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Foreign and Commonwealth Office

London SW1A 2AH

7 October 1988

Dear Charles,

The Implications of the Leadership Changes in Moscow

The Prime Minister may find it useful to have a brief assessment of the recent leadership changes in Moscow.

The forceful and dominant way in which Gorbachev bounced the changes he wanted through the Central Committee Plenum and Supreme Soviet stamped his authority firmly on the leadership. But it was clearly not all plain sailing.

There was no obvious reason for moving so quickly. It may be that Gorbachev detected growing opposition to his proposals for reforming the Party mechanism, and decided to nip this in the bud.

Certainly Gorbachev has strengthened his hand in the Politburo. Four of the new total of twelve are committed reformers (Gorbachev, Shevardnadze, Yakovlev and Medvedev). The old guard are down to three (Ligachev, Chebrikov and Shcherbitsky). Of the rest, two are more committed to economic than political reform. The remaining three tend to support the "conservative" line.

Gorbachev's two main opponents, Ligachev and Chebrikov, remain in the Politburo. Ligachev has been handed the poisoned chalice of agriculture. It remains to be seen whether he will retain the number two role or whether that role itself may change with the creation of the six commissions in the Secretariat instead (we assume) of the previous 30 or so departments. The fact that the existing Secretary for Agriculture, Nikonov, has not yet been assigned a new role may mean that Gorbachev originally wanted Ligachev out altogether but compromised at the last moment, leaving Nikonov high and dry.

Chebrikov is now to run the Legal Affairs Commission, a strange role for the ex-Head of the KGB. For the first time since 1973, the KGB itself has no representative on the Politburo. Since Chebrikov's former deputy, Kryuchkov (who was at Brize Norton last December) has been promoted to KGB Chairman, Chebrikov may continue in practice to exercise considerable control.

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While the concentration of reformists in the field of foreign affairs (Shevardnadze and Yakovlev) represents a victory for Shevardnadze's approach, it is not clear where their division of responsibility will fall. The transfer of the ideology portfolio from Yakovlev to Medvedev may also mean a less forthright public commitment to glasnost in the future. Gorbachev has recently shown signs of concern that too much press openness is not always helpful to perestroika; some tightening of "discipline" may now be a possibility.

It is not clear who in the Party will be responsible for nationalities, industry or "delivering the goods". Nor is it clear how far the overall size of the Central Committee apparatus is to be reduced. Both may be affected by Gorbachev's announced intention of reducing the extent to which the Party second-guesses the Government.

More generally, it is striking that two of Gorbachev's keenest and most effective allies now deal with foreign affairs. This is of course a key area from our point of view; but it is neither particularly controversial in Soviet terms nor crucial to Gorbachev's reform objectives. Meanwhile two of those who are widely seen as hostile to reform, Ligachev and Chebrikov, have been given responsibilities which Gorbachev knows - and has stated - are vital if perestroika is to make headway. A flexible, non-ideological approach to agricultural reform will be essential if the government is to succeed in putting more food in the shops. And moving towards a state where the rule of law applies will mean rolling back the arbitrary power of the Party and the KGB. Neither Ligachev nor Chebrikov seem to fit these job descriptions. Gorbachev may intend to dominate these areas himself and use their inability to adapt to push both out at a later stage. If so, it is a risky tactic.

The changes Gorbachev has made will not in themselves help economic reform to produce tangible results. Nor will they bring other key issues such as the nationalities question any nearer a solution. By concentrating more power in his own hands Gorbachev has made effective opposition or a "conservative backlash" more difficult. But extending his authority into the lower reaches of the system is quite another matter. And he has made it clearer than before that the buck stops with him.

It will be well into 1989 before the new-style Supreme Soviet can begin, as Gorbachev hopes it will, to create a stronger platform for reform. Meanwhile the ruthless way in which Gorbachev bounced his leadership changes through the system exposes a basic paradox he faces. As Gorbachev has

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constantly stressed, decentralised responsibility is essential for economic reform; but command methods are essential to get change moving. Gorbachev's handling of last week's changes, and the supine way in which his colleagues accepted them is a reminder that he is not a democrat in any true sense of the word.

long eyes,

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