exist, and I'll talk about other plans. For instance, I managed to pull together a collection of documents from the National Endowment for Democracy, which as you know, is supposed to be a quasi-government institution. It's not a quasi-government institution. It's funded by Congress. It's a government institution funded by Congress, which sees it to be its business to "promote democracy outside the United States" in the rest of the world, where by "democracy" one means essentially, and when you come down to it it's clear now in the Soviet Union, "capitalism" and "liberal democracy," if you like [the latter term].

Now, it's one thing of course to talk about all this planning, to try on your own to reason that all of these things fit together, but in fact we began to get official indications and documentation, as early as the spring of 1982, that the government had signed on to this strategy, that this was not the wild thinking of a few eager folks in a few think tanks, that it was policy and that it was policy which the American public knew very little of, did not understand the purposes and consequences of, but would nonetheless be required to pay for to the tune of several trillion dollars, which did indeed help to create the situation in which we presently find ourselves at home, locked in the Philadelphia Convention.

In the spring of 1982 I had spoken to two of the participants in this little meeting. A senior National Security Council official charged with responsibility for Soviet affairs called a number of influential Washington correspondents and asked them to come to the National Security Council for a briefing. Two of them told me that they left this briefing extremely shaken. They didn't want to say too much about it, but they gave me to understand that they thought that this was an extremely aggressive, dangerous, and highly risky strategy which the administration was describing and stating that it was about to embark upon.

Helen Thomas of UPI was one of the people who was in that meeting, and she described the results of the briefing—this briefing on the Soviet Union—in the following manner:

> A senior White House official said Reagan has approved an eight-page National Security document that undertakes a campaign aimed at internal reform in the Soviet Union and the shrinkage of the Soviet empire. He affirmed that it could be called a full-court press against the Soviet Union.[vi]

A little later, just a few days later, in fact, further evidence, this time quoting official documentation, not hearsay from a briefer at the National Security Council, but quoting official documentation: Richard Halloran, the defense correspondent of *The New York Times* published an article in that paper on May the 30th of 1982, just a few days really after Helen Thomas sent out her UPI dispatch. Halloran quoted from the fiscal years 1984-1988 Defense Guidance, of which *The Times* stated that it had a copy.[vii] The Secretary's Guidance Document recommended what Halloran called "a major escalation in the nuclear arms race." Apart from that it indicated that a number of other measures were being taken "to impose costs on the Soviet Union." Note the language is the language of the RAND

planners. Some of the same people probably wrote the document. I quote from Halloran's direct quote from the National Guidance document of the Secretary of Defense:

> "As a peacetime complement to military strategy, the Guidance Document asserts that the United States and its allies should, in effect, declare economic and technical war on the Soviet Union."

This is interesting. "And so I think," it went on. They wrote,

> "to put as much pressure as possible on the Soviet economy already burdened with military expenditure, they should develop weapons that are difficult for the Soviets to counter, impose disproportionate costs, open up new areas of major military competition, and obsolesce," (Nice English. I've put sic in my article) "precious Soviet investments."

So I think it's safe to say, and a number of people prove it to us a little later on, that this policy was instituted. Let me just race ahead to one of the more recent proofs. David Ignatius, who is a correspondent at *The Washington Post,* published a very remarkable article about "spyless coups" not long ago, in October, if I'm not mistaken. Perhaps it was September. Ignatius is a correspondent with very close ties to the intelligence community, to be very polite about it. I quote from his article: "Preparing the ground…" This is immediately after the Yeltsin double event of August 1991 in which Mr. Gorbachev was seemingly threatened by a coup and in which Mr. Yeltsin did not seem to take power but did. He described the event in this way:

> Preparing the ground for last month's triumph was a network of overt operatives who, during the last ten years, have quietly been changing the rules of international politics. They have been doing in public what the CIA used to do in private, providing money and moral support for pro-democracy groups, training resistance fighters, working to subvert communist rule.[viii]

Could he have written that in *The Washington Post* in 1982? It's difficult, I would have thought. It might not have passed muster. Some people might have noticed, but in 1991, evidently, it was all right to say that this is what we were doing.[ix]

If you look very carefully you can find many traces by officials stating that the United States had embarked upon a strategy which, retrospectively, it is very clear, was nothing more and nothing less than a strategy to destabilize the Soviet Union. Mr. Casey's magnificent and expansive imagination had carried covert operations beyond the narrow confines of Third World countries and aimed them at the Soviet Union and Eastern Europe. If you go back and look at the history of these events in this perspective, reading some of the documents, you'll see things very differently

Judd Clark [name indistinct, spelling uncertain], for instance, speaking at a private seminar at Georgetown University, again around 1982, said,

> "We must force our principle adversary, the Soviet Union, to bear the brunt of its economic shortcomings."

