

The problems are diverse and daunting:

- a deteriorating supply of essential goods, prompted by hoarding, sabotage, chronic inefficiency, faulty distribution, disillusionment and the use of internal trade as a weapon in political conflict;
- rampant inflation, as larger and larger amounts of worthless rubles chase fewer and fewer goods;
- an economy where the old system has been discarded but a new one has yet to be created, where the old rules and sanctions are no longer in place -- or are ignored -- and where a new system of initiatives and reward does not exist;
- no certainty as to the ownership of capital and property, thereby deeply complicating jurisdictional issues with the Republics;
- ethnic and nationalistic violence, repressed and unresolved for decades, now emerging in the new atmosphere of freedom;
- a federation where every republic has declared some form of independence or sovereignty and where the authority and policies of the central government are ignored or contradicted daily;
- a crisis in political legitimacy where leaders are not trusted, laws are not obeyed and institutions are in disrepute;
- a crisis of expectations, where the people have been promised prosperity and are experiencing deprivation; and
- a crisis of awareness, where the people now know about the problems and the inequalities and will not accept them any more.

Those diverse and connected problems have produced a profound malaise, a pervasive cynicism -- and great concern which itself compounds the problem. Symptomatic was the reaction to Mr. Gorbachev's much-deserved Nobel Prize, which was met with shrugs, and sometimes derision, from a Soviet population yearning for basic needs and basic order. The Soviet Union has been more successful in revising its policies abroad than remaking itself at home. That is understandable. Changing policies is easier than changing almost a century of stultifying habit-forming structures. People want change but do not know how to prepare for it.

Mr. Shevardnadze and Mr. Yeltsin were frank in expressing their fears to me. But those problems must be put in context. The Soviet people -- and we outside -- know about those problems because people can talk. Many of those problems are not new; they are simply now known. Recognition and discussion of reality is a consequence of reform, reform we support.