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Foreign and Commonwealth Office

London SW1A 2AH

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Dear Charles,

Soviet Party Conference

The Soviet Ambassador is calling on the Prime Minister on 8 July to tell her about the Party Conference which he attended as delegate from Lithuania, though as far as we can tell he did not speak. You will have seen the reporting telegrams from the Moscow Embassy. The JIC are also preparing an assessment.

The Conference was a remarkable event. Gorbachev himself said that nothing like it had happened since the 1920's. The liveliness and frankness of the debate are a victory for glasnost and will have both impressed and set an example for the nation at large. In Sir Bryan Cartledge's phrase, the Conference has "transformed and raised the quality of Soviet political life"

At the same time, it was clear that the majority of delegates to the Conference were of a conservative complexion. Speakers who referred to the "excesses" of the more outspoken elements of the press were applauded, and Ligachev made a powerful speech at the end of the Conference which enhanced his own authority, and was better received than Gorbachev's closing peroration. Gorbachev will have been very conscious of the existence of a worried conservative constituency which it might be unwise to push too far too fast.

Nevertheless, Gorbachev succeeded in obtaining the Conference's authoritative endorsement of a potentially far-reaching programme of political reform (summarised in the attached annex). His proposals to create a Congress of Deputies and the post of executive President, together with the suggestion that Party Secretaries should stand for election to the Presidencies of Soviets at all levels, went beyond the 'Theses' published before the Conference and took delegates by surprise. Gorbachev had to return to the rostrum two days after his opening speech to clarify proposals on local Soviets.

The creation of a new post of executive President, which realistically could only be held by Gorbachev himself, will increase his popular legitimacy as well as enhancing his status as leader of the Soviet State. It will also serve to

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make the General Secretary accountable to a representative body (the new Congress of Deputies) and therefore to a constituency outside the Party which, with the power of the office, might enable him in future at least on some issues to by-pass a still largely conservative Central Committee.

The proposal that Party First Secretaries at all levels should be Presidents of the corresponding Soviets at first sight contradicts the idea of separation of Party and State organs and was criticised on that account by some delegates, including the reformist wing. However, if there are genuine multiple candidacies for membership of the Soviets, if glasnost is not inhibited and if enthusiasm for participation can overcome traditional grass-roots apathy, Party Secretaries could be made both accountable and more responsive to a non-Party electorate.

The system has the potential to be a check on abuses of power and a step towards more representative Government. It also has the potential for abuse by local mafias, which are already a standard feature of Soviet life. Much will depend on how far the local population take advantage of the new opportunity for participation.

Rather less attention was paid to Party reform in Gorbachev's speech and the Conference debate. The continued existence of the one-party system, buttressed by the KGB, was unquestioned. But Gorbachev echoed proposals in the Theses for:

- less party direction of the day to day affairs of state and economic bodies;
- multiple candidacies in party elections;
- limitation of tenure (although his suggestion of exceptional third terms was rejected by the Conference); and
- more genuine debate.

The Conference Resolution on democratisation and political reform also reflects two controversial measures from the Theses - a proposal for regular conferences between five-yearly Party Congresses to re-elect 20% of the membership of Party Committees including the Central Committee; and a reference to the need to reform the nomenklatura system. Gorbachev had passed over these in silence in his speech. Their reappearance in the Resolutions suggest that, notwithstanding the overt conservatism of many delegates, Gorbachev was able behind the scenes to secure endorsement of proposals which may have given rise to some misgivings. We are promised a Central Committee plenum at the end of the month which will no doubt address these and other questions.

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The overall effect of the proposed Party reforms is likely to be a greater vitality and responsiveness at all levels in what remains, ultimately, the only instrument Gorbachev has to achieve his objectives.