Well, that's slightly veiled language that means the same sort of thing that everybody else was saying. It wasn't, though, until 1985, that the redoubtable and incomparable Jeane Kirkpatrick appeared on the stage with the full text of the play in hand, and she gave a speech, not surprisingly in front of the Heritage Foundation, at a conference room on Capitol Hill in which she said, "The Reagan doctrine, as I understand it, is about our relations with the Soviet Union," and she then described every principal element of the strategy which Helen Thomas in 1982 called, repeating the NSC briefer's statement, "a full-court press against the Soviet Union."

If you read her speech to the Heritage Foundation, which everybody should read because it was 1985, she was saying that the United States is bent upon a strategy aimed at overthrowing the Soviet Union through internal and external pressures. She principally described the external pressure.

I want to say a little bit about the debate over the internal pressure. Again, in 1982, there was a nasty little debate between some members of Congress and the then-Secretary of State General Alexander Haig. Mr. Haig was very anxious that the United States should embark upon the program which Ronald Reagan was going to describe before the British Parliament in June 1982, at just about the time most of us were going to be in the streets of New York to protest some of the things that he was doing. And Hague said in the debate over the creation of the National Endowment for Democracy, which the Congress had insisted should not spill over into efforts to meddle in the internal affairs of the Soviet Union, Mr. Haig said,

> "Just as the Soviet Union gives active support to Marxist-Leninist forces in the West and the [Global] South…" [ironic commentary:] (because it owns Newsweek, for instance and it manipulates the Columbia Broadcasting Company… such enormous power the Soviet Union has in the West) "…we must give vigorous support to democratic forces wherever they are located, including countries which are now communist. We should not hesitate to promote our own values, knowing that the freedom and dignity of man are the ideals that motivate the quest for social justice. A free press, free trade unions, free political parties, freedom to travel, and freedom to create are the ingredients of the democratic revolution of the future, not the status quo of a failed past."

The founder of the Central Intelligence Agency said that propaganda is the first arrow of battle. A statement by Alexander Haig in 1982 to the Congress signals what the United States would attempt to do with the National Endowment for Democracy, that it would try to create and participate in the creation of [a false narrative of] a failed past in the Soviet Union. And, in fact, as you know, all that went ahead.

Now, let's look at that for a second. I know that it's very difficult to believe this. I ask you to look at the second of the articles which I read, or to search for what I've written. You can read it and search for some of the documentation easily available. You will find that the mission statement of the National Endowment for Democracy, which functions as a kind of consortium bringing many of the pressures of the US government to bear inside the Soviet Union.

Destabilization requires external pressure and a manipulation of the internal situation to move political developments in the direction you desire. That's what targeting a country for

destabilization involves. We deprive Cuba of sugar, of medicines etc. and that creates internal pressure, and utilizing the internal pressure, you insert yourself, create groups, diffuse ideas which are inconsistent with those prevailing and suitable to power, and you begin to work on that discontent. If the discontent deepens and spreads, you get better and better odds, and because the Soviet Union was already in a kind of crisis, which, as Abraham Becker said,

> "the United States then systematically sought to intensify and exacerbate."

The National Endowment for Democracy and literally dozens and dozens of pseudo-private foundations, which I'll talk about in a second, went into the Soviet Union under the new umbrella of glasnost, created academic presses, created newspapers, created radio stations, and began to mobilize and to work upon the natural dissent and discontent that existed in the Soviet Union, not only because of the historical past but also because of the difficulties of the present as exacerbated by the United States and its Western partners.

If you look at how much money… I'll just give you an idea of some of the projects that were involved, and this is just one agency. You have to recognize that if this was going on in the National Endowment for Democracy that there were many, many other channels of finance and influence into the Soviet Union that were working on this.

For instance, in 1984 the NED gave $50,000 to a book exhibit in the Soviet Union: *America through American Eyes.* At the book fair in 1985 (I mean I'm just selecting [a few]): $70,000 via the Free Trade Union Institute, which is part of the National Endowment, to *Soviet Labor Review* for research in publications on Soviet trade union and worker rights.

