

CCPC (2)



Foreign and Commonwealth Office

London SW1A 2AH

9 February 1987

Prime Minister

Dear Charles,

A fascinating admission of failure. I have underlined the key points.

Reforming the Soviet Economy

Tony Galsworthy sent you recently a note by Rodric Braithwaite on talks he held earlier this month in Moscow with Soviet officials and theoreticians.

CD
9/2

We have received another interesting account, this time by a Russian, of the problems of reforming the Soviet economy. This is a lecture delivered to a Soviet audience by the Economic Editor of a well-known Soviet weekly publication. An American official succeeded in attending without being noticed. The lecturer's thesis is that the economic system has failed because it does not motivate the people required to make it work. The elements of the analysis are not in themselves new in Soviet publications. But the pessimism and frankness of the lecturer's approach are remarkable.

I enclose a copy of the lecture. It is important that our knowledge of it should be closely held to protect the fact that an American succeeded in gaining entry. They hope to be able to do it again.

Yours ever,

Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street



10 DOWNING STREET

Prime Minister

I don't think
that you had time
to finish this. It
is very interesting.

CDP

M has
kept
it

CONFIDENTIAL

CD

THE FOLLOWING IS AN ACCOUNT OF A RECENT LECTURE BY THE ECONOMIC EDITOR OF A PROMINENT SOVIET PUBLICATION:

THE EDITOR'S LECTURE LASTED FOR ABOUT THREE HOURS. HE OPENED HIS REMARKS BY SAYING THAT THE "TERRIBLE" STATE OF THE ECONOMY WAS NOT SO APPARENT IN MOSCOW OR LENINGRAD BUT HE HAD JUST RETURNED FROM PERM (WESTERN URALS) WHERE HE SAW, FROM HIS HOTEL WINDOW, PEOPLE WAITING IN LINE FOR TWO AND THREE HOURS IN FRONT OF A SAUSAGE STORE. THERE WAS OF COURSE NO SAUSAGE ON SALE. "THAT GOES WITHOUT SAYING." THEY WERE WAITING TO BUY CUTLETS. (NOTE: HEAVY ON THE NON-MEAT FILLER).

ENERGY CRITICAL

- THE EDITOR SAID THE ENERGY SITUATION "IS MORE
- CRITICAL THAN YOU CAN IMAGINE". HE HAD BEEN
- TOLD BY A CENTRAL COMMITTEE OFFICIAL THAT
- THERE WAS A "DEFICIT" IN ENERGY CAPACITY
- (MOSCHNOST) OF SIX MILLION KW. ENERGY CAPACITY
- NOW STOOD AT 320 MILLION KW. (THE STATISTICAL
- HANDBOOK PUTS THE CAPACITY FOR 1985 AT 315 MILLION
- KW). THE SITUATION IS MOST SERIOUS IN THE
- CAUCASUS AND THE UKRAINE. THERE, AND ELSEWHERE
- IN THE COUNTRY, FACTORIES WERE SHUTTING DOWN
- FOR PERIODS OF TIME. "NOW YOU CAN UNDERSTAND
- WHY THE TV IS CARRYING THOSE CARTOONS ON TURNING
- OUT THE LIGHTS".

ONE REASON FOR THIS SHORTAGE IS "FANTASTIC"
WASTE. ANOTHER IS THE EXCESSIVE AGE OF GENERATING
EQUIPMENT, 70 PERCENT OF WHICH IS 15-20 YEARS
OLD, ALTHOUGH IT WAS TO HAVE BEEN AMORTIZED OVER
A TEN YEAR PERIOD. A SIGNIFICANT PERCENTAGE
OF THE MACHINERY IS ALWAYS OUT OF OPERATION. THE
MINISTRY OF POWER AND ELECTRIFICATION HAS TO EMPLOY
30,000 WORKERS TO TRY AND MAINTAIN
GENERATOR EQUIPMENT.

AGRICULTURE

- IN AGRICULTURE, DESPITE ENORMOUS INVESTMENT,
- PRODUCTIVITY REMAINS LOW. SINCE THE 8TH FYP,
- 550 BILLION RUBLES HAVE BEEN INVESTED IN
- AGRICULTURE (THE STATISTICAL HANDBOOK TOTAL
- FOR 1966-85 IS 477.3 BILLION) BUT THE COSTS
- (IZDERZHKI) OF PRODUCING 100 RUBLES OF OUTPUT
- (VALOVAYA PRODUKTSIYA) HAS STEADILY RISEN.
- ON THE AVERAGE IT NOW TAKES 121 RUBLES TO
- PRODUCE 100 RUBLES WORTH OF AGRICULTURAL OUTPUT.