Altogether, the Conference approved six Resolutions covering:

- Democratisation and political reform
- Glasnost
- Legal reform
- Implementation of the decisions of the 27th Party Congress (economic reform).
- Foreign policy
- Nationalities

These broadly followed the lines set out in the Theses, with the inclusion of the constitutional reforms unveiled in Gorbachev's speech. The Resolution on glasnost was notable for its ringing re-statement of the key importance of openness and debate in Soviet life and perestroika, notwithstanding the rather less liberal sentiments expressed and applauded at the Conference. The Resolution on economic reform reflects Gorbachev's speech with calls for improved food supplies and a speeding up of the transfer to wholesale trading and reform of the financial system. Contract and leasing arrangements in agriculture are endorsed, as is price reform - after consultations, and without loss of income. The Resolution on nationalities avoids reference to specific current problems while calling for more regional independence and observance of national characteristics within the federal system. The Resolution on legal reform closely mirrors the relevant part of Gorbachev's speech in affirming the principle that everything not forbidden should be allowed, that the rights of the individual should be more strictly protected and that the judiciary should be made more independent and defence lawyers more assertive. The Resolution on foreign policy adds little to the current concept of "new thinking".

Overall, the Conference can be regarded as a net gain for Gorbachev, who has achieved at least the framework for a more far reaching reform of the Soviet system that seemed likely, and created a substantial new post for himself. The Party is to remain the ultimate source of power, but its touch should be lighter and it ought to be subject to a degree of accountability.

It is nonetheless striking that the Conference concentrated on political reform. Economic reform, in terms of real improvements in living standards, remains in the doldrums and there is a certain note of desperation in the Politburo's references to the need for consumer-orientated

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improvements. Popular support at the traditionally cynical and lethargic grass-roots level will to a great extent depend on Gorbachev's ability to generate economic progress, or at least some realistic prospect of jam tomorrow.

Gorbachev will also have to keep a continuing eye on Ligachev and his more conservative colleagues in the leadership. While Ligachev in his speech was at pains to stress Politburo unity, he pointedly reminded Gorbachev of whom he had to thank for his own election. Gorbachev's strategy appears to be to keep moving the consensus forward as fast as is practicable with glasnost as a spur. So far the strategy has worked, but Gorbachev probably faces a continuing struggle with the middle level party bureaucracy to achieve implementation of his political reforms in the timescale laid down.

Against this background, the following are points which the Prime Minister might like to draw on for use with Zamyatin:

Prospects for political reform

- The Conference revealed considerable hesitations about the reforms. How can Gorbachev maintain momentum and prevent foot dragging? Ligachev seems now identified as the champion of caution. Has opposition to Gorbachev acquired a focus?
- Even the reformers were not united on the combining of the roles of Party Secretary and Chairmen of Soviets. Will this work?
- Where does the new role for the Party leave the party structure itself including the Central Committee and the Politburo. What role will they play? How can the Party in practice be brought to withdraw from day to day direction of state bodies?
- What happened to earlier intentions to change the party statutes and the membership of the Central Committee?

- What agenda and prospects for the plenum at the end of July? What is it expected to achieve?

Other issues:

- Economic reform is making very slow headway particularly in improving living standards. References at the Conference were very general. What will be done to keep grass-roots support?
- When will the plenum on nationalities take place. What is the prognosis for a solution in Armenia?

/- When

[I would not labour this. Zamyatin is a change in membership, Zamyatin is likely to be sacked.]



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- When will the proposed new laws eg on glasnost and freedom of conscience appear?
- How is the process of economic reform now to be taken forward?
- Are the changes in the Supreme Soviet structure likely to affect the tentative programme of parliamentary exchanges this year, and in particular the November IPU visit? Is there any news of who might lead?

The Foreign Secretary also recommends that the Prime Minister raise with Zamyatin the proposal that Sir B Cartledge should be received by Mr Gorbachev before he leaves Moscow in mid August. It would be a useful opportunity for Mr Gorbachev to convey to the Prime Minister his reflections on the way ahead in the light of the Conference and subsequent plenum and his thoughts on East/West and Anglo/Soviet relations in the light of the changes now launched. A message may not be necessary but, given Zamyatin's own access to the Prime Minister, it would give more balance to the relationship to be able to have first hand impressions at this key juncture in Soviet reform.