In 1986, $84,000 to Freedom House to expand the operations of two Russian language journals published in the US and distributed in the higher levels of the Soviet bureaucracy and intelligentsia, already an arresting description. Imagine the Soviet Union publishing two English-language journals in the Soviet Union during the 1980s and having them distributed and eagerly read in the highest levels of the United States bureaucracy and intelligentsia. I don't think that would have stuck very well in the United States.

In 1987, Freedom House, for the Athenaeum Press, rushed $55,000 for a Russian-language publication house in Paris to publish unofficial research conducted in the USSR by established scholars writing under pseudonyms. Now what does that mean? If you get down to 1989, we're talking already in the $200,000 category.

For instance, the Center for Democracy, which is related to the National Endowment for Democracy, began to create a center for assistance to independent and nationalist groups, including the Crimean Tatar movement for human and national rights. In other words, they began to finance ethnic and nationalist separatism, began to finance separate trade unions, began to finance their own academics etc., except this is open, but it's very large-scale, very large-scale.

I've done a little calculation and I can tell you that very large amounts of money were being spent, probably on the order of, by all the Western allies, minimum, inside the Soviet Union in the period from the mid to the late 1980s, one hundred million dollars a year—a hundred million dollars a year to finance organizations which might begin like WESPAC but would then grow, develop, have outreach, which would become extraordinary with that kind of

funding, and did finally change things.

If you look at perestroika in the Soviet Union, [we know it started when] Mr. Gorbachev became the Soviet leader. This is the background to the two stages in which we must understand perestroika. In the first stage it was clear that the Soviet leadership was desperate to find a way to renew socialism, that Mr. Gorbachev was bent upon the reformation of the notion of socialism, and that he had widespread support inside the Soviet Union.

There were genuine economic improvements which took place between 1986 and, sort of, let's say, the end of 1988, in the Soviet Union, as a result of those efforts, but the principal question we have to ask ourselves, since today we confront a fragmented, or, if you like, disassembled Soviet Union, the supremacy of nationalism, ethnic conflict, and Mr. Yeltsin—who represents an extremely right-wing constituency at the present moment—and the supremacy of capitalism. And a capitalist society is now being created in the Soviet Union, ending Mr. Gorbachev's experiment… the crucial question to ask ourselves is a very simple one: how is it that between 1985 and 1990 a movement which began as an attempt to transform and renew socialism in the Soviet Union was supplanted by a right-wing movement aiming at the creation of a capitalist society in the Soviet Union? That is the key question. That is the key question because that's what's happened, and it's strange.

That's why many of us were puzzled about the contradictory evidence coming out of the Khrushchev [*sic*? Brezhnev?] era. It was very difficult to understand. At first, it seemed very positive, and then from the end of 1988, the fall of 1988, it became increasingly clear that things were going to pieces, that Mr. Gorbachev was either not able to control the forces which he had unleashed or that indeed he was bent upon creating, as I heard on the French radio in 1988 for the first time stated very clearly—it arrested my attention: the purpose, said Mr. [name indistinct], on the radio in his not-bad French, was to create a regulated market economy. That was the purpose of perestroika, not when it began, but somehow something had happened.

In fact there's a lot of very interesting information out there now on the whole process. There was clearly a large dissatisfied set of strata in the Soviet intelligentsia. What has happened in the Soviet Union is more complex than the collapse through its own internal contradictions of the system of socialism in the Soviet Union. I really don't want to talk very much about whether the Soviet Union was a socialist society. There are people who say it was and people who say it wasn't. It's a long discussion between Trotsky and Stalin etc., but for my part I would say this: that the Soviet Union began as a genuine attempt to establish socialism. There were always in the Soviet Union people genuinely seeking to further socialism, and people who didn't give a damn. On balance, the thing we have to ask ourselves is whether the existence of the Soviet Union, as an apparently perceived socialist society, was a positive thing in the world equation at this particular time of history. I, on balance, having spent years in the United Nations, seeing that under the attacks of the Western countries, which in many cases were very ugly, most of the Third World countries which emerged in the late 1950s and 60s and early 70s were really only barely saved by the few sources of support which they got in the socialist world. And when the Soviet Union went down, they went down too; [for example] Angola, Mozambique, Nicaragua.

So in many respects I would have thought that the Soviet Union, for all its defects, stood as a positive development in history, with all of the horrors that took place. The United States has had its horrors.