INFLATION

- WE ARE NOT SUPPOSED TO TALK ABOUT INFLATION UNDER
- COMMUNISM. (AUDIENCE MEMBERS: EVERYONE
- IS TALKING ABOUT IT). OF COURSE, EVERYTHING

IS IN SHORT SUPPLY EXCEPT MONEY, WHICH IS AVAILABLE IN AN ENORMOUS SURPLUS.

MACHINE BUILDING INDUSTRY

THIS BRANCH OF INDUSTRY IS IN A SERIOUS STATE. IT HAS AN ABUNDANCE OF MACHINERY -- MORE MACHINES IN FACT THAN DESIGNATED WORK PLACES. BUT THE MACHINERY IS BASICALLY OBSOLETE, AND WHAT IT TURNS OUT IS SUBSTANDARD. MANY ENTERPRISES HAVE BEGUN MAKING THEIR OWN MACHINERY RATHER THAN DEPENDING ON THEIR USUAL SUPPLIERS FROM THE MACHINE BUILDING INDUSTRY. THE MILITARY OF COURSE HAVE LONG HAD THEIR OWN MACHINE BUILDING ENTERPRISES.

THE DECLINE OF THE USSR

THE EDITOR SAID THAT IF THIS DECLINE WERE NOT ARRESTED, THE USSR WOULD BECOME ANOTHER "DEVELOPING COUNTRY". IT WOULD STILL BE ONE OF THE GREAT NATIONS IN THE WORLD, BUT ECONOMICALLY SPEAKING IT WOULD BE A DEVELOPING COUNTRY. "WE COULD EVEN END UP AS A TAIL TO CHINA."

SOVIET EXPERIMENT FAILED

IN ADDRESSING THE CAUSE FOR THE COUNTRY'S PROBLEMS, THE WRITER SAID THE ECONOMY HAD BEEN BASED ON A "MYTH": "SINCE THE ADVENT OF SOVIET POWER" IT WAS THOUGHT THAT AN ECONOMIC SYSTEM COULD BE CONSTRUCTED IN THE ABSENCE OF ECONOMIC MOTIVATIONS (EKONOMICHESKAYA INTERESOVANNOST). THE PREVAILING CONCEPT HELD THAT PLANNING AND COMMANDS FROM ABOVE WOULD MAKE EVERYTHING WORK. PUT NO ONE - INDIVIDUALS, GROUPS, MANAGERS - HAD ANY DIRECT INTEREST IN WHETHER THE SYSTEM WAS EFFECTIVE. THE IDEA THAT A WORKER WOULD WORK WELL BECAUSE HIS FACTORY SOMEHOW BELONGED TO THE WORKING CLASS WAS NONSENSE. ONE NOW HAS TO ADMIT THAT THIS "EXPERIMENT HAS FAILED."

PLANNING NOT THE ANSWER

MANY PEOPLE THINK THAT ALL THAT IS NEEDED TO TURN THE ECONOMY AROUND IS BETTER PLANNING. I SAY THIS IS ABSURD. IT IS SIMPLY IMPOSSIBLE TO PLAN THE DETAILS OF AN ECONOMY OUR SIZE. IT DOES NOT MATTER WHETHER WE HAVE BAYBAKOV OR TALYZIN AT GOSPLAN. TO THE EXTENT THAT GOSPLAN INTERFERES WITH ECONOMIC MOTIVATIONS, IT INHIBITS OUR PROGRESS. WE CAN OF COURSE HAVE SOME PLANNING, AS THERE IS IN LARGE WESTERN COMPANIES LIKE GENERAL MOTORS. BUT THESE PLANS ARE IN THE CONTEXT OF MARKET FORCES. (TOVARNO-DENEZHNAYA SISTEMA).

