



Foreign and Commonwealth Office

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London SW1A 2AH

15 September 1989

Dear Charles,

Prime Minister's stopover in Moscow: 23 September

Mr Gorbachev's Aims

In his talks with the Prime Minister on 23 September, Mr Gorbachev will probably wish to demonstrate that, despite internal economic and political pressures, he remains firmly in control and that his reforms are making progress. He will be looking for renewed political support from the UK. He may well explore whether there was a political motivation behind the 19 May expulsions. In the arms control field he may wish to keep up the momentum behind the conventional arms talks (CFE), and reiterate the Soviet commitment to a defensive strategy.

British Objectives

The stop-over follows a period in which the Congress of People's Deputies and new Supreme Soviet have provided a forum for unusually frank debate and have stimulated outspoken criticism of the leadership and Party. Mr Gorbachev is currently faced with the most serious challenge to his authority since coming to office. The Prime Minister's visit will be an opportunity to pursue a number of key objectives:

- (a) To reinforce our continued support for perestroika and for Gorbachev personally at a particularly difficult time.
- (b) To put across to the Russians our views on the main East/West issues, at a point when the Bush administration's dialogue with the Soviet Union is beginning to pick up. (Mr Shevardnadze is meeting Mr Baker in Wyoming on 22-23 September and this may lead to agreement on dates for a summit.)

Soviet internal affairs

Mr Gorbachev has acknowledged the opposition to his reform programme both from hard-liners and radicals. But there is no plausible alternative policy nor leader at present. There is growing discontent over shortages and wider economic problems. Since his visit to Britain in April, the speed of political change, notably the freedom of debate in the Supreme Soviet, has been remarkable - after 70 years the

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Soviet people are rapidly losing their fear. Meanwhile the fundamental contradictions of the Soviet Union have been thrown into sharp relief by disparate nationalist and ethnic conflicts, exacerbated by the country's dire economy (more detailed background enclosed). Mr Gorbachev has discarded many of his predecessors' fundamental assumptions, but it is far from clear what sort of society he hopes to create, and whether he has the will and backing to introduce the painful economic changes (eg price reform) which are essential in the face of the present stagnation.

Issues which the Prime Minister might wish to discuss include:

(a) How can the leading role of the Party be reconciled with an increasingly assertive Supreme Soviet which enjoys at least some electoral legitimacy, and with attempts to establish "a law-based state". Mr Gorbachev has publicly referred to opposition and denied the possibility of a coup. What form does the opposition take in his view?

(b) Election platforms for peoples deputies are already producing factions which could be embryo parties. The Soviet Union has accepted multi-party parliaments in Poland/Hungary. Will the Soviet Union eventually follow?

(c) Does Mr Gorbachev see how command and market economies can be combined in an effective way? Are the two approaches to the allocation of resources compatible?

(d) The Supreme Soviet's mercurial performance so far suggests that the massive legislative programme will be a slow process. Will Mr Gorbachev continue to chair in person? Does he see the programme as the key to a law based state and to the "irreversibility" of perestroika?

The Prime Minister might also ask Mr Gorbachev for his assessment of the nationalities question. The Soviet Union is an empire with little natural cohesion: most of its non-Russian inhabitants have little desire to be ruled by Moscow. The Plenum on nationalities will have taken place earlier in the week. The Russians are highly sensitive about outside involvement particularly in the Baltic States. But recent Soviet visitors to the UK have shown a striking interest in our experience of withdrawing from empire, and the Soviet Embassy has sought briefing on the constitutional mechanism of devolution in the UK. If the atmosphere of the talks permits, the Prime Minister may like to draw out Gorbachev in this area.

Western response to perestroika

In April Mr Gorbachev appeared to believe that the West was losing its enthusiasm for perestroika. The Prime Minister

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may wish to underline her strong personal support for the Soviet reforms, and that of the West as a whole including the new US administration. Mr Gorbachev has made clear publicly that ultimately the Soviet Union must itself solve its own problems. The Prime Minister might, nevertheless, sound him out about ways in which he thinks we could do more to help - eg by expanding our current management training programme or by targeting managerial and economic expertise on a critical area such as agriculture/food processing or the conversion of defence factories to produce consumer goods. Without some sign of light at the end of the tunnel, it will be impossible to generate genuine popular support for economic reform, and many Russians may conclude mistakenly that their interests will be best served by a reversion to the illusory "certainties" of the past.

Anglo/Soviet relations

A strong statement of support for perestroika will be particularly helpful if, as the Prime Minister discussed with Sir Rodric Braithwaite this week, she raises the issues of espionage, expulsions and ceilings. Mr Gorbachev could well raise this himself. He appears to have been affronted personally that the Prime Minister did not raise it with him in London and therefore to have taken the May expulsions as a deliberately negative political signal. He may be still looking for a motive, or perhaps believe that the Prime Minister was not herself happy with the policy. The Prime Minister may wish to make clear to Mr Gorbachev the risks attached to the present Soviet course, to leave him in no doubt that we are not prepared to pay a high security price for good relations, nor to acquiesce in vindictive measures against us, but that at the same time we are ready to move forward over ceilings if the Russians improve their behaviour. The best result would be for Mr Gorbachev to agree with the Prime Minister that the two Foreign Ministers and officials should resolve this issue without either provoking a row now, or storing up trouble which could erupt into a row in a few years' time. The Prime Minister might tell Mr Gorbachev that she intends to keep a close personal eye on this, and suggest that he should as well.