The question is this: did the Soviet Union collapse because socialism is unworkable and central planning doesn't work? No, it didn't.

There was a crisis in the Soviet Union. I would argue that in the absence of the kind of pressure [that was applied], it's very difficult to weigh the balance.

How important were the internal forces?

How important were the difficulties experienced internally, and how important was the external pressure and the externally intervening force?

How important that balance was is very difficult to get. We have to read through all a lot of intelligence to understand that, to begin to get a grasp of things, but that's our duty as people who are living history, or who seek to understand history.

We have to try to do that, and my basic conclusion still at this moment is this: the Soviet Union today, in the absence of this extraordinarily crafty, well-thought-out, extremely costly strategy deployed by the Reagan administration, would be a society struggling through great difficulties. It would still be a socialist society, at least of the kind that it was. It would be far from perfect, but it would still be there, and I think, therefore, that Western intervention made a crucial difference in this situation. That's a judgment.

Conclusion

All right. Now, there is a question irrespective of that: what does it mean that the Soviet Union now has disappeared as a result of the kind of process that I'm talking about, a combination of internal difficulties and external pressure and intervention? Does it mean that socialism doesn't work? Does it mean that [there is no alternative to] the kind of capitalism that we live in today, which I think increasingly of as a return to irrational and savage 19th century capitalism? If you walk through the Bronx and Brooklyn and Harlem, how can you not conclude that we are living in an irrational and savage capitalism in which the leveling attacks of democracy have been dealt with, in which the possibility of remedying that situation by the constitutional means which exist in the normal political channels of our government are very small, that electoral changes, in other words, are not going to be very significant, until there's a mass mobilization of American people to make something happen.

If this is so, then the fact that what has happened in the Soviet Union has happened as it happened has no bearing whatsoever on our problems, and we should not be confused or pushed into consternation by it. Why? Primarily, for a very simple reason: The Soviet Union was conceived at a time when, in Marxist terms, it was not ready. The Soviet Union did not have the material base of abundance which would make it possible to create a society at once egalitarian and democratic because the struggle to create that base would require a degree of repression and authoritarianism, particularly heightened by external intervention and attack, which inevitably would distort the nature of socialism.

I sympathize with Isaac [name indistinct], but I think it's too simple when he says socialism in a backward country is backwards socialism. But the critical fact for us is this: the Soviet Union was a society conceived as a socialist society prior to the creation of the economic base which would permit the creation of a socialist society with ease. We live in a society whose capacity to produce, whose potential abundance is so great that the inability to make

use of it is literally tearing this society apart.

We live in a society which is ready, and when I say that, I want to go back to the terms of the discussion on the constitutional conventions. Well, why can't we have economic democracy? What does economic democracy mean? Economic democracy inevitably would mean a number of these things: the accountability of the enormous concentrated power which exists in our society today to public democratic institutions. The planned rational use of resources at the public level, with democratic participation in the same manner that that planned rational use is conceived within the framework of the corporations, where the exercise of those decisions is not accountable. So it seems to me that in our day, when our society is riven by its contradictions, unable to use its abundance, unable to use its productive capacity in a rational, humane and democratic manner, that what is on the agenda today is the democratization of economic power, the rendering accountable of the enormous economic potential and power that exists in our society to make this a better and decent and democratic world.

Voilà.

End of lecture

Question Period

Well, dear friends, first of all, we have to have this serious debate because the real terms of the debate are rendered invisible by the absurd rhetoric and the absurd way in which we speak about ourselves, and by the mass media whose power and determination is to keep the real terms of the debate invisible. The real terms of the debate are: why is this society collapsing? Why does this economic machine not work? Who is responsible? If the people who are responsible are not going to do something about it, let them get the hell out.

Moderator: I know there have got to be lots of questions. We'll allot a certain amount of time. We'll try to recognize everyone.

Question: You've analyzed this quite well, but what does one do to change [the situation]?

Well, I think part of the problem… I don't mean to be repetitious… but I think that people are clearly immobilized and confused at the moment. I think one of the reasons that people are immobilized and confused is that the proper debate is not out there. It's not possible for people to express what they know from their experience to be true, to assert its truth. The public debate rejects our experience and understanding because the public debate is designed to contain us, to make us accept and even to believe in the superiority of this situation. I think people know what needs to be done out there. In a sense the quintessential problem confronting our country is the enormous concentrated power to shape people's lives, to define discourse, as [name indistinct] pointed out, which is accountable to no one. The democratization of that power means, I think, certainly radical changes in the structure of our society, but ones for which in many respects people are ready and which indeed are supported by most of the values that this society has lived by historically and attests to.