MARX NOT APPLICABLE

MANY COMRADES FEAR AN ECONOMY BASED ON ECONOMIC
MOTIVES. THEY SEE US DIVERGING FROM THE
MARXIST PATH AND GIVING WAY TO PETIT BOURGEOIS
MORALS. THIS IS "NONSENSE" (APPARENTLY THIS
ENGLISH WORD HAS ENTERED THE LEXICON
OF SOVIET INTELLECTUALS). FIRST, MARX
NEVER TALKED IN TERMS OF ECONOMIC PLANNING.
SECOND, HE COULD NOT HAVE FORESEEN AN ECONOMY
OF THE SIZE AND COMPLEXITIES OF OURS. AS FAR
AS MORALS ARE CONCERNED, ARE WE MORALLY
SUPERIOR BECAUSE WE DO NOT HAVE A MARKET
ECONOMY? CAN ANYONE SAY THERE IS NO CORRUPTION
UNDER OUR CURRENT PLANNED SYSTEM?

KHOZRASCHET FAR FROM A REALITY

OF COURSE A MARKET ECONOMY IS STILL A LONG
WAY OFF. APART FROM A FEW EXPERIMENTS, NONE

- OF OUR ENTERPRISES IS YET OPERATING ON A
- REAL KHOZRASCHET (SELF FINANCING) BASIS.
- OUR PRICING SYSTEM IS ARTIFICIAL. (AUDIENCE
- MEMBER: OUR PRICES AREN'T REAL AND NEITHER
- IS OUR MONEY). THERE WILL BE NO REAL REFORM
- WITHOUT PUTTING EVERY ENTERPRISE ON A SELF
- FINANCING BASIS.

GET RID OF "COMMAND" SYSTEM

- WE HAVE TO REALIZE THAT ONLY THE SELF-INTEREST
- OF WORKERS WILL MAKE THEM PERFORM EFFECTIVELY. ((
- UNDER STALIN YOU WERE FIRED FOR BEING FIVE
- MINUTES LATE AND JAILED FOR BEING -- HOW
- MANY MINUTES LATE? AUDIENCE MEMBER: 20.
- YES, 20. PUT NOBODY WORKED MORE EFFECTIVELY.
- STALIN ALSO HAD MACHINE GUNS AIMED AT THE
- BACKS OF OUR TROOPS AT STALINGRAD SO THEY
- WOULD NOT RETREAT. WE CANNOT OPERATE THE
- ECONOMY THAT WAY. (AUDIENCE MEMBER: "A
- LITTLE FEAR CAN BE A GOOD THING"). I
- DON'T THINK SO.

NEW GOVERNMENT INSPECTION SYSTEM A MISTAKE

- THE NEW GOVERNMENT INSPECTION SYSTEM
- (GOSPRIYEMKA) WHICH IS GETTING SO MUCH
- PUBLICITY IS AN EXAMPLE OF THE KINDS OF MISTAKES
- WE ARE STILL MAKING. (NOTE: THIS SYSTEM WAS
- INTRODUCED BY GORBACHEV AT A CC SEMINAR IN
- NOVEMBER AND HAS BEEN RECEIVING MASSIVE
- ATTENTION FROM THE PRESS EVER SINCE).
- WHAT MAKES YOU THINK THAT THE GOVERNMENT
- INSPECTORS ASSIGNED TO A FACTORY WILL BE
- IMPARTIAL AND INDEPENDENT. IT IS NO SECRET
- THAT IN OUR SOCIETY EVEN JUDGES AND
- PROCURATORS ARE TOLD WHAT TO DO BY LOCAL
- PARTY OFFICIALS. UNDER THESE CIRCUMSTANCES
- DON'T THINK THAT INSPECTORS CAN BE INDEPENDENT.
- THE INSPECTION SYSTEM IS JUST ANOTHER BUREAUCRATIC
- IMPEDIMENT TO MARKET FORCES. THE ONLY REAL
- JUDGE OF QUALITY IS THE CONSUMER. DO YOU
- THINK MERCEDES-BENZ AND SONY PRODUCTS ARE OF
- HIGH QUALITY BECAUSE THOSE COMPANIES WANT
- TO SATISFY GOVERNMENT INSPECTORS? NO, THEIR
- ULTIMATE INSPECTORS ARE THEIR CUSTOMERS. ||

RECENT UPSWING WILL NOT LAST

- DON'T BE FOOLED BY THE SLIGHT IMPROVEMENT IN
- ECONOMIC INDICATORS RECENTLY. THE IMPROVEMENT
- IS ONLY A RESULT OF SOME GREATER ATTENTION TO
- DISCIPLINE. BUT THIS WILL WEAR OFF IN TIME,
- AND BECAUSE THERE STILL HAVE BEEN NO FUNDAMENTAL
- ECONOMIC CHANGES, THE DECLINE WILL RESUME.