The Prime Minister could contrast this problem with plans for our otherwise excellent bilateral relations to expand still further. We hope that both Prime Minister Ryzhkov and a high level Supreme Soviet delegation will visit Britain this winter. These exchanges are solidly underpinned by a massive increase in direct contacts between individuals and organisation in our two countries (tourism, school exchanges, academic/cultural contacts, private visits).

The Prime Minister will be going to the Soviet Union next June for "Britain in Kiev" - the biggest British event ever held in the USSR, which The Princess Royal will open.

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The Prime Minister may like to say that she hopes Mr Gorbachev will visit the event with her.

If Mr Gorbachev expresses interest in the possible timing for a visit by The Queen, the Prime Minister may wish to say that it seems unlikely that this would be earlier than 1992 or 1993.

The Prime Minister will wish to welcome the major improvements in the Soviet attitude to human rights under Mr Gorbachev. There are encouraging signs that this is moving from individual gestures to legal reform. Recent amendments to proposed legislation on crimes against the state were an important step in the right direction. Institutionalised reform is the key. But it is disappointing that the Soviet Union still persists in damaging its own image by preventing the departure of many long term refuseniks. This attitude ensures that our attendance at the 1991 Moscow human rights conference remains potentially controversial.

The Prime Minister will wish to welcome the steady increase in Anglo/Soviet trade, the success of the British Trade Month in April attended by over 250 British companies, the growing number of joint ventures (35 have now been signed) and the visits by Lord Young and Mrs Biryukova. She might add that the overall level of British exports remains disappointing, but that the project to build a British Trade Centre on the 1905 Metro site in Moscow could provide a major boost (as well as earning valuable hard currency for the USSR). One specific commercial problem which the Prime Minister might raise affects the robotics factory being built at Yerevan by Simon Carves. This prestigious project, agreed during the Prime Minister's 1987 visit to the USSR, has run into serious problems because the Soviet side cannot deliver microchips of the required quality on time. It is clear that the company and its partners should resolve the technical issues involved; but the Prime Minister could point out that it would have major implications if the Soviet Union were to be seen as an unsatisfactory partner for collaborative high technology projects. Finally the Prime Minister might say that British companies were disappointed to lose the first contract for the refurbishment of Moscow airport, as they were sure their offer was technically best. But more recent discussions with Aeroflot have been going well and there is a good prospect of agreement being reached.

There is one other bilateral question which it would be helpful if the Prime Minister would mention. There has recently been encouraging progress on the school we are building in Armenia, after initial difficulties (due to disorganisation not ill-will). If the school is to be weather-proof before the onset of winter, which is critical for the whole project's timing, it is essential that the present rate of progress be maintained. Anything Mr Gorbachev

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can do to give those involved a prod would be very welcome. If time allowed during her visit next June, she might like to consider opening it, provided Soviet delays have not prevented it being finished.

Arms Control

The Prime Minister may wish to remind Mr Gorbachev of the importance which we attach to early progress in the negotiations on conventional armed forces (CFE) in Vienna. Mr Gorbachev may be prepared to give an indication of how the Warsaw Pact will respond to the proposals launched by the Alliance in July, which included (as the Warsaw Pact sought) limits on aircraft, helicopters and US/Soviet stationed personnel, in addition to those proposed earlier on tanks, artillery and armoured troop carriers. The Prime Minister might say that the July proposals represent a sincere attempt to remove the remaining points of disagreement over what the negotiations should cover. The Prime Minister may also like to tell Mr Gorbachev that the Alliance will shortly be tabling additional proposals covering the key areas of information exchange, verification and so-called stabilising measures designed to buttress the numerical limitations we have put forward.

On chemical weapons, the Prime Minister may wish to note and welcome progress towards a US/Soviet agreement for pre-CW Convention bilateral data exchange and inspections. (This may be finalised at the Shevardnadze/Baker meeting on 22-23 September.) We hope that such an agreement will bring about the greater openness about Soviet CW capabilities for which we have been pressing. (We understand that Sir Percy Cradock will be providing a separate brief for the Prime Minister about assessments of the Soviet CW stockpile figure.)

Eastern Europe

The Soviet Union has been careful to play no overt role in the formation of the new government in Poland. When General Kiszczak was unable to form a Communist-led government, Gorbachev had little choice, short of provoking a major crisis, but to accept the appointment of Mr Mazowiecki. Mr Walesa's assurances that Poland would honour its military commitments will have provided some reassurance; but Foreign Minister Skubiszewski has made it clear that Polish interests will come before ideological considerations, and Warsaw Pact political cohesion is bound to be further undermined.

The Prime Minister may like to pay tribute to the statesmanship of Jaruzelski and Walesa and stress the importance for all concerned with Poland's future of giving the new government a chance. The main effort must come from the Poles themselves. We shall do what we can to help but stringent economic measures must be taken by the Poles themselves. The Soviet Union too could help by easing the

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Poles' economic burden. The Prime Minister could stress our view that, far from threatening Soviet security, a democratic and prosperous Poland offers the best hope for stability and peace in the region.

Should Gorbachev raise the "German Question", the Prime Minister might point out that the GDR needs not only to honour its international commitments including CSCE commitments, but also to introduce the political reforms its young people clearly want.