Yours ever,

L Parker

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SOVIET PARTY CONFERENCE

Summary of proposed reformsI Sovietsa. Local

- to be financed from local enterprises, regardless of their subordination, and from the local population (a rates system?); greater jurisdiction over local industry;
- local officials to be elected by secret ballot or appointed through competition
- Some elected Deputies to be full time
- New organisational features: full-time Presidium and Chairman of local Soviets
- Chairman of local Soviet as a rule to be local Party First Secretary
- Members of the Executive Committee of the Soviet (except for the Chairman) and Heads of its Departments, as well as local judges, procurators and arbitrators, to be barred from election as Deputies
- Limited tenure of two terms (of 5 years against the current for all elected representatives and appointed officials
- Competitive election of Deputies from an unlimited number of candidates with no quotas laid down.

b. Supreme Soviet

- Add to the current 1,500 Deputies (elected on a territorial and national basis) another 750 elected as direct representatives of Social organisations (Party, Trade Unions, Co-operatives, youth, women's, veterans, academic, creative and others - the list and norms of representation to be written into the Constitution).
- The whole to form a Congress of People's Deputies of the USSR, to convene once a year and decide the most important constitutional, political and socio-economic questions.
- The Congress to elect from its own members a Supreme Soviet of the USSR, consisting (as now) of two Chambers, to act as a permanently functioning supreme organ of power accountable to the Congress.
- The two Chambers (Council of the Union and Council of Nationalities) to be more sharply differentiated so as to fulfil the function implied by their titles.
- The post of Chairman of the Supreme Soviet of the USSR to be created, the incumbent to be elected and recalled by secret vote of the USSR Congress of People's Deputies and to have wide powers, including deciding key issues of foreign, defence and security policy, heading the Defence Council and nominating the Chairman of the Council of Ministers.

- A presidium of the Supreme Soviet to be created to work under the Chairman of the Supreme Soviet and to comprise 2 First Deputy Chairmen (one of whom would be the Chairman of an upgraded USSR Committee of People's Control), 15 Deputy Chairmen (one from each Union Republic, as at present) and the Chairmen of the Chambers, Commissions and Committees of the Supreme Soviet. The Presidium would convene sessions of the Supreme Soviet and co-ordinate its work.

- The powers of the Supreme Soviet Commissions and Committees to be broadened, so that major decisions on internal and external policy and on appointments should be adopted only after discussion in them.

- A Committee of Constitutional Supervision, elected by the Congress of Deputies and headed by a First Deputy Chairman of the Supreme Soviet, to verify the constitutionality of legislation.

- Similar measures to be applied in Union Republics and, as appropriate, in Autonomous Republics.

- Ministers and Heads of analogous bodies to be barred from election as Deputies.

Timing: The necessary legal measures to be considered by the Supreme Soviet this autumn so that the reorganisation can take place after (already scheduled) elections next spring.

II Legal

- Election of judges for a 10-year term (currently 5)

- Ensure competitiveness and equality of parties, openness, presumption of innocence.
- Increase number of people's assessors for especially complex questions.
- The Procuracy should concentrate on its function of supervision.
- Amendment of criminal code to continue, followed by procedural and corrective labour legislation.
- Create an independent structure for the investigative apparatus of the MVD, not subordinate to local organs.
- Revise the role of defence lawyers as a self-managing association.
- Strengthen the legal service to Government and industry.
- A new training programme for legal experts.

III Party

- Potential recruits to Party to be discussed at open meetings, and views of the labour collective to be taken into account.
- Commissions of the Central Committee to be created on most important questions of internal and external policy.
- Members of the Central Committee to participate more frequently in work of Politburo.
- Politburo to report regularly to Central Committee Plenums.

- Lower Party organisations to be allowed, when electing delegates to a conference or congress, to propose names for inclusion in the higher Party organ.
- More nominations than available places to be permitted, up to and including the CC CPSU.
- Tenure of office at all levels to be limited to 2 consecutive five-year terms.
- Personal "attestation" of all Party members.
- No direct instructions from the Party to State and other organisations.
- Structure of Party apparatus to be changed to reflect proper functions of Party and not branches of administration, and apparatus to be reduced.
- A new Party control body, elected by Congress, to be created (in place of the Committee of Party Control and Revision Commission).
- Regular conferences between Party Congresses empowered to renew 20% of Party Committees' memberships at all levels, including Central Committee.
- Reform of the nomenklatura system of Party appointments.



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