

**Session of the State Council,**

November 4, 1991

*(Started in the absence of Yeltsin.)*

**Gorbachev.** It is a difficult situation. The most difficult. We were unable to exploit the fruits of our victory in August.

After the coup, we all then agreed to not allow the collapse of the state, the split of the democratic forces. In the first week after the coup, we did a tremendous amount of work on that front. And now we are failing in everything that we agreed upon then. Some political games have started again, a kind of tug-of-war, even more like pulling blankets over oneself.

We signed the Economic agreement, but it is hard to bring the other republics into it, and to get those who signed it to implement it..

Preparation of the Union treaty is going very difficult. And we agreed upon it after all.

I don't want to generalize, to name someone, not everyone behaves the same way. But the attitude of some is holding up all of the processes.

We have time for everything, but we do not do the things on which everything else depends. And the country is short of breath, not having clarity on the most important issue.

We must regain the momentum of our collaborative work and of the responsibility that we showed after the coup. To overcome hesitations....

Why is all this happening? Let everyone here say [what they think].

The central issue now is Yeltsin's economic program. I hope the State Council will support this program. I expressed support for the general direction of these measures. And today I confirm this.

But I have a serious concern: Yeltsin shows a lack of clarity regarding the Economic agreement and the need to cooperate on its implementation as a member of this community. This is a matter of principle, for Russia alone cannot cope with the situation, while others cannot escape the catastrophe on their own.

I had a frank conversation with Boris Nikolayevich. He said that Russia would act within the framework of the Economic Agreement and play a positive role in it. If so, and if others confirm the same position, then it means that you can start preparing documents tomorrow, and the Russians can become the foundation for coordinated work.

We cannot—at the level of the State Council and the republics—give in to panic. We must not allow the breakup of the Union market, so that bartering spreads, so that inconsistent prices are introduced, and so forth. Pupation [окукливание] will not save anyone!

We must formulate a general position and identify concrete steps to work together to accelerate reform.

But as a result of the set of measures announced by Yeltsin, a very serious trend arose: an unprecedented agitation in the consumer market. It is obvious that we made another miscalculation, we are repeating the mistakes of the spring and the end of '90 and the beginning of '91.

*(Yeltsin enters, showing disregard for “this meeting” by his tardiness).*

...Remember how Ryzhkov...announced the price changes, and then did nothing for two months.

Now people have heard only one thing from the statement of Boris Nikolayevich: the beginning of price deregulation. But we cannot deregulate prices without resolving the issue of monopolists, without reducing the expenditure side of the budget, without giving a stimulus to entrepreneurs, without telling the public that we are retaining price regulations for certain products. Otherwise everything might be disrupted.

Look what has happened already. In Moscow, usually 1800 tons of bread is sold per day. And yesterday, it was already 2800! People are buying goods frantically. Stores have begun to hold on to goods. The markets have emptied: vendors are waiting for the prices to go up, though the hype around the savings banks seems to have decreased. An explosion may occur.

We need first of all to give explanations to the people. And to outline clearly what we intend to do. Based upon what I have just said, I conclude: now we need intensive coordination of the work of the republics. We must not allow the rocking of the situation. Dangerous processes have already begun.

[We need] to work more intensively with Western partners. They are afraid of the collapse of the Union; they want it to survive.

I am raising this question in political terms at this State Council: what should we decide as a matter of urgency?

Issues about the Armed Forces, about the Ministry of Foreign Affairs, the IEC [Inter-republican Economic Committee], and the Ministry of Internal Affairs are after all issues of the Union. They are on the agenda for today's meeting. Boris Nikolayevich and many members of the State Council are also in favor of a rapid advancement of the Union Treaty, so as to gather the State Council on November 11 and go through article by article. We must realize, just as we did after the coup, that we have a very short time limit. The issue of statehood is paramount. The economy also depends on it. An economic agreement will not start to work without a Union Treaty.

If members of the State Council change their positions, if we give up what we decided at the last Congress, then let's clarify our positions.

Our positions should be known to the press, which generates a lot of anxiety in the public.

... The reserves of wheat are sufficient to provide the country with grain and bread products for the coming months. We have problems with fodder. The foreigners are willing to support us. The demand for hard currency for food needs is 14.7 billion dollars. I am hoping to get 2 billion from external sources. But there are doubts whether we will receive it. In terms of loans, we need 9.7 billion dollars. I expect to receive 5-6 billion.

You know, I had meetings with Western leaders in Spain and in France. I must say that they were shocked to learn that here [in this country] they intended to disband the joint Foreign Ministry. No one can understand how all this will work.

I discussed the issue of the Foreign Ministry with Boris Nikolayevich, and now we have a mutual understanding about it.

The Western partners are declaring their support for Yeltsin's economic program. This is important, it shows that we share the main goals in world politics. But we, in our own place, among ourselves, must decide what we want.

We must hold an important conversation at the State Council, which would provide momentum for all our further work on the creation of the Union of Sovereign States.

**Yeltsin.** We must go by the agenda.

**Gorbachev.** I have raised questions ... We must exchange opinions on the important points that I spoke about...

**Yeltsin.** I repeat: let's start on the first item on the agenda.

**Gorbachev.** But it says in the first paragraph: "on the current situation, an exchange of views" ... *(Irritably.)* Who wants to speak?

*(Pause, the atmosphere is awkward.)*

**Nazarbayev** *(started to say something...)*

**Gorbachev.** If everything is clear, then is there a need for discussion?

**Nazarbayev.** We have already expressed our fundamental support. And we must now discuss specific things. We must move faster. Now, the economic agreement ... We must move towards the market together. If we are working in the framework of the Economic Agreement, I have no questions. If not, then that is another conversation.

*(Silence again. Gorbachev urges people to speak up. Nobody reacts.)*

**Gorbachev.** Grigory Alekseevich Yavlinsky has the floor on the first item on the agenda *(his remarks have not been recorded).*

**Fokin.** *(Ukraine).* I have a question for Boris Nikolayevich. Donbass is now in the hands of miners. But perhaps we should not only judge Ukraine for this, but all of us? There are very complex political processes there. Half of the mines have come to a halt due to the lack of timber, which Russia has not sent.

**Karimov.** As long as we do not show consistency in implementing the Economic Agreement, we cannot move to a political agreement.

*(Break in the meeting.)*

**Yakovlev** *proposes sending a letter to the Seven on behalf of the Union of Republics.*

**Silaev** *proposes forming a Council of the heads of government of the republics, which could delegate its functions to the IEC. This structure is largely similar to the European Union.*

*Information is read aloud that 36 thousand employees of ministries and departments will have to be cut (and this is already happening), not including the apparatus of the Cabinet of Ministers of the USSR itself.*

[Source: V Politburo TsK KPSS: Po zapiyam Anatoliya Chernyaeva, Vadima Medvedeva, Georgiya Shakhnazarova (1985-1991), (Moscow: The Gorbachev Foundation, 2008), pp. 740-743

Translated by Sarah Dunn for the National Security Archive]