Mr Gorbachev probably agrees on the need for reform in the GDR. But the Russians seem reluctant at present to apply pressure. They may hope that some reform will become possible in the post-Honecker era. We see no real reformers among the likely successors.

Other Regional Issues

The Iranian News Agency has recently announced that President Gorbachev has been invited to visit Iran. The Prime Minister may wish to express the hope that the Soviet Union will urge the Iranians to observe the norms of international behaviour. In particular, Iran should use her influence over those holding hostages to help bring about their release.

On the Lebanon, the Prime Minister might underline our strong support for a continuation of the efforts of the Arab League Committee of Three Heads of State to find a solution to the present crisis. We hope that the Soviet Union will continue to use its influence with the Syrians to persuade them to cooperate with the Committee, and ultimately to withdraw their forces.

On Arab/Israel, the Prime Minister could note the lack of progress. Given the deteriorating situation in the Occupied Territories, it is more important than ever that the Russians should use their influence with the Palestinians and the Syrians to urge restraint. We stand ready to discuss the issue in the Five if the Americans agree.

On Afghanistan, Mr Gorbachev may ask the Prime Minister to encourage the US and Pakistan to accept power sharing and to abandon the objective of a transfer of power from the PDPA regime to the resistance. He may also press "negative symmetry" (ending arms supplies to both sides). The Prime Minister might emphasise that the international community cannot force the resistance to share power, and that the resistance have every reason to be implacably opposed to doing business with Najibullah; point out that "negative symmetry" would benefit the regime as it has large arms stockpiles, thanks to Soviet generosity and agree on the desirability of a consensus resolution on Afghanistan at UNGA this year (the Russians and Pakistanis are negotiating a draft text based on

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last year's consensus resolution).

On South Africa, the Prime Minister may wish to urge Mr Gorbachev to encourage the ANC to be as flexible as possible in their approach to negotiations. (The ANC have produced a negotiating framework document, which was endorsed by the OAU last month.) While there are some promising elements in the current ANC proposals, the Government of South Africa are unlikely to accept that they must implement certain preconditions before the start of negotiations on a ceasefire. Furthermore, moves by the ANC to have their proposals adopted by international organisations can only reduce the prospects for progress.

On Namibia, the Prime Minister will wish to stress the importance of the Permanent Five standing behind the election result, whatever it may be, if the UN Secretary General certifies the process as "free and fair".

The Prime Minister might urge President Gorbachev to make clear to the Angolan Government that their current military offensive complicates the task of reactivating the ceasefire. We are urging both sides to put an end to the argument over what was agreed informally at Gbadolite, and instead to concentrate on those elements on which they both agree: (a) the Gbadolite Declaration and (b) the acceptance of Mobutu as mediator.

Pressure by Moscow was probably an important factor in the Vietnamese Government's announcement earlier this year to withdraw its remaining troops from Cambodia by 26 September 1989. But there was little evidence that the Soviet Union exerted effective pressure on Hanoi and the Vietnamese-backed Phnom Penh regime during the Paris Conference to reach agreement with the Cambodian resistance on the crucial question of interim arrangements pending elections.

If the subject comes up, the Prime Minister might express disappointment that the Paris Conference failed to settle the conflict, and express the hope that Vietnam and People's Republic of Kampuchea will display greater flexibility in future negotiations. The continued existence of the Conference machinery is one hopeful element. The Permanent Five should stay in touch over the conditions under which it might be reactivated.

United Nations

The Prime Minister may like to mention that importance of the work done by the Five in the Security Council, in particular in the peace-keeping field (where cost-effectiveness continues in our view to be a key objective). The Prime Minister may also like to seek Mr Gorbachev's support for our efforts to involve the Security

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Council in drugs questions. In our view the implications for international peace and security are self-evident, and this field is thus a perfectly legitimate subject for the Council. Finally, the Prime Minister may wish to mention her own plans to visit New York in mid-November to give a speech on the environment.

International Economic Co-operation

Mr Gorbachev may raise EC/USSR relations. The next round of negotiations for a trade and cooperation agreement are due in October. The French would like negotiation to be finished by the end of their Presidency. If the subject is raised, the Prime Minister might say that we welcome the negotiations for a trade and cooperation agreement now under way but that these are important negotiations for both sides and it would be wrong to set artificial deadlines.

Mr Gorbachev may mention his letter to President Mitterrand at the Paris Summit about closer economic cooperation. The Prime Minister could reply that we would be pleased to see Western organisations such as the OECD providing expert advice on how to run a free market economy, but that we regard application to GATT or IMF at this stage as premature. The Soviet Union has a long way to go in opening up its economy before it could play a full part in such institutions.

/ I attach an annex on the economy and internal political situation in the Soviet Union, and personality notes on Mr and Mrs Gorbachev, and on the Prime Minister, Mr Ryzhkov.

*Jaws.*  
*Stephen Wall*

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Soviet Internal DevelopmentsPolitical Reform

1. Since the Prime Minister saw Gorbachev in April, the rate of political change has been truly remarkable and shows signs of accelerating out of control. Although Gorbachev's own democratic credentials are far from consistent (he summoned 1,500 Supreme Soviet deputies from around the USSR last October for a 25 minute meeting to endorse unanimously his appointment as President), he has concluded that popular participation/enthusiasm is essential if his reforms - so far heavily dependent on his own energy and leadership - are to succeed.