BUREAUCRATS KILLED EARLIER REFORMS

- OF COURSE MANY ECONOMISTS HAVE BEEN AWARE OF
- OUR PROBLEMS FOR YEARS, AND WE HAD A NUMBER OF
- USEFUL REFORMS GOING IN THE 60'S. IN FACT
- THEY LED TO OUR PEAK PERFORMANCE IN THE 8TH
- FYP. BUT THE REFORMS WERE SUPPRESSED BY
- CONSERVATIVE BUREAUCRATS. THE DECLINE THAT
- FOLLOWED HAS LED TO A "POWERFUL PESSIMISM". IF THE
- BUREAUCRATS STOP THE PRESENT DRIVE FOR REFORMS,
- IT IS IMPOSSIBLE TO PREDICT WHAT OUR MOOD
- WILL BE.

- "RESTRUCTURING" NOT YET REALITY

- MANY PEOPLE SAY THAT THE DRIVE FOR REFORMS
- IS ONLY A SLOGAN CAMPAIGN, THAT THERE HAVE
- BEEN A LOT OF WORDS BUT NO DEEDS. A WHOLE
- BODY OF JOKES HAS GROWN UP ON THE THEME
- OF ACCELERATION AND RESTRUCTURING.
- ESSENTIALLY, THESE PEOPLE ARE RIGHT. THERE
- HAVE BEEN FEW CHANGES. BUT THERE HAS BEEN
- ONE FUNDAMENTAL IMPROVEMENT. WE ARE BEING

- MORE OPEN. LIT GAZ HAS PRINTED SOME OF
- THE REFORM JOKES. BEFORE THIS
- WOULD NOT HAVE BEEN PERMITTED. IN THE
- OLD DAYS, A CC OFFICIAL WOULD NEVER HAVE
- DISCLOSED TO A JOURNALIST OUR CRITICAL
- ENERGY SITUATION.

FILM "REPENTANCE" A SIGN

- THE SHOWING OF THE FILM "REPENTANCE"
- (POKAYANIE) IS ANOTHER SIGN WE ARE
- CHANGING. THE SHOWING OF THIS FILM, WHICH
- REVEALS THE TOTALITARISM, TERRORIST SYTEM
- OF THE STALIN ERA, WAS APPROVED AT THE
- HIGHEST LEVELS. GORBACHEV APPLAUDED LOUDLY
- WHEN HE SAW IT AT THE RECENT THEATRICAL
- CONFERENCE. (AUDIENCE MEMBER .THE SHOWING
- WAS CANCELLED IN LENINGRADI!): MANY
- PEOPLE ASK WHAT KIND OF DEMOCRACY IS IT IF
- A FILM LIKE "REPENTANCE" IS SHOWN ONLY
- BECAUSE THE LEADER PERMITS IT? I WOULD LIKE TO
- SEE THE KIND OF DEMOCRACY IN WHICH WE WOULD
- NOT HAVE TO WAIT FOR THE LEADER'S PERMISSION.
- BUT WE CANNOT ACHIEVE THIS KIND OF DEMOCRACY
- NOW. SOMEDAY, PERHAPS.

OUR DOUBLE LIFE

- PUT IT IS ESSENTIAL THAT WE BECOME MORE
- OPEN. ONE OF THE RESULTS OF THE STALIN
- ERA IS THAT WE ALL HAVE LIVED DOUBLE LIVES.
- ESSENTIALLY HONEST PEOPLE HAVE SAID ONE
- THING AT HOME AND ANOTHER THING IN SCHOOL,
- AT WORK, OR IN MEETINGS. CORRUPTION WAS RIFE IN
- A SITUATION WHERE THE PRESS WAS SILENT, WHERE
- THERE WAS NO INFORMATION, NO STATISTICS.
- THIS LACK OF OPENNESS (GLASNOST)
- HELPED PUT POWER IN THE HANDS OF
- FUREAUCRATS AND ENABLED THEM TO THWART
- PROGRESS WHILE MAINTAINING THEIR PRIVILEGES.

