CONFIDENTIAL

FM MOSCOW

TO DESKBY 160730Z FC0

TELNO 1300

OF 160645Z JULY 90

INFO IMMEDIATE WASHINGTON PARIS BONN UKDEL NATO UKREP BRUSSELS
INFO IMMEDIATE TOKYO UKMIS NEWYORK CSCE POSTS

THE 28TH CONGRESS OF THE CPSU, 2-13 JULY: COMMENT

- GORBACHEV'S MANAGEMENT OF THE CONGRESS WAS A BRAVURA PERFORMANCE IN HIS OLD STYLE. HE DECISIVELY REESTABLISHED HIS AUTHORITY IN THE PARTY. HE HELD PARTY POLICY TO HIS OWN COURSE OF MODERATE REFORM, DREW THE TEETH OF THE RIGHT WING, AND AVOIDED A MASSIVE EXODUS OF THE LEFT. HE REMODELLED - AND EMASCULATED - THE INSTITUTIONS OF THE PARTY: FOR THE FIRST TIME SINCE 1918 NO MEMBER OF THE POLITBURO (APART FROM HIMSELF) NOW HOLDS OFFICE IN THE CENTRAL ORGANS OF THE STATE. HE DID CONCEDE THAT PARTY CELLS SHOULD REMAIN IN THE FACTORIES, THE ARMY, AND THE KGB. BUT HE GAVE THE REACTIONARIES NO ASSURANCE THAT HE WOULD NOT ABANDON THEM ON THIS ISSUE, AS HE HAD OVER THE PARTY'S PRIVILEGED POSITION UNDER ARTICLE 6 OF THE CONSTITUTION. YET FOR ALL THE DRAMA, THE CONGRESS SEEMED TO MANY ORDINARY PEOPLE INCREASINGLY IRRELEVANT TO THE REAL LIFE OF THE COUNTRY. THAT GORBACHEV HAS CHOSEN TO REMAIN GENERAL SECRETARY OF A PARTY IN DECLINE, FOR WANT OF A BETTER PLACE TO GO, IS NOT IN ITSELF A SIGN OF STRENGTH.
- 2. GORBACHEV'S STRATEGY OVER THE PAST TWO YEARS HAS BEEN TO BREAK THE COMMUNIST PARTY'S STRANGLEHOLD OVER THE LIFE OF THE COUNTRY, TO STRENGTHEN THE ORGANS OF THE STATE, AND TO REPLACE OPPONENTS OF REFORM IN GOVERNMENT AND STATE BODIES. HIS CHOSEN INSTRUMENT HAS BEEN TO ACCELERATE THE DEMOCRATISATION OF PUBLIC LIFE. BY THE BEGINNING OF THIS YEAR THERE WAS LITTLE DOUBT THAT HE INTENDED AT THE FORTHCOMING CONGRESS TO TRANSFER HIS FLAG FROM THE GENERAL SECRETARYSHIP OF THE PARTY TO THE EXECUTIVE PRESIDENCY OF THE UNION. HIS CLOSE ADVISERS WERE CONTEMPLATING WITH EQUANIMITY THE PROSPECT OF A MAJOR SPLIT IN THE PARTY.
- 3. BUT A SERIES OF MISHAPS AND MISJUDGEMENTS IN THE FIRST HALF OF THE YEAR DAMAGED HIS AUTHORITY AND COMPELLED HIM TO MODIFY THIS PLAN. HIS HALF-BAKED ECONOMIC REFORM WAS STALLED BY POPULAR HOSTILITY. HIS TOUGH LINE OVER LITHUANIA HAD FAILED TO SLOW DOWN THE DISINTEGRATION OF THE UNION. HE SEEMED INCREASINGLY BAFFLED BY THE

PAGE 1 CONFIDENTIAL



MANIFESTATIONS OF PLURALISM WHICH HE HIMSELF HAD ENCOURAGED: THE POPULAR DEMONSTRATIONS ON THE STREETS, THE RISE OF INDEPENDENT MUNICIPALITIES IN MOSCOW, LENINGRAD AND ELSEWHERE, AND ABOVE ALL BY THE SUCCESS OF HS RIVAL, ELTSIN, IN THE RUSSIAN FEDERATION. THE CREATION OF THE RUSSIAN COMUNIST PARTY IN THE MIDDLE OF JUNE, AND THE HOSTILITY EXPRESSED THERE BY MILITARY AS WELL AS CIVILIAN REACTIONARIES, SEEM TO HAVE PUT HIM INTO A PANIC. I HAVE LITTLE DOUBT THAT THE LAST-MINUTE RUMOURS THAT THE CONGRESS WOULD BE POSTPONED EMANATED FROM HIS IMMEDIATE ENTOURAGE.