2. The elections to the new Congress of 2,250 People's Deputies held on 26 March were a turning point. Although in almost a quarter of the seats there was only one candidate, many of these (including a high proportion of old Party stalwarts) were rejected by the voters and failed to get the required 50% support. The elections were far from pure democracy; but they allowed real public debate and discussion of a sort unknown in the USSR since the early years of the Revolution. The result amounted to a major vote of no-confidence in the Party apparatus.

3. The first session of the Congress of People's Deputies, ran from 25 May to 9 June, a week longer than expected, and its proceedings were televised live. Although only 10-15% of the delegates could be categorised as radicals/reformers, it featured a breadth and liveliness of debate that was totally unforeseen and no sacred cow (not even Lenin) escaped attention. Although the Congress served to strengthen Gorbachev's political authority, it seriously eroded that of the Party. This trend was maintained at the inaugural session of the new Supreme Soviet (selected from members of the Congress) which ended on 4 August.

4. Capitalising on its electoral legitimacy and credibility with the Soviet public, the Supreme Soviet discussed matters formerly considered too sensitive for public debate. It rejected nine official nominations for Ministerial posts, and grilled the Defence Minister and head of the KGB before confirming their appointments. It debated highly topical matters, notably the miners' strike, with deputies speaking up on behalf of their "constituencies" to articulate local concerns - and greatly improved an earlier Decree on crimes against the State. Most controversially the Supreme Soviet decided (against the specific wishes of the Defence Minister) to release 176,000 students from conscription ahead of schedule. Party concern at this (often explicit) challenge to its legitimacy and authority reached a peak on 18 July at a Central Committee meeting, which revealed serious differences within the leadership and widespread alarm at the Party's loss of control. Party morale is at an all-time low.

5. The Supreme Soviet and the Congress of People's Deputies are due to reconvene in late September and early October respectively. They will once again provide Gorbachev with an alternative focus of power. But if the Supreme Soviet is to build on its initial successes, it will need to show that it is more than a talking shop: it will have an enormous legislative programme on its agenda - covering initially the ownership of property, land and land use, "socialist enterprise" (ie the conditions governing the activities of State and cooperative enterprises), and republican and regional economic autonomy; plus, at a later stage, legislation on a range of human rights issues (including freedom of expression, emigration and freedom of conscience).

6. It is impossible to say how (or indeed if) Gorbachev hopes to reconcile the leading role of the Party with a Supreme Soviet working as an effective legislature. He has launched a process, however, which may not be easy to stop.

His 9 September television address (attached) showed that he has returned from his summer break under considerable pressure from hard-liners in the Party (and also from the radical left). His message - an uneasy attempt to be all things to all men - will have reassured few: he stressed the vanguard role of the Party and the fundamental importance of "socialist values", but the central message was that the Soviet Union must press ahead with perestroika. He also went out of his way to deny widespread rumours about the danger of a coup. For the time being at least his reassurances on this point ring true: it would be a very difficult task to unseat the incumbent General Secretary and President.

7. One key test of popular reaction to recent developments will be the elections to local and Republican Soviets due to take place before next Spring (some may be held this autumn): many in the Party fear that they will be rejected even more decisively than in March, above all in the peripheral republics. This could pose an overwhelming problem for Gorbachev, particularly as he will not be able to make major changes to the Central Committee (ie by putting in more reformers) until the Party Congress now likely to be held in late 1990.

#### The Nationalities Problem

8. The idea of greater devolution of decision-making lies at the heart of Gorbachev's reforms and has been taken up eagerly by many non-Russians - who have also seized the opportunity to express long-held grievances, in many cases anti-Russian and anti-Soviet. Popular Fronts have developed rapidly, particularly in the Baltic Republics, nominally supporting perestroika but in practice pressing for greater republican autonomy (and increasingly openly for independence). The most striking recent symbol of these pressures was the 400 mile-long human chain which linked the

three Baltic capitals on 23 August (50th anniversary of the Molotov/Ribbentrop Pact). In addition, long-suppressed inter-ethnic conflicts are bubbling to the surface in Armenia/Azerbaijan, Georgia and Soviet Central Asia and are often acquiring anti-Soviet overtones. The death toll already runs into three figures. Further unrest and probably bloodshed are inevitable: there are no easy answers, the USSR is an empire created and held together by force. It is most unlikely that Gorbachev could survive any move to break up the Union (eg the secession of a single republic). But, short of force, he now has few tools to control the spread of nationalism. Party and government in the Republics are becoming - partly at Gorbachev's behest - increasingly linked to local nationalist aspirations (and less able/willing to respond to central control). A CPSU "platform" on nationalities policy was published on 17 August as a basis for discussion at the Plenum on nationalities on 19 September. It presents a relatively coherent approach to internal ethnic and regional problems, but it seems most unlikely to provide a lasting solution to the underlying problems and growing demands for real political independence.

#### Economic Reform

9. Unless there is a nationalist explosion, the fate of Gorbachev's reforms is likely to be determined by their impact on the standard of living of ordinary Russians. But economic reform has so far been ill-conceived and half-heartedly implemented. There has been a partial introduction of full-cost accounting and some moves to decentralise economic decision-making, although the burden of central planning has been little reduced. The cooperative movement has made significant headway, but most cooperatives are in the services sector with only a handful of employees and they have generated a good deal of hostility for allegedly being profiteers/speculators. Fundamental issues have not been tackled, including the

central one: how can market reforms designed to improve incentives and competition interlock with a command economy in which resources are allocated centrally?