QUESTIONS AND ANSWERS - SOME WRITTEN, SOME ORAL

- Q. HOW MUCH REVENUE ARE WE LOSING ANNUALLY
- FROM REDUCED VODKA SALES?
- A. I DON'T KNOW. (AUDIENCE MEMBER: 5 BILLION
- RUBLES). BUT THE REAL ISSUE IS NOT ALCOHOL.
- IF THERE WERE ORDINARY THINGS TO SPEND
- MONEY ON, THE STATE BUDGET WOULD HAVE
- OTHER SOURCES OF REVENUE. CAN PEOPLE TAKE
- A VACATION TRIP HERE ON THEIR OWN - TO SAY
- NOTHING OF FOREIGN TRAVEL? CAN YOU BUY
- A CAR? IT IS ALL A QUESTION OF PRODUCTIVITY.
- THIS LACK OF PRODUCTIVITY IS WHAT MADE
- VODKA SALES SUCH AN IMPORTANT SOURCE OF
- PUDGET REVENUE.

Q. WHAT HAPPENED TO KUNAYEV?

A. I WOULD NOT BE SURPRISED TO SEE THE SAME KIND OF SCANDAL DEVELOP AROUND HIM AS UNFOLDED IN UZBEKISTAN AROUND RASHIDOV. THE "DEMONSTRATIONS" IN ALMA ATA JUST REPORTED BY TASS MAY HAVE BEEN INSPIRED BY KUNAYEV AND HIS SUPPORTERS IN ORDER TO HEAD OFF INVESTIGATIONS. THE UZBEKISTAN SCANDAL WAS MASSIVE. IT INVOLVED BRIBERY OF STUPENDOUS PROPORTIONS, AS WELL AS MURDER. THE REPUBLIC MVD WAS INVOLVED. THE NETWORK OF BRIBES, COVER-UPS, AND CHAIN OF COMMAND RESEMBLED A RETURN OF FEUDALISM. THE SITUATION WAS THE WORST IN FERGANA OBLAST, WHERE A MAFIA-LIKE CRIME NETWORK OPERATED. THE BODIES OF MURDER VICTIMS WERE FOUND BURIED UNDER THE ASPHALT ROADS. MORE THAN A THOUSAND RUSSIANS HAD TO BE SENT TO UZBEKISTAN TO FILL JOBS HELD BY

ARRESTED OR OUSTED UZBEKS. ALTHOUGH IT HAS NOT BEEN MENTIONED PUBLICLY, A BUST OF RASHIDOV IN TASHKENT HAS BEEN REMOVED, AS HAVE ALL PLAQUES AND MEMORIALS MENTIONING HIM. WE MAY SEE THE SAME HAPPEN TO KUNAYEV.

Q. OUR METHOD OF CHOOSING CADRES IS OBVIOUSLY NO GOOD. HOW CAN WE IMPROVE IT. I SUGGEST GETTING RID OF THE NOMENKLATURA SYSTEM.

A. AGAIN, DEMOCRACY IS THE BEST METHOD.

Q. WHERE DO THE SUBSIDIES FOR AGRICULTURE COME FROM?

A. FROM TAXES, FROM OUR LOW WAGES. IN OUR COUNTRY THE PEOPLE FEED AGRICULTURE INSTEAD OF THE OTHER WAY AROUND.

Q. COULD WE HAVE UNEMPLOYMENT UNDER A COUNTRY-WIDE MARKET SYSTEM?

A. THE WASTE OF OUR LABOR RESOURCES IS "COLOSSAL". BUT MORE EFFICIENCY WOULD NOT NECESSARILY BRING UNEMPLOYMENT.

Q. IF "RESTRUCTURING" MEANS A LOSS OF POWER BY THE PARTY, COULDN'T THE REFORMS LEAD TO A STALINIST REACTION?

A. THERE COULD WELL BE A REACTIONARY RESPONSE TO REFORM. BUT IT WOULD NOT BE STALINIST IN NATURE. WE ARE NO LONGER BLIND. WE, AND ESPECIALLY THE YOUTH, WOULD NOT TOLERATE A STALINIST SYSTEM.

Q. THERE MIGHT NOT BE A RETURN TO STALINISM, BUT COULDN'T THERE BE A CONSERVATIVE REACTION OF SOME KIND?

A. THIS IS QUITE POSSIBLE. THE BUREAUCRACY IS VERY RESISTANT TO CHANGE.

Q. THERE HAVE BEEN IMPROVEMENTS AT THE TOP, BUT THE SAME MIDDLE-LEVEL BUREAUCRATS ARE STILL THERE. THEY ARE THE WORST ELEMENT. THEY SHOULD BE CHANGED. ANOTHER AUDIENCE MEMBER: "WHO COULD WE REPLACE THEM WITH?"

