



The Last Soviet Defector?

Guest: Yuri Maltsev

April 7, 2014

Yuri Maltsev, a former adviser to the government of Mikhail Gorbachev, defected to the United States in 1989. He is a professor of economics at Carthage College, and the editor of Requiem for Marx.

WOODS: Yuri, I know you are probably beyond tired of telling the story about defecting from the Soviet Union, but I am sorry, you're going to have to tell it one more time. Number one, I never tire of hearing it, and number two, most of my audience has probably not heard your story. And since a lot of my audience is young, I bet some of them don't know what a defector is. Remember when you and I were on Glenn Beck that time, and half his staff was under age 25? They didn't even know what it meant to defect. We were all marveling at that at the time. We are living in such a different world. Later we'll go back and talk about your life in the Soviet Union and your observations there. But let's start with this exciting story from 1989, which meant you must have been one of the last defectors.

MALTSEV: That's very right, yes. Tom, I don't like the word "to defect." To defect means that you're giving up something you believed in, which I never believed in. To defect for me was to move from the ultimate tyranny of the Soviet Union to kind of the mild tyranny of the United States. And I was dreaming of doing that even before. In the 1970s I was an exchange student in the United Kingdom. Well, I think that's an oxymoron, "exchange student." I don't think anyone was exchanged for me. But I was dreaming of doing that, and I wouldn't because my father was alive, and at that time Soviets were so bad, and there were atrocious measures. In 1989, because of *perestroika*, because of Mr. Gorbachev, he removed fear out of that system, glued together only by fear. Then I saw that the time is good.

But it happened completely unexpectedly to me. I went on a business trip to Finland, where I was explaining to Finns and other Scandinavians what *perestroika* was all about. So I had public lectures in the Helsinki School of Economics and the Ministry of Finance of Finland and other places. I was not trying to defect, because fears in that time still were under Moscow control, and if I would try to, I could end up in eastern Siberia for 12 years of hard labor. Even under Gorbachev they would give these kind of sentences to people who would like to leave the Soviet Union. I was not prepared for this kind of career change and was not planning to defect.

While in Finland, however, I was buying a lot of stuff for my friends, because when everybody found out that I was going to Finland—which was considered to be kind of like a huge and wonderful supermarket next door because they had everything, while Soviets didn't have anything at that time; under *perestroika* everything disappeared. There was nothing to buy in the stores. So I got a lot of requests to buy stuff for my friends whom I left behind, and amazingly enough, most females asked for mascara or lipstick or both. And most men asked only for one thing, and that would be condoms. Why condoms? Because in the Soviet Union at that time the Soviet government was spreading rumors that AIDS was developed by the U.S. Army Base in Fort Dietrich, Maryland, to kill Russians, and so there was a real AIDS scare in the USSR. Because of that, everybody was looking to protect themselves from the HIV virus. And so I was buying all this stuff, and I was not planning to defect. I was planning to return back and give my friends what they wanted. But then I had kind of like a bad day. It began with an interview with Swedish television, and the lady in charge said, "Well, you were so critical of Mr. Gorbachev, but we love him in Scandinavia." I replied that if you love him, we can sell him for a reasonable amount of margarine, or sausage, or flour, or washing detergent. [Laughter]

from Tom.] And unlike yourself, she didn't laugh. She looked at me very somberly and didn't like what I said. When I returned back to my hotel there was a message, and when I returned the call it turned out to be the attache press, attache of the Soviet Embassy in Helsinki. And he was shouting at me, saying that you are in no position to sell anyone for anything, and we will talk about that in Moscow. So I had some kind of pretty bad aftertaste. And then the same day I had a lecture at the Ministry of Finance of Finland, and during the lecture I saw that they were serving nice food in an adjacent room. So I thought, wonderful, I will eat here. I will save my dinner, and I will buy more for my friends of the same of cosmetics and personal hygiene products.

But when I finished my speech I was surrounded by a lot of people who are asking me more and more questions. One of them was saying, "Well, are you afraid of going back to Russia because you are so anti-communist?" And if I would say "no" I would probably be still in Moscow right now, but I said, "Well, do you have other options?" And he said, "Sure, we'll look at options." And I was not thinking of what options he was thinking about. Then I returned back home after all this convention and a reception at the Ministry of Finance to find out that I need to call Walden ASAP, who left a message from the hotel. Call Walden ASAP, and I was thinking "ASAP?" At that time I didn't know that that meant as soon as possible. I thought this was kind of an Iranian or Persian name. But I made a call and he said, "Well, let's go to Sweden tomorrow." And I was thinking, "Why to Sweden? Why tomorrow?" I looked at my appointment book and said, "No way, I am all booked," and he said, "So you cannot squeeze defection into your time schedule?" Then I realized what he is talking about. Then I looked through all my schedule, and I said, "Friday," and he said, "Friday"—and he was laughing—"Friday is your defection day." I said, "Yes, because I am supposed to go back to Moscow, and instead of that we can go to Sweden," and so we went in a very James Bondish kind of way through northern Finland, through Umea, Sweden, and ended up in the U.S. embassy the next morning, walked into the U.S. embassy in Stockholm, asked for political asylum, and the man in the car said, "Okay, sir, but it's Saturday. The embassy is closed. Come back on Monday."