10. Genuine reform will be a matter of decades, not years, and will be disruptive - unemployment and bankruptcies are inevitable - and therefore unpopular. It will also require fundamental changes in attitudes. The shift from quantity to quality as a criterion of success has scarcely begun. Price reform is essential if resources are to be allocated rationally and the enormous burden of subsidies (some 80 bn roubles per year) reduced. But this has been indefinitely postponed as too difficult and unpopular.

11. Agriculture may offer the best hope of relatively rapid results - particularly in terms of showing people some concrete benefits from perestroika. Gorbachev is beginning the inevitably slow process of rebuilding the peasant-class butchered by Stalin and re-establishing the link between farmer and land. But the key will be massive changes to and investment in the infrastructure, the storage and handling of goods (up to 50% of production is lost between farm and shop) and a price structure which will genuinely encourage production.

12. The economy contracted in the first six months of 1989 and there is no sign of a turn around. In macro-economic terms the prospects are gloomy - with growing inflation, a massive budget deficit (over 12% of GNP), wages rising twice as fast as production, food rationing in many towns and a huge imbalance between supply and demand (the "rouble overhang" is estimated to be 400 bn). The miners' strike in July brought into stark relief the inability of perestroika to deliver economically. It was bought off largely by the promised injections of goods and greater local autonomy; but this response is only exacerbating the Soviet Union's macro-economic problems, and may well encourage

economic/industrial unrest in other sectors. (Widespread strikes in Azerbaijan in early September, although partly nationalist in origin, were also partly economic. Once again the authorities appear to have given in to strikers' demands.)

13. Macroeconomic problems have been exacerbated by the costs of past environmental blunders and the huge difficulties facing the Soviet energy programme. Oil/gas is increasingly difficult and expensive to extract, but popular opposition to nuclear power and environmentally damaging hydro-electric schemes is vocal and well-founded. If current trends continue there is a danger that rationing may become the norm (not the exception) for all types of product (not just food). One gloomy Soviet economist has forecast 100% rationing during 1990 - already about 15% of goods in Moscow are rationed. This would effectively remove any prospect of economic reform, as the central authorities would be assuming full control of the distribution of goods throughout the Soviet economy.

## B. INTERNAL AFFAIRS

### GORBACHEV TELEVISION ADDRESS ON USSR'S CURRENT PROBLEMS

*Soviet television (and Moscow home service) 1700 gmt 9 Sep 89*

*Text of address by Gorbachev (leading the Vremya programme"*

[Announcer] Comrades, speaking on our programme today is Mikhail Sergeyevich Gorbachev, General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet.

[Gorbachev] Good evening, comrades. Today I am going to talk to you about the present moment. The situation in the country is not simple. We know all this we all sense this. Everything is bound up in a tight knot: the acute state of the consumer market, the conflicts in relations between nationalities and the difficult and sometimes even painful processes going on in the public's consciousness that are connected with overcoming the deformations and renewing socialism.

The people are trying to grasp where we stand at the present moment, what are the pluses and minuses of the road we have covered in the past four years and more, how democratisation is developing and how economic and political reform is coming along. Their desire to get at the true roots of our weaknesses - the disruptions in fulfilling specific programmes of restructuring and in tackling pressing problems - is quite explicable, as is their desire to elucidate why it is that on some issues the situation is not only not improving, but has actually become more complicated. In short, highly charged discussion is a characteristic feature of the present moment in political life. However, at the same time the main thing - and special emphasis should be placed on this - is that the masses of the working people have begun moving. They are becoming more and more actively involved in discussion of ways to tackle socio-economic and political tasks. This, comrades, is of fundamental significance, since it brings a constructive and business-like character to restructuring, and in this way the alienation that had developed between the people and the authorities is being overcome.

But one cannot help seeing something else. Of late something has been occurring in the raging maelstrom of discussion and events - something that cannot go unnoticed and unremarked. We are seeing how attempts to discredit restructuring are being made from both conservative and ultra-leftist positions, and sometimes, too, from openly anti-socialist positions. From the midst of this discordant choir may be heard scare stories of imminent chaos and arguments about the danger of a coup or even of civil war. It is a fact that some people would like to create an atmosphere of alarm, of there being no way out and of uncertainty in society. It is difficult to rid oneself of the impression that this is to someone's advantage; that they simply want to confuse people and urge them on to ill-considered actions.

From essentially conservative positions there is an attempt to impose assessments of the situation such as would prompt counter-action to perestroika and would form the opinion in

people that the processes of change which have begun must be halted or at least slowed down. They call for a return to the old, administrative-command methods otherwise, they say, there will be chaos.

From the ultra-left corner it is proposed that tasks which are most complex be tackled at the gallop, at one stroke, and without taking into account either the real possibilities or society's interests. This, moreover, is presented as concern for the people and as care for their welfare.

Recently recommendations have also appeared from which it follows that salvation for all of us consists in one thing: renouncing socialist values and conducting perestroika in a capitalist manner. This kind of thing exists, too. There is no need to say that this contradicts the essence of the perestroika policy, which is aimed at the socialist renewal of society.

