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GORBACHEV'S SPEECH TO OFFICERS IN ODESSA, 17 AUGUST

1. ON 17 AUGUST, GORBACHEV CHOSE A MILITARY AUDIENCE IN THE CRIMEA (WHERE HE HAS BEEN HOLIDAYING) FOR HIS FIRST MAJOR SETPIECE SPEECH SINCE THE PARTY CONGRESS. MY TWO IFTS SUMMARISE THE INTERNAL AND EXTERNAL ASPECTS (GORBACHEV'S REMARKS ON IRAQ WERE REPORTED SEPARATELY ON 18 AUGUST). THIS TELEGRAM COMMENTS ON THE SPEECH.
2. THE SPEECH EMBRACES THREE MAJOR ITEMS FROM THIS AUTUMN'S POLITICAL AGENDA (TRANSITION TO A MARKET ECONOMY, RESHAPING OF THE FEDERATION IN A NEW UNION TREATY, AND MILITARY REFORM BASED ON A REAPPRAISAL OF DEFENCE REQUIREMENTS). GORBACHEV ALSO DEFENDED HIS EXTERNAL AND SECURITY POLICY, INCLUDING THE WITHDRAWAL FROM EASTERN EUROPE, GERMAN UNIFICATION, AND ARMS REDUCTION, BEFORE WHAT HE ACKNOWLEDGED TO BE A CRITICAL AUDIENCE.
3. WE SHOULD NOT OVERESTIMATE THE IMPACT OF THIS ONE SPEECH. GORBACHEV IS NO LONGER SEEN BY THE SOVIET PEOPLE AS THE MAN CALLING THE SHOTS (NO SINGLE LEADER IS, IN THE DIFFUSE STATE OF SOVIET POLITICS). THE LENGTH AND REPETITIVENESS OF HIS SPEECHES TEND TO EVOKE POPULAR INDIFFERENCE AND CYNICISM. FOR THREE YEARS HE HAS BEEN PROMISING THAT THE PREPARATORY PHASE OF PERESTROIKA IS OVER, THAT IMPLEMENTATION IS BEGINNING, THAT PERESTROIKA WILL REALISE THE SOCIALIST IDEAL. HE CUSTOMARILY TAKES ALTERNATE SWIPES AT THE RIGHT AND THE LEFT. ALL OF THESE THINGS HE DID AGAIN.
4. THAT SAID, THE SPEECH DESERVES ATTENTION:
 - GORBACHEV'S POLITICAL COURAGE IS UNABATED. HE PULLED NO PUNCHES ON MILITARY REFORM, SECURITY POLICY OR INTERNAL CHANGE.
 - HE HAS COME OUT MORE STRONGLY THAN EVER, AND WITH FEW QUALIFICATIONS, FOR A 'FULL-BLOODED' MARKET ECONOMY AS THE LOCOMOTIVE FOR ECONOMIC RECOVERY.
 - HIS PHRASEOLOGY IS STRIKING - ON THE LAST STAND OF THE COMMAND/ ADMINISTRATIVE SYSTEM, ON PRIVATISATION AND DISMANTLING STATE MONOPOLIES, ON THE IMPORTANCE OF PERSONAL PROPERTY AND FULL

OWNERSHIP TO PROVIDE INCENTIVES, ON THE ROLE OF SMALL AND MEDIUM-SIZED ENTERPRISES. ALL ARE FURTHER EVIDENCE OF HIS RECENT SHIFT TOWARDS THE RADICAL ECONOMISTS.

- GORBACHEV HAS NOT ABANDONED SOCIALISM, BUT OFFERS A WATERED-DOWN VERSION: A PROCESS/MOVEMENT/SET OF CONCEPTS, NOT A FIXED MODEL. HE TRACES ITS DECLINE TO THE WAR COMMUNISM WHICH LENIN SOUGHT TO REPUDIATE AT THE END OF HIS LIFE.
- THE MESSAGE FOR THE POPULACE IS BLEAK. THE MARKET WILL OBLIGE THEM TO WORK HARDER AND BETTER. IT IS NOT A PAINLESS SOLUTION. 'HARD TIMES AWAIT US ALL IN THE NEXT YEAR AND A HALF'.
- GORBACHEV ADDRESSES SQUARELY THE DANGER THAT THE UNION MAY DISINTEGRATE. HIS ARGUMENT AGAINST ITS BREAK-UP IS IMPECCABLY REASONED AND WILL BE SUPPORTED BY MANY RUSSIANS - BUT HE IS UP AGAINST WAVES OF NATIONALIST EMOTION.

5. GORBACHEV'S CONCLUDING PASSAGE, ON MILITARY REFORM, IS TAILORED TO HIS AUDIENCE ONLY IN THE PLACE IT ASSIGNS TO THE DEFENCE COUNCIL, THROUGH WHICH THE MILITARY LEADERSHIP CAN FIGHT THEIR CORNER AS THE FUTURE STRUCTURE OF THE SOVIET FORCES IS DEBATED. GORBACHEV ACKNOWLEDGES THE DEEP UNHAPPINESS OF CAREER SERVICEMEN ABOUT THEIR LIVING CONDITIONS. HOWEVER, WARNING THAT MATERIAL RESOURCES ARE FINITE, HE OFFERS THEM LITTLE COMFORT. MOST INTERESTINGLY, HE TAKES AN OPEN VIEW IN THE GROWING DEBATE ON THE MERITS OF A PROFESSIONAL VOLUNTEER ARMY.

6. READ TOGETHER WITH PRONOUNCEMENTS OVER THE WEEKEND BY RYZHKOV AND PROTAGONISTS IN THE ECONOMIC REFORM COMMISSIONS, BY KGB CHAIRMAN KRYUCHKOV, AND DEFENCE MINISTER YAZOV (AT THE SAME ODESSA MEETING), IT APPEARS THAT THE AUTUMN POLITICAL SEASON HAS OPENED EARLY THIS YEAR.

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