It seems to me it's really quite simple. We don't have democracy in the sense in which we normally understand ourselves to have democracy in which people often speak of us as having. We don't have that. Why do we not have it? Because of this eternal and now much more intensive, much more intense tension that has existed from the beginning between

property and democracy, between popular majorities as the Federalists called them, disdainingly, and the rights of property. This now has become an enormous incubus on American society. We have enormous concentrated power for which nobody is accountable, and this is not acceptable. *Roger and Me* [the documentary film] is a reflection of a sensitivity that says, "We've got to talk about this, Roger. You're responsible for this." So I really think by not knowing these things, not changing the discourse of our lives, and the discourse in the public arena, coming to agreements amongst one another by hard work, by hard discussion, how can we know it's true?

And by the way, I don't think this can be done in the absence of action. That is to say, in a haltingly naive phase of my recent existence, I tried to convince some people in the Congress that we were headed into a really horrible situation, and they didn't want to know. They didn't. They don't want to believe what is uncomfortable for them to believe, so my decision was that you have to go into the trenches, that you have to work on projects that are going to materialize these ideas, that you have to work against plant closings, that you have to work for measures that alleviate the social burdens that exist in a city like New York, that you have to work for things while articulating these ideas because it seems to me it's only in the combination of action and debate of ideas that people will begin to understand the relevance and the necessity of a new discussion. You can't have in that sense—I cede your point—you can't have a drawing-room discussion which will prevail.

Certainly the people in the National Endowment for Democracy believe that. They don't just sit back and spend millions of dollars on printing books and making radio tapes and television shows. No. They created new political institutions. They then created new political parties, financing people like Arkady Murashev, the Inter-Regional Group in the Soviet Parliament, until recently. It doesn't exist anymore. The Inter-Regional Group was the group of pseudo-democrats, pro-capitalists, speaking, in many respects for the interests represented in the agglomeration of black market operations in the Soviet Union. Arkady Murashev was systematically cosseted, financed and trained by an organization in Washington very closely tied to certain agencies whose names we don't want to pronounce in the present circumstances. Murashev was a liaison man between Washington and Yeltsin. The National Endowment for Democracy gave $40,000 just for the faxes, and the printing machines and the telephones in the Initiatives Foundation, which was the organization that the Inter-Regional Group used to put out its messages, get itself organized, make contacts, etc. The United States was financing that operation. Arkady Murashev is now the chief of police of the city of Moscow.

This is heavy stuff. I mean, really, it's incredibly dramatic, but we mustn't go on in this vein because there are questions to be answered.

Question: Does every country have to go through this period of savage capitalism to become socialist?

No. I don't believe that. No.

Question: Bush seemed to like Gorbachev. Was Gorbachev foolish? Was he taken for a ride?

These are the great mysteries. There are, as you know, there are a different views. There are different theories about that. One of them is that Gorbachev was a mole, that Gorbachev was a deep-cover or Western intelligence agent. I believe that's exaggerated. I believe that's off the wall, but I do believe that there's an element here that's important to

understand.

There was in the Soviet Union, as a result of the very success of the industrialization of the Soviet Union, an enormous alienated set of strata amongst the educated population because the Soviet elite absorbed people at a very small rate. It didn't reach out to large numbers of people. They were educating enormous numbers of people, professional scientific workers, managers, and these people were mostly urban people. They were the fruit, in many respects, of industrialization. At the same time, being urban people, they found themselves trapped in the most difficult conditions in the Soviet Union because in its industrialization the Soviet Union really ignored a lot of problems. Theyfound themselves, in many respects, in a similar situation as the United States, where the decay of urban areas, the lack of equipment, the lack of infrastructure, the lack of adequate facilities for health or education etc. became a real problem. They didn't have the resources to industrialize, to raise the standard of living in the really poor republics of the Soviet Union, and to deal with the urban problem, as we call it in the United States.