I would not like to be understood as meaning that the diversity of opinions now represents a hindrance, or that none of those with whom I am conducting a polemic is concerned about how things are going in the country. No; the issue lies elsewhere. The essential point is what this concern is transformed into. Some are prepared to renounce perestroika and return to the past. Others, supposing themselves to be resolute reformers, are prepared to push the development of perestroika onto a path of hasty decisions and of rash projects which contain more ambition than concern about the cause.

All this is very serious, comrades. And I considered it necessary to speak out definitely on this subject. Yes, perestroika is proceeding with difficulty. But this is, after all, a sharp turn - a revolution in the economy, and in politics and in the spiritual sphere, and in the very consciousness of man, in the whole structure of our life. Furthermore, miscalculations have not been avoided either in practical work, and they have been allowed to occur after perestroika was already in progress. However, perestroika has opened a real path to the renewal of society, to its assumption of a new quality, to the creation of a truly humane and democratic socialism. It has restored to our great country a sense of dignity and given the Soviet person a feeling of freedom. It is a powerful source of social and spiritual and, I would say, patriotic energy for decades to come. And, that being so, we must do all to develop perestroika, on the basis of the ideas and principles which the party has proclaimed. And not give way to the tendency for anyone, under the pressure of the difficulties that have crowded in upon us, to succeed in foisting on society doubt as to the correctness of the path we have chosen. We must not stop. We must go forward along the path of the reforms we have mapped out.

Society, as I understand it, feels the exceptional importance of this moment. In the country's work collectives, there is a growing understanding that it is not rational to expend our strength on squabbles of various sorts; and attempts to stratify society and set people against each other are altogether impermissible. There is an increasingly insistent demand that we should pool our efforts and improve our practical work in all areas of perestroika. And in this

connection one can only welcome the fact that the working people are demanding much of the economic managers and the state and party bodies at all levels; they expect of them a greater resoluteness in implementing the policy of perestrojka, in organising work in the new way and in changing the present situation for the better on the scale of the whole country. People have begun to rid themselves of illusions and of the belief in simple and easy solutions and in the notion that someone will provide everything from above, ready-made, and solve all the problems. More and more often in their arguments one can hear it said that we live in the way that we work, no better and no worse. I would only wish to add: and tomorrow, too, we shall live as we work.

I consider it important that an understanding of the fact that perestrojka is linked first and foremost with labour – creative, intensive and highly productive labour, in which all one's strength and knowledge are applied – is gaining strength in society. This is important insofar as recently in our country people have talked considerably less about labour and more about the distribution of wealth. One might think that perestrojka amounts merely to the redistribution of some mythical riches. It is a good thing that we are getting rid of this delusion, albeit with difficulty; and that the implementation of the principles of social justice in society is being linked more and more not with the ill-starred levelling out but with the real labour contribution of the person.

The fact that positive changes are building up is also shown by the fact that the issues of discipline and order and the problem of bad management have been discussed very sharply of late in society. Supporting this in every way, I want to say: we cannot tolerate the violations that are taking place everywhere of state, labour and technological discipline and hold-ups in the fulfilment of obligations under agreements between enterprises, republics, krais and oblasts. We cannot reconcile ourselves to a situation in which our national economy is in a feverish state on account of stoppages in the work of transport.

I also want to say something about strikes. If we embark upon that path in the resolution of our problems, then it could have dangerous consequences for society. The problems that arise have to be solved by other methods, at the right time, so that they do not grow and acquire an unhealthy character. And we must particularly not tolerate a situation in which very often enormous losses are allowed to take place of that which has been produced by labour, upon which material and financial resources have been expended.

I consider that people are right to raise the matter of raising responsibility and discipline decisively at every level. Perestrojka and irresponsibility are incompatible with each other. They are antipodes.

In describing the state of our society today, I cannot fail to mention the issue of crime. In their examination of this most acute social issue at the first session of the USSR Supreme Soviet, the deputies were unanimous that the most decisive measures must be taken here, first and foremost indeed in regard to organised crime, bribe-takers and speculators and against all encroachments upon the property and dignity of citizens.

The strictest order must be established in all towns and populated settlements in the country. The Supreme Soviet considered it necessary on the basis of law to grant the militia and all law-enforcement bodies wider opportunities in the fight against crime, equip them better materially and technically, increase the number of Internal Troops and raise the material position of staff. We must, however, be most exacting with regard to all those who defend public order and socialist legality. This must all be done. But unless our entire society joins in this difficult fight, there can be no rapid change. I am aware, and the press has reported, that in many industrial centres workers' volunteer militia groups and other formations have been set up to assist the law-enforcement bodies. It is especially important that young people have responded to this. We are counting on their energetic activity and determination.

In a word, comrades, both at the centre and locally, in all work collectives, practical work to bring about perestrojka and resolve the problems which have accumulated must be stepped up in every way possible. In the centre, in the forthcoming months fundamental decisions must be taken relating both to urgent problems and to groundwork for the future. In fact this determines the particular, the especially important significance, I would say, of the forthcoming second USSR Congress of People's Deputies and session of the USSR Supreme Soviet. The government of the USSR is drawing up and is to submit to the Congress of People's Deputies a programme of emergency measures to improve the economy, and first and foremost to normalise the consumer market. This programme, we consider, should give clear answers as to how, and within what timescale, the most acute socio-economic problems will be solved. Society, I think, will not agree to this programme failing to set out clearly specific measures, stages, schedules and the responsibility of central, republican and local bodies and work collectives.