- 4. BUT HE RECOVERED HIS NERVE TO MAKE A FIGHTING COME-BACK. HE CAME TO THE CONGRESS WITH FIVE AIMS:
- A) TO REASSERT HIS AUTHORITY:
- B) TO REMAIN AS GENERAL SECRETARY, BECAUSE THE PARTY WAS STILL THE ONLY POLITICAL ORGANISATION WITH SIFNIFICANT NATIONWIDE POWER: AND BECAUSE THE NEW ORGANS OF STATE POWER WHICH HE FAVOURED, ESPECIALLY THE EXECUTIVE PRESIDENCY, WERE STILL NOT PROPERLY IN PLACE:
- C) TO SUSTAIN HIS LINE OF MARKET-ORIENTED LIBERAL REFORM AGAINST RADICAL CRITICS WHO ARGUED THAT IT WAS INADEQUATE, AND REACTIONARIES WHO SAW IT AS A BETRAYAL OF MARXISM-LENINISM:
- D) TO REMODEL THE INSTITUTION OF THE PARTY TO REDUCE THEIR CAPACITY TO INTERFERE WITH THE WORKING OF THE STATE AND THREATEN HIS OWN POSITION:
- E) TO PREVENT A MAJOR SPLIT, WHICH COULD PROVIDE HIS RIVALS ON THE RIGHT OR THE LEFT WITH A BASE FOR INDEPENDENT POLITICAL ACTIVITY.
- 5. GORBACHEV'S OPENING SPEECH SET THE TONE. IT LAID OUT HIS
 LIBERALISING PROGRAMME AT LENGTH, WITH NO MORE THAN A FEW VERBAL
 CONCESSIONS TO HIS CRITICS ON THE RIGHT. IT WAS NOT IN ITSELF A
 FIGHTING, OR EVEN A BRILLIANT SPEECH. AND IT WAS LISTENED TO WITH NO
 MORE THAN SULLEN RESPECT BY THE RIGHT WING MAJORITY IN THE HALL. THE
 FIRST BIT OF DRAMA WAS PROVIDED BY YAKOVLEV, GORBACHEV'S CLOSE
 POLITICAL ADVISER AND COLLEAGUE IN THE POLITBURO, WHOSE POWERFUL
 DEFENCE OF HIS LIBERAL PRINCIPLES DREW APPLAUSE EVEN FROM HIS
 OPPONENTS. SHEVARDNADZE FOLLOWED WITH A SCORNFUL ATTACK ON THOSE WHO
 BELIEVED THAT THE SOVIET WITHDRAWAL FROM EASTERN EUROPE WAS A
 CONCESSION TO ANYTHING OTHER THAN REALISM AND COMMON SENSE. BOTH MEN
 COMPELLED ATTENTION BY THEIR OBVIOUS SINCERITY, BY CONTRAST WITH THE
 GREY AND FACELESS FIGURES WHO ALSO SPOKE. BY THE END OF THE CONGRESS
 GORBACHEV TOO WAS SPEAKING WITH HIS OLD PASSION AND FORCE, AND WAS
 MASTERING AN INCREASINGLY DOCILE MAJORITY.
- 6. ALTHOUGH THE RIGHT WINGERS CLAIMED A MAJORITY OF THE CONGRESS DELEGATES, THEY FAILED TO EXPLOIT THEIR ADVANTAGE. THEY WERE NOISEY

PAGE 2 CONFIDENTIAL AND OCCASIONALLY ABUSIVE. THEY GAINED A NUMBER OF PRODECURAL VICTORIES EARLY ON. BUT THEIR ELDERLY LEADER, LIGACHEV, DEPLOYED NO CONSTRUCTIVE OR COMMANDING IDEAS. AND HE WAS CLEARLY NO MATCH FOR GORBACHEV IN THE BACKSTAGE INTRIGUES TO MUSTER SUPPORT IN THE CRUCIAL VOTES TOWARDS THE END. HIS DEFEAT IN THE CONTEST FOR THE POST OF GORBACHEV'S DEPUTY, AT THE HANDS OF THE UNCHARISMATIC AND UNPOPULAR IVASHKO, PRESUMABLY MARKES THE END OF HIS ACTIVE POLITICAL CAREER.

- 7. BUT GORBACHEV'S TACTICAL SKILL AT THE CONGRESS WAS NOT THE FUNDAMENTAL REASON FOR THE DEFEAT OF THE RIGHT THERE. IT BECAME INCREASINGLY CLEAR AS THE DAYS PASSED THAT THE RIGHT REPRESENTED LITTLE MORE THAN THEMSELVES: THE MIDDLE RANKING PARTY OFFICIALS WHO RUN THE PARTY COMMITTEES IN THE PROVINCES AND THE CITIES. THESE MEN STILL CONTROL THE INSTRUMENTS OF LOCAL POWER: THE OFFICES, THE TELEPHONES, THE LOCAL PRESS AND, FOR THE