A. I AGREE WITH YOU. BUT I AM NOT IN FAVOR OF WHOLESALE PURGES. WHAT WE NEED IS OPENNESS. THIS COULD MAKE OUR BUREAUCRATS MORE EFFECTIVE AND FLEXIBLE. WE NEED A LAW ON THE PRESS.

Q. I HAVE HEARD THAT THERE IS A MILITARY PATRIOTIC GROUP IN MOSCOW WHICH WAS

OSTENSIBLY FORMED TO PROTECT RUSSIAN CULTURE BUT IS IN FACT MODELED AFTER THE BLACK HUNDREDS. ||

- A. THIS IS TRUE. THE CENTRAL COMMITTEE APPARATUS IS WATCHING THIS GROUP. BUT DEMOCRACY MEANS WE MUST TOLERATE MANY IDEAS - WITHIN LIMITS.

- Q. OUR REFORMS SEEM TO CONFIRM THE CONVERGENCE THEORY.

- A. ACADEMIC SAKHAROV COULD COMMENT ON THAT.

- Q. WHY WAS SAKHAROV PUNISHED? (NOTE: THIS WAS BEFORE HIS RELEASE WAS ANNOUNCED).

- A. I REGRET THAT I HAVE NO GOOD INFORMATION ON THIS

- Q. WHAT DO YOU KNOW?

- A. REALLY NOTHING. IF WE KNEW, IT WOULD BE BETTER.

Q. WHY DO WE KEEP APPLAUDING PLAN OVERFULFILLMENT?
DOESN'T OVERFULFILLMENT BRING IMBALANCES IN THE
PRODUCTIVE PROCESS.

A. OF COURSE. BUT PLANS AND OVERTFULFILLMENT ARE
A FETISH WITH US. THEY ARE ALSO DANGEROUS.
EVERY ENTERPRISE TRIES TO HAVE ITS PLAN
LOWERED IN ORDER TO INCREASE CHANCES OF
OVERFULFILLMENT. PLANS DO NOT FACILITATE
PRODUCTION; THEY SLOW IT DOWN. AND THE
IDEA THAT YOU CAN ARTIFICIALLY INSTILL IN
WORKERS A "FEELING OF OWNERSHIP"
(CHUVSTVO KHOZYAINA) IS UTTER NONSENSE.

OUR PROPAGANDA ALWAYS ROASTS ABOUT HOW
ADVANCED WE ARE. IN FACT OUR BUREAUCRACY
CONSISTS OF "WILD CONSERVATIVES"
(DIKII KONSERVATORY).

Q. WHY DIDN'T OUR ECONOMISTS UNDERSTAND OUR
PROBLEM EARLIER. (AUDIENCE MEMBER:
THEY'RE NO GOOD, LIKE EVERYTHING ELSE).

A. THERE WERE EARLIER REFORMS. BUT YOU'RE
RIGHT, OUR ECONOMISTS ARE, BY AND LARGE,
WEAK. WE ARE WEAK IN ALL THE SOCIAL
SCIENCES. IT IS NOT THAT WE DON'T HAVE
THE PHYSICAL RESOURCES, IT'S JUST THAT OUR
THEORIES ARE WRONG. RECENTLY THE FIRST
SECRETARY FOR ECONOMICS (SIC) AT THE AMERICAN
EMBASSY, A DOCTOR OF SOME KIND OF SCIENCE,
CALLED ON ME. I HAD TRIED TO AVOID THE
MEETING, BUT THE MFA ASKED ME FINALLY TO
RECEIVE HIM. HE ASKED ME HOW IT WAS
POSSIBLE THAT WE SUFFERED FROM SO MANY
SHORTAGES. HE WAS RIGHT. HOW IS IT
POSSIBLE? WE ARE A RICH COUNTRY WITH
MANY RESOURCES. LOOK AT WHAT JAPAN DOES
WITH NO RESOURCES.

THE WASTE THAT IS INEVITABLE WITHOUT
ECONOMIC SYSTEM IS ENORMOUS. IF WE DO NOT
CARRY OUT OUR RESTRUCTURING REFORMS,
IT WILL BE A NATIONAL CATASTROPHE. YOU
AS WRITERS MUST NOT STAND ON THE SIDE
LINES IN OUR EFFORTS TO BRING REFORM.