WOODS: Good grief!

MALTSEV: And I was pretty scared, because I didn't have any Swedish papers. I had a Soviet diplomatic passport that was expired in Sweden, and so in today's language I was an undocumented worker there. So I said, "No way I will get out of here." And he said, "All right, then I will call an officer on duty," who was probably a CIA officer, but he was very nice.

To make a long story short, and then nobody knew much about *perestroika*, what is going on, so I was debriefed by all these governments, by the governments of Sweden and the United States, and the United Kingdom and Germany, and then I ended up in New York at the end of the summer, and that makes this kind of funny because the customs officer, she said, "Can you please open your bag?" And I knew what is there, and I was very much afraid. I opened it and there were these boxes of condoms, of lipsticks, of mascara, and she said, "What is that for? Is that for private use? Or is that business samples? Or what?" And even a Soviet economist would say, "For private use." So she took my diplomatic passport with a refugee stamp on the top, and she looks at that and she says, "Huh, but you're coming for good?" I said, "Yes." She said, "I wouldn't let you in for a weekend trip with this stuff," and then she smiled ear to ear and she said, "Welcome to the United States."

WOODS: How about that!

MALTSEV: So it was very, very nice of her.

WOODS: Tell us about what your position was in the Soviet Union. What were you doing? What was your activity? You were an economist, but what were you doing as an economist?

MALTSEV: Yes. I was one of the economic advisers to Mr. Gorbachev's government. I worked for the Academy of Science, and for the something called Committee on Radical Economic Reform of the Council of Ministers and the Academy of Science combined. I wasn't *the* adviser to Mr. Gorbachev. I wouldn't take the blame for what happened over there. Moreover, I think it collapsed dramatically because they were not listening to my advice. I was working on all different types of reforms. One was civil service reform. I was supposed—together with another adviser who was a legal scholar—to prepare a new law about replacing

nomenklatura, maybe you heard about that. That was, I would say, uncivil disservice of the Soviet government. That means bureaucrats and party officials, to replace them with something more civilized and to keep the numbers down and to perform something which Mr. Gorbachev erroneously called “democratization.” So that was one field, and another field was conversion of the military embassies into civilian sector because the military economy was the backbone of the Soviet economy. At least 50 percent of everything was military-industrial-spy complex of the Soviet government. So that’s why both of these reforms to work with was very unpleasant and very difficult because there was such a resistance on behalf of bureaucrats, of Communist Party fanatics and others. Even a Soviet prime minister with whom I worked would say, “Comrades, we need to change everything,” and then he would finally say, “without touching anything.” So that made me pretty frustrated with all this *perestroika*, and it really failed. It really failed.

WOODS: How is it possible that somebody like you, who never bought into the system, could get such a position? Was it the case that they didn’t realize what your opinions were? Or was it the case that everybody knew that deep down everybody is an opponent of this system?

MALTSEV: That’s right, absolutely! Tom, you’ve got it absolutely right. You got it much better than all the Sovietologists and Kremlinologists in the Soviet Union.

WOODS: Thanks.

MALTSEV: Because the people—I mean, it was like a social contract over there. Everybody knew that they are kind of in deep trouble. It was very difficult to believe in socialism in the Soviet Union when you have 11 time zones completely destroyed. When you have places like Ukraine with all this black dirt, the best black dirt in the world, starving. And you have—when even if you’re a top government bureaucrat, you have problems in finding a piece of soap or a piece of sausage. So that—nobody liked it. Even the people in the top, they were trying to save their positions, but they were looking, desperately looking to do some kind of reforms. What Mr. Gorbachev did, he thought that socialism was a great idea, but it was perverted by Stalin, by Khrushchev. He still referred very reverently to Lenin, who was basically mass murderer number one, but he was—decried Stalin’s purges and repression as kind of a perversion of a humanistic side of socialism. And we’re thinking, what is a humanistic side? Because why they were killing people so much? Because socialism does not have any incentives to do anything. So to force people to do something, you need to apply mass murder treat people as their public slaves, and everybody was a government slave in the Soviet Union to the extent unthinkable. And so because of that, when Mr. Gorbachev was talking about a human face of socialism and what not, he kind of withdrew fear out of the system which was grouped together only by fear, and that’s why the Soviet Union collapsed so suddenly.