Such a package of measures may, I admit, contain measures which are unpopular, harsh in some respect and to some degree painful. But this will be justified only in the event that they are indeed dictated by the necessity of extricating ourselves from the situation that has come about.

Shortages, which give rise to the greatest amount of criticism and dissatisfaction amongst the people, are a special issue. The government must present a report on this acute social issue, as well as practical measures for the immediate future.

Major decisions relating to further deepening economic and political reform are to be adopted at the session of the USSR Supreme Soviet. These involve, first and foremost, such a fundamental law as the law on ownership, adoption of which will make it possible to overcome man's alienation from the means of production and to create incentives for independent creative work. The law on land and land use, lease and leasing relations, is closely linked to this. A fundamental step is thereby being made in developing production relations in all sectors of the economy and in establishing diverse forms of socialist ownership.

Taking the experience which has been accumulated into account, a new law on socialist enterprise will be adopted which will open up wide possibilities for economic



independence and for displaying initiative and enterprise, and which will create equal conditions of economic operation for state and co-operative enterprises.

The laws on republican and regional financial autonomy, and on the local economy and self-management, will be of major political and economic significance. This is an important step along the road to the real consolidation of republics' sovereignty and the expansion of local soviets' rights.

Fundamental decisions on the transformation of the Soviet federation are to be taken. Issues connected with nationalities policy which corresponds to the principles and demands of perestroika will be discussed in the near future, at a plenum of the Party Central Committee. The CPSU's platform will, we hope, serve as a good basis for resolving matters concerning the Soviet federation and for solving problems of relations between nationalities. Other issues will be examined and resolved. In short, we have entered a responsible period in society's development and in the implementation of the perestroika policy developed by the CPSU.

The changes which we have begun, which we are increasing and which we are deepening, will undoubtedly produce results. Of that I am convinced. For this, however, everyone must act resolutely and in concord. Today as never before, we need the consolidation of all progressive forces. And in this work the role of the party, as the unifying vanguard force of society, is irreplaceable. Those who are counting on using the difficulties of the transition period for some unworthy goals, and are attempting to undermine the party's influence, must know that this will not work.

We are certain that the working people, for all their critical attitude with regard to the actions of various party committees and communists, well understand the significance of Lenin's party for the destiny of socialism, which is now inseparable from the success of perestroika.

However, it is also obvious that the new tasks call for a profound renewal of the party. By restructuring itself, by cleansing itself of all that hinders it, by overcoming dogmatism and conservatism, by mastering a new style and methods, by renewing the cadre composition and by acting side by side with the working people, the CPSU will be able to fulfil its role as the political vanguard of society. The CPSU will stick firmly to the restructuring line and stand at the head of the revolutionary transformations in the country. We must make a realistic assessment of all the processes and phenomena of the present situation, must display composure, see clearly where we stand, not plunge into a state of confusion and on the basis of this we must draw conclusions for the work at the present moment and in time to come. We must act in a responsible and sensible fashion, without deviating from the course that has been charted for the restructuring of society.

That is what I wanted to say to you, dear comrades, in this chat today. I wish you all success in your undertakings, resoluteness and fortitude of spirit! Thank you for your attention.

## POLITBURO ON OFFICIALS' PARTY RESPONSIBILITY FOR GOODS SHORTAGES

*Tass in Russian for abroad 1645 (and Soviet television 1700) gmt 9 Sep 89*

### *Text of report*

At a session of the Politburo of the CPSU Central Committee on 8th September, matters connected with the holding of a regular plenum of the CPSU Central Committee were discussed. A decision was taken to submit for the Central Committee plenum's consideration issues of convoking the regular 28th CPSU Congress, and the party's nationalities policy under present-day conditions. It was noted that the CPSU's platform, which has been submitted for discussion by all the people, has given rise to lively interest and is being actively discussed in work collectives. It has met with support from party organisations and the broad masses of working people.

In comments coming in to the CPSU Central Committee from different republics, the Soviet people are turning particular attention to the need to defend and strengthen the Soviet federation, which contains a huge potential enabling it to tackle any matters concerning the sovereign development of the Soviet republics, the extension of the rights of the autonomous republics, autonomous oblasts and okrugs and the raising of their autonomy [Russian: samostoyatel'nost] in all spheres of social and economic and spiritual life, with the close co-operation and mutual aid of the Soviet peoples.

The remarks and proposals arriving from the localities are being taken into account during the preparation of the plenum of the CPSU Central Committee. Those attending the plenum will be handed the relevant materials.

The Politburo of the CPSU Central Committee examined the matter of the unsatisfactory provision of essential non-food goods to the population. It was noted that a tense situation has arisen in the country over the provision of these goods to the population. This is giving rise to legitimate dissatisfaction among the workers, especially over interruptions in the sale of soap, washing powder, toothpaste, school exercise books, galvanic cells and batteries and several other goods. The situation that has arisen is the result of mistakes made, red tape and an irresponsible attitude to this business by the leaders of ministries, departments and enterprises, the permanent bodies of the USSR Council of Ministers and the USSR State Planning Committee.

