

RESTRICTED

116141
MDHIAN 7521

RESTRICTED
FM MOSCOW
TO DESKBY 040730Z FCO
TELNO 1227
OF 040628Z JULY 90

SOVIET UNION: SUMMARY OF LATEST DEVELOPMENTS

1. CPSU CONGRESS

- OUR GENERAL ASSESSMENT AFTER THE SECOND DAY REMAINS AS SET OUT IN OUR SUMMARY OF TELNO 1226. IN SHORT, SO FAR SO GOOD FOR GORBACHEV.
- MOST OF THE SECOND DAY WAS TAKEN UP WITH POLITBURO MEMBERS GIVING ACCOUNTS OF THEMSELVES TO THE CONGRESS. THE HIGHLIGHTS:
 - A COMBATIVE RESTATEMENT OF LIGACHEVISM BY LIGACHEV: THE NEED FOR COMMITMENT TO TRUE MARXIST-LENINISM, AGAINST PRIVATE PROPERTY, AGAINST "THOUGHTLESS RADICALISM," JUSTIFYING THE ANTI ALCOHOL CAMPAIGN - ALCOHOL WAS THE COUNTRY'S SLOW CHERNOBYL.
 - A VIGOROUS DEFENCE BY SHEVARDNADZE OF POLICY ON EUROPE: OF COURSE WE FORESAW WHAT WAS GOING TO HAPPEN - BUT WE COULD NOT SET AS OUR AIM THE IMPOSITION OF TOTALITARIAN SYSTEMS WHEN WE OURSELVES HAD REJECTED THEM. HE EMPHASISED THE FINANCIAL PEACE DIVIDED FROM SOVIET FOREIGN POLICY.
 - FIFTY PERCENT OF DELEGATES EITHER FULL-TIME OR PARTY APPARATCHIKS OR MEMBERS OF THE ARMY/KGB. BUT NOT ALL APPARATCHIKS ARE REACTIONARY. LIGACHEV SO FAR HAS GOT MOST APPLAUSE: BUT WAS QUITE CLOSELY FOLLOWED BY SHEVARDNADZE AND YAKOVLEV.
 - GORBACHEV HAS SAID THAT FOUR SENIOR POLITBURO FIGURES HAVE ASKED TO RESIGN - SLYUNKOV (ECONOMY), VOROTNIKOV (FORMER RSFSR CHAIRMAN), BIRYUKOVA (CONSUMER SECTOR) AND THE CENTRAL COMMITTEE SECRETARY USMANOV - RESPONSIBLE FOR NATIONALITIES, AND ONLY PROMOTED LAST YEAR. DEPARTURE OF SLYUNKOV AND VOROTNIKOV WILL NOT WORRY GORBACHEV. BEFORE THE CONGRESS, ZAIKOV (DEFENCE SECTOR) ALSO SAID HE WOULD BE OFFERING TO RESIGN.
 - SHEVARDNADZE HAS HINTED HE DOES NOT WANT A SENIOR POST AS WELL AS THAT OF FOREIGN MINISTER. YAKOVLEV HAS SAID HE WOULD NOT WANT THE PROPOSED NEW POST OF DEPUTY CPSU GENERAL SECRETARY.
 - LIGACHEV AND POLOZKOV HAVE BOTH SAID THEY WILL SUPPORT GORBACHEV'S RE-ELECTION AS PARTY LEADER. SOME OTHER PARTY LEADERS HAVE PAID

TRIBUTE IN THEIR SPEECHES. AT THE MOMENT, IT LOOKS UNLIKELY THAT THERE WILL BE A SERIOUS CHALLENGE TO HIS LEADERSHIP.

2. LITHUANIA

- LITHUANIA HAS OFFERED 100 DAYS MORATORIUM: MOSCOW HAS ENDED THE BLOCKADE. THEY WILL HAVE BEEN WAITING FOR AN OPPORTUNITY TO DO THIS. IT WAS NOT WEAKENING LITHUANIA'S RESOLVE AND WAS PROVIDING A PEG FOR YELTSIN AND OTHERS TO CRITICISE MOSCOW'S POLICY. RYZHKOV HAS HINTED THAT THE RUSSIANS MAY NOW BE PREPARED FOR SERIOUS NEGOTIATIONS. BUT A DECISION ON THIS UNLIKELY UNTIL AFTER THE CONGRESS.

3. MINERS.

- MINERS HAVE ANNOUNCED PLANS FOR A ONE-DAY STRIKE ON 11 JULY. MOST OF THEIR AIMS ARE POLITICAL: RESIGNATION OF THE GOVERNMENT, REDUCTION IN PARTY INFLUENCE IN THE ECONOMY.

4. ECONOMY

- VERY LITTLE PRESS DISCUSSION OF "AID TO THE SOVIET UNION." ONE ARTICLE SAID "YES - BUT NO STRINGS." TWO ECONOMISTS WE HAVE TALKED TO RECENTLY HAVE OPPOSED THE IDEA. IT WOULD DELAY REFORM AND LEAVE THE SOVIET UNION WITH A DEBT PROBLEM LIKE POLAND'S.

BRAITHWAITE

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