If you have a minute, I can tell you a pretty funny joke about this fear factor in the Soviet Union. The joke is that the CIA didn’t know what’s happening, and they sent their best agent to the Soviet Union. This agent was going from one store to another with a little notebook. He goes to the butcher shop and writes in his notebook, “No meat.” He goes to the bakery and writes, “No bread.” He goes to the shoe store writing, “No shoes.” There is a KGB guy following him. He looked over his shoulder at the CIA agent and he said, “Ten years ago you would be shot,” and the agent writes, “No bullets.” And that’s exactly when people realized there are no bullets anymore and everybody stopped working. That’s how the Soviet Union collapsed.

WOODS: A lot of people think Gorbachev was a great humanitarian, and he perceived the problems in the Soviet Union, but as you are putting it, in fact, he still believed in the ideals to which the country was supposed to be committed, but he thought that they had been carried out in the wrong way. They could be carried out more humanely. We need more openness in the society. We need *glasnost*. But apparently what happened is that as soon as you allow the openness, the whole thing crumbles because it relies on being closed, it relies on lies. It relies on differences of opinion being suppressed. As soon as you open that up the whole thing collapses. When Gorbachev started to say, “I want people to feel more open,” did people believe him? Or did people still keep their mouths shut?

MALTSEV: Many people kept their mouths shut because some people even thought that it will be like, remember, maybe 1969 Mao Zedong has the policy, let 100 flowers bloom, and so when they began to blossom, then they were all cut, and so some people thought that would be. I was at a reception in the

Kremlin once, talking to a KGB general in full uniform, and I said, “Well, during this period of openness of *perestroika*, or *glasnost*, what do you do?” And he said, “We are taking names and phone numbers and addresses.” I said, “For what reason?” He said, “Just to be on the safe side for the future efforts.” It was a very transitional society. Nobody knew, that’s why many people were still holding back, because they didn’t know. Maybe this Gorbachev, whom they would consider to be a clown in the Kremlin, that maybe he would be killed or removed or something would happen to him, and then the people like Andropov, like Putin, like others, would take over, and Andropov was the chief of KGB, and they would apply mass murder again, especially to those people who spoke out. So when the genie was out of the bottle, I think that would be very difficult to get the genie back without mass repressions. The major reason is that they found all these tens of millions of skeletons in their socialist cupboard. I mean, that they applied mass murder and such that the weight of these crimes and lies was unbearable even for Mr. Gorbachev. When they found they had murdered anywhere from 40 to 60 million people and so that even for Mr. Gorbachev would be indispensable to say no, that was—at first he would think a mistake was made. Like, you killed 40 million people, oh, sorry, oops, mistake. So then he began to admit that there were horrendous crimes and with all the various crimes and then you have the pictures everywhere and the monuments to people who committed these crimes, then the whole country turned into some kind of a twilight zone.

WOODS: Now, not having lived in the Soviet Union myself, I don’t know how to distinguish caricature from the real thing, but I have heard anyway that university life in the Soviet Union was quite interesting. There would be books that the general public could not read because they were opposed to Marxism or Marxism-Leninism. But a scholar could read them if it was necessary for his scholarly work in the pursuit of smashing the bourgeoisie around the world. If you were going to smash the capitalist powers and you need to read their stuff to do it, then you could read it as long as you didn’t disclose the contents to anybody else. Was that your experience?

MALTSEV: It was, it was. It was also, I would say, a bizarre experience because again, my kind of gateway to ideas of freedom in a formal way. I was thinking about freedom before even, and I was reading German philosophers, reading Adam Smith and anyone could get that. Adam Smith was published almost everywhere. For what reason? They had a bizarre approach to that, that everything before Karl Marx was great: for example, David Ricardo, Adam Smith, Hegel—they were all great because Marx was reading them and became what he became. But everything after would be classified, would be put away from the people, would be prohibited for people to read. Why? Because if you already have Marx, but you are not a Marxist, then that means you are either a liar or an imbecile or a person who should be locked up because officially they would say, “Well, truth is already discovered,” so why would you have, say, to read Hayek or von Mises, or even Keynes?