So these people were… imagine… all educated people earning this education and looking upon themselves as deserving of the advantages and prerogatives of their Western counterparts, living in the equivalent of New York City, but earning the wages of a skilled worker. They didn't like it. They felt shut out. They were angry, and it's those people that the neoliberals were recruiting, not just the American neoliberals but their own neoliberals. There were neoliberals in the Soviet Union. There were reactionary people in the Soviet Union this [name indistinct] operation out in Siberia, the so-called sociological think tank. There are people who, I don't know why… Perhaps when you become very isolated from the world and separated from reality you conjure up the most amazing dreams in your mind. I think Marx called it idealism. In any case, these people were very much Western idealists and they came, frankly, into Moscow and Leningrad fervent believers in the need to embrace Western institutions because of their frustration, because of their understanding of their own past. Whether it was distorted or not, it's not for me to say. It's because of the way they viewed and felt about their past, because of their own personal frustration, because of the problems which were very real that they experienced by the Soviet leadership, by the Soviet economy and society. They were alienated, and that's where there was recruitment. When economic growth slowed down it made it much worse, and it spread the basis of recruitment very effectively.

There is a collection of essays which I think is quite remarkable and valuable, which gives you some background about the incredible contradictions in the Soviet Union, and how the Soviet Union, in fact, more than a decade and even two decades ago, was in fact being prepared for what is happening. It was ripening for some big bull shaking the tree, which is eventually what happened. That's the collection that *The Monthly Review* has published recently, *After the Fall,* something like that. *After the Fall of the Soviet Union* is really a very valuable collection of essays on the Soviet Union, or whatever it is after communism. Very useful stuff.

Question: Could you talk about Third World countries?

That's a really hard question. I've worked in Third World countries which were socialist countries and which were under attack. I worked in Mozambique in the beginning of the 1980s when the South African-Western-CIA operations were really beginning to [take a toll], and people were dying by the tens of thousands because the roads had been cut, and the supplies had been cut, and the health stations blown up, and I think that it was very hard for

them to survive that. Socialism proved very frail in Mozambique, even though the leaders of the revolution had been born in armed struggle, formed by armed struggle, were dedicated to armed struggle, but the society just couldn't withstand that kind of pressure.

In some ways I think that's true of the Soviet Union. There was a war in the shadows waged against the Soviet Union on a massive scale, and what these events prove is the Soviet Union was insufficiently strong to stand up to those pressures, and I think this is all the more true in the Third World. I don't know, but I don't want to say that I know the answer, whether they should try to make that jump or not. I think that will depend on what happens in the Western world. I don't see any reason why the jump couldn't be made if the West, Western Europe and the United States, in particular North America saw [supported] significant transformation of the present system of power. Then it's not a problem, but with this massive opposition coming from the West, it's very difficult to survive.

Question (apparently edited from video recording): _____

These same people today, and we're talking about within a few months, within the end of the year there being not 50,000 but between six and eight million unemployed people in Russia, 130 million people, labor force of 65 or 70 million, and I saw this same thing happening in East Germany.

I was very briefly in Humboldt University in 1989 or 1990, I can't remember which now. The whole situation was in upheaval, and I saw many intellectuals genuinely enraged by the arrogance of the Honecker regime, and at the same time, unfortunately, completely unaware of what would happen if that regime went down, taking everything, "really existing socialism," with it. And my question would be, OK, it's a question. You know the old version of this question used to be what about Stalin, but it's a little different now.

My problem is this: let's look at it in human terms, OK? Just forget ideology. What has happened as a result of the materialization of the dreams of the so-called reformers and democrats in the Soviet Union? What has happened is what has happened in Poland, and worse: that the standard of living of ordinary people is going to collapse, that old people will be destitute, that children will be without health care, that the transportation system is collapsing, that there will be no food distribution by spring, that people will starve, that there is continuous ethnic conflict. Now, the Soviet system of prices and of raw material supplies were such that enormous quantities… that the supply system worked in a way which led to the waste of vast quantities of raw materials and semi-finished products. I mean vast quantities.

So the idea was to go in to work at the enterprise level to create incentives to create better accounting, a system of prices which would reflect the real value of these raw materials and not the fact that they could be replaced anytime you wanted because all you have to do is put an order in. It didn't matter what you did with them. It [the reform] was focused on the enterprise, on profit incentives, and this loosening of the tight bonds on the enterprise, really did lead to a recrudescence of output. For instance, between 1986 and 88 there was a 17% increase in housing production in the Soviet Union. There was a 30% increase in overall production. The production, the economy, accelerated in the period 1986-88. In those three years the economy accelerated, but as I said, there were two stages of perestroika. There was a stage of perestroika where the effects were quite beneficial, where it was clear that perestroika and glasnost were aiming to energize and develop andfree and move forward the Soviet Union.