The central committees of the Communist Parties of the union republics, kray and oblast party committees, and the party committees of the USSR ministries and departments are not giving a principled assessment to the work of the communist leaders responsible for this stage of work and are reconciled to a delay in the time limits of building construction and also to cases of cuts and reductions by factories in operation, including those producing goods of which there is an acute shortage.

It has been admitted that communists - Comrade V.K. Gusev, Deputy Chairman of the USSR Council of Ministers and Chairman of the Buro for the Chemical and Wood Complex of the USSR Council of Ministers, Comrade



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GORBACHEV, Mikhail Sergeevich

General Secretary of the CC CPSU

Chairman of the USSR Supreme Soviet.

Gorbachev (59) spent his early career in the Stavropol region of Southern Russia, apart from 4 years studying law at Moscow University. He rose through the Stavropol Komsomol and Party organisations, eventually becoming the First Secretary of the regional Party Committee. From this post he was brought to Moscow in 1978 as Party Secretary responsible for agriculture, and in the course of the next two years progressed via candidate to full membership of the Politburo. In March 1985 Gorbachev succeeded Chernenko as General Secretary. In March 1989 he was elected a member of the new Congress of People's Deputies, representing the CPSU, and he was elected Chairman of the new USSR Supreme Soviet in May 1989.

Gorbachev has a pleasant and confident manner in dealings with Western leaders but can be tough and hectoring on occasion. He has adopted a higher public profile than his recent predecessors, shared by his wife Raisa, who made a strong impression on the British press during their visit to the UK in December 1984 and their stop-over at Brize Norton en route to Washington in December 1987. Gorbachev has travelled widely both abroad and in the Soviet Union since becoming General Secretary: he visited the UK again in April 1989, followed by visits to China in May, West Germany in June, and France in early July, where he addressed the Council of Europe on the 'Common European Home'. During visits within the USSR he devotes a large amount of time to walkabouts, often accompanied by his wife, asking ordinary people for their views on current political questions.

His book "Perestroika" which outlines Soviet domestic and foreign policies in readable but standard form was published in Russian and English in November 1987.

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Gorbachev's father, whose first wife died in the 1920s, died in 1976; their 2 children died in the famine of the early 1930s. His second wife, Gorbachev's mother, who is in her mid 70s, still lives in the family home near Stavropol, and is a regular churchgoer. During a press conference in Paris this year, both Gorbachev and his wife said they had been baptised as children. A recent report says that Gorbachev has a brother in the army, and a sister who lives with their mother. The Gorbachevs have a daughter, Irina, and two grand-daughters.

Gorbachev has recently returned to Moscow from a month's holiday.

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MRS GORBACHEV (Raisa Maksimovna)

Mrs Gorbachev was born in 1932 in Siberia, the daughter of a Ukrainian railway official. At Moscow University in the 1950s, where she was studying philosophy, she met and married Mikhail Gorbachev and returned with him to his native province of Stavropol, in Southern Russia. She taught at Stavropol Agricultural Institute, and wrote a sociological treatise on the local kolkhoz peasantry. (She is a D.Phil.).

On Gorbachev's transfer to Moscow in 1978 as Central Committee Secretary for agriculture, Mrs Gorbachev began teaching at Moscow University, but she says she has given this up since her husband became General Secretary.

The Gorbachevs have a daughter Irina, a therapist who is married to a surgeon specialising in cardiovascular diseases; Irina and her husband have two children.

Mrs Gorbachev is the first wife of a Soviet leader to have a publicly-acknowledged official function in her own right. In November 1986 she was elected one of 11 members of the Presidium of the newly-formed Soviet Culture Foundation and she has made several public appearances in that capacity. She takes a keen interest in philosophy, sociology and literature. She claims to be well read in English literature (in translation) and is said to be learning English seriously.

Mrs Gorbachev now normally accompanies her husband on his trips abroad, including visits to China, West Germany, France and the UK in 1989.

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RYZHKOVA, Nikolai Ivanovich

Chairman of the Council of Ministers; Member of the Politburo.

Ryzhkov (60) was born into a coal mining family in the Donbass area of the Ukraine. He began his career in a machine-building plant in the Urals, rising to become General Director of the Urals Machinery Production Association. For a time he was First Deputy Minister of Heavy Transport Machine-Building, then First Deputy Chairman of the State Planning Committee (Gosplan). In 1981 he was elected a member of the CC CPSU, and in late 1982 he became a CC Secretary and Head of the CC Economics Department supervising the management of the economy.

In early 1985 Ryzhkov was promoted to membership of the Politburo and later in the year he succeeded Nikolai Tikhonov as Chairman of the Council of Ministers (Prime Minister). Ryzhkov was Chairman of the Politburo Commission dealing with the Armenian earthquake in December 1988 and he spent two weeks in the disaster areas. In March this year Ryzhkov was elected a Deputy to the new Congress of People's Deputies.

Ryzhkov has not travelled widely. Apart from Eastern Europe, he has visited Vietnam, Austria and Cuba; he attended Olaf Palme's funeral in Stockholm in March 1986, and visited Finland in January 1987 and Luxembourg in 1989, where he had a short meeting with the Prime Minister.

Ryzhkov and his wife Lyudmila have been married for 34 years and have a daughter and two grandchildren. His parents still live in the Ukraine.

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