So everything would be classified. But for me *The Road to Serfdom* experience was that I changed my major from history to history of national economy and history of economic thought, and so I got a letter from a dean of my college—I was at Moscow State University—a very fine letter. I wish I would have it here. I would frame it. It said, “Comrade Maltsev is engaged in critique of the vulgar bourgeoisie, political economy and should have access to the materials,” and the topics were put down. They put topics there: economic thought, history, political economy. And then the dean signed it, and this letter was addressed to Lenin’s Library, which was kind of like a version of Library of Congress in Moscow. It’s the biggest library in the Soviet Union. And they told me that you take this elevator and you press the button with no number. So I pressed this button and arrived, and there were two pretty big police officer ladies with guns and they looked at my letter, and they led me to this room with a steel door. Then I signed a lot of paperwork. One paper I signed said that I would never tell anyone what I am reading here. Then also I was warned—that was very interesting, because I don’t think many people in the West know about this—they would open the dossier on me in which they would write down the titles of all books and magazines that I requested to read. You basically cannot take anything out of there. You only read there behind the steel doors. Every material that I would request also would have a dossier with the names of people who read it. So amazingly enough, they would at least try to frighten you that they know what you read, and so if you would tell something to somebody, then they can trace you to the book that you came up with, and I didn’t like that. That was very, very interesting. Everything—it was scary because for example, in 1938 for some reason Stalin decided to kill everybody who was associated with Georg Hegel, the German philosopher. And so

Hegelians, all people whom he called Hegelians, were shot. All people who were criticizing Hegel were shot. All people who were teaching Hegel—which was impossible not to teach because Hegel was kind of also a predecessor of Marx and Marx wrote a lot about Hegel—were also shot. So it was tens of thousands of people who were killed because they used the word “Hegel” for this or that reason.

WOODS: I hardly know how to follow that up.

I still see once in a great while somebody on the very hard Left denying the sort of claims that you will see, especially among American conservatives, about consumption levels in the Soviet Union. A lot of anti-communists in the West would say that life was miserable just from a material standpoint in the Soviet Union because there was a lack of everything, or everything was poor quality. You couldn't get things that you needed. There are people on the hard Left to this day who say that's all made up. That actually consumption levels were perfectly adequate and perhaps even comparable with the West. Is that just an outright lie?

MALTSEV: It is, not an outright lie, it is kind of I would say an embarrassing lie because I was—I worked, my first job was with the Department of Labor of the Soviet Union, and that's what I was studying there was the standard of living, and I can just, I think I remember some facts. We can double check them, but I think I am pretty good. The number of telephones, for example, the number of telephones per 100 households was 11. So you have 11 telephones for every 100 households. The numbers of privately owned cars for 100 households was 1.6.

WOODS: Oh, my gosh!

MALTSEV: The number of refrigerators per 100 households was 40. That was pretty high. The number of televisions was 96, however, because they considered televisions as a propaganda thing. However, it was 1988. The number of color televisions was 12 only. So others were big, black and white, old dusty kind of things with very little screens.

They would find out that in the United States the consumption of meat is about 110, I think, kilograms per year, and then they were thinking, and it was in my presence, and that was maybe in 1975 or '76, when in the Soviet Union the figure was 28 kilograms, what if we will combine, and they would say meat and dairy products. So they would put the numbers of milk together with meat and say this is all meat and dairy products, and then they could come up with 100 kilograms. So they could understand that one liter of milk is nothing to compare with one kilogram of steak, but that's what they would do. And then they would also in many cases—the statistics were so perverted—have three different types of statistics, and only when I began to work for Gorbachev's government I found out about it. I didn't know about that before. They would have open statistics which would be published, and they are like a statistical abstract of the USSR. Then they would have a classified statistics—classified. It's a secret, secret statistics, and that was statistics which they would think would leak out. So we don't live so well as the official statistics is spinning it, but we still live well enough as the classified statistics is telling us. However, they had a third book, third type of books, which was top-secret only statistics. Only very few had access to that, and that was telling us that there's almost nothing there.

WOODS: All right, that's what I figured had to be the case, but I wanted to run it by somebody who had experience living there and would be also familiar with the statistics. I am going to let you go because I've already kept you longer than I intended to. I love talking to you, of course, but the next time we have you on, we'll talk about your book on the Tea Party, and then I want to get your thoughts on the current Russian leadership and the situation in Ukraine. I am sure you have a unique perspective on that that we aren't likely to get through the rest of the U.S. media. I appreciate your time though today so much Yuri. It's so important to record experiences of people like you so that we remember this—so that people are aware of it. I bet most American kids have no idea of the kind of experiences you just described. So thanks so much for being here today.

MALTSEV: Oh, thank you! Just before I was on the phone with you, I had a market economics class, and in the market economics class, well, on the bad side, almost nobody knew who Thomas Jefferson was, but nobody at all knew who Jimmy Carter was.

WOODS: (laughs) Okay, well maybe there's some improvement. I used to say back in my old teaching days that I was consoled by the fact that they knew so little because it meant that there was less propaganda for me to undo. I would rather have their heads be empty than have their heads be full of propaganda. If I had to choose, I would rather start with a blank slate. All right, thank again, Yuri.

MALTSEV: Thank you. Thank you, Tom. Great to talk to you.