As a friend of mine said, the only way to ensure the social development of the Soviet Union is to undertake these reforms, but there was another stage, a second stage beginning in late 1988 to, obviously, the end of 1991, where the forces that were unleashed utilized the reform program to destroy socialism, clearly to destroy socialism, and Mr. Gorbachev was either helpless before that or a willing apprentice of that process. I could not pretend to pronounce which of those was the case. It's very difficult to say.

On the other hand, I really don't know how anybody in his right mind could have conceived of the notion that the way forward for the Soviet Union—and this was the quintessential statement of perestroika by the principle Soviet leaders in the mid-1980s—the way for the Soviet Union was to integrate the Soviet Union into the world economy. I mean to an economist with any degree of sophistication and critical approach, that is sheer unadulterated madness. It's like saying that the North American free trade agreement will lead to real economic development in Mexico. It's absurd. I mean we know what those processes are. How can a much weaker, less industrialized Soviet Union hope to stand up against the economic forces arrayed against it and capable of penetrating it, once it declares its intention to integrate itself into the world economy? When I heard that, I said, "It's all over, boys. These people don't know that they're doing," and indeed, listening to Soviet economists as I did when I was still teaching in Paris, and meeting with some of these people, until 1989, I got the impression of two things: they had not the least actual understanding of what was going on in the West, and that their theoretical conceptions were taken out of a handbook by Voltaire making fun of the French aristocracy.

Transcript produced by Youtube "auto-caption" speech recognition software, corrected and edited by blog author, Dennis Riches.

Notes

[i] Davis Guggenheim (Director), Al Gore (Writer), "An Inconvenient Truth," *Paramount Classics*, 2006.

[ii] Jason W. Moore, *Capitalism in the Web of Life* (Verso, 2015), 267-268. "What is really needed is proper planning of available resources globally, plus a drive, through public investment, to develop new technologies that could work… and, of course, a shift out of fossil fuels into renewables. Also, it is not just a problem of carbon and other gas emissions, but of cleaning up the environment, which is already damaged. All these tasks require public control and ownership of the energy and transport industries and public investment in the environment for the public good."

[iii] Sean Gervasi, "Western Intervention in the USSR," *Covert Action Information Bulletin* No. 39, Winter 1991-92, 4-9.

[iv] Sean Gervasi, "Why Is NATO In Yugoslavia?" *Global Research*, September 9, 2001,https://www.globalresearch.ca/why-is-nato-in-yugoslavia/21008. This paper was presented by Sean Gervasi at *The Conference on the Enlargement of NATO in Eastern Europe and the Mediterranean*, Prague, January 13-14, 1996.

[v] Gary Wilson, "Economist Exposed U.S.-German Role in Balkans," *Workers World News Service*, Aug. 29, 1996, https://www.workers.org/ww/1997/gervasi.html. The short biography written here borrowed some wording and information from this obituary published by *Workers World News Service*.

[vi] Helen Thomas, "Reagan approves tough strategy with Soviets," *United Press International (UPI)*, May 21,

1982, https://www.upi.com/Archives/1982/05/21/Reagan-approves-tough-strategy-with-Soviets/7761390801600/.

[vii] Richard Halloran, "Pentagon Draws up First Strategy for Fighting a Long Nuclear War," *The New York Times*, May 5, 1982, http://www.nytimes.com/1982/05/30/world/pentagon-draws-up-first-strategy-for-fighting-a-long-nuclear-war.html?pagewanted=all.

The reference appears to be to this article. The dates 1984-1988 may appear to be an error because the report referred to was written in 1982. However, the Defense Guidelines were focused on plans for the future, fiscal years of 1984-1988.

[viii] David Ignatius, "Innocence Abroad: The New World of Spyless Coups," *The Washington Post*, September 22, 1991, https://www.washingtonpost.com/archive/opinions/1991/09/22/innocence-abroad-the-new-world-of-spyless-coups/92bb989a-de6e-4bb8-99b9-462c76b59a16/?utm_term=.e9976e81e6d1.

[ix] As we know from the perspective of 2017, the normalization of such interventions continued shamelessly, going from a bad habit to a deranged addiction. The political establishment in America now resorts to economic warfare, violence and military intervention as the solutions for every problem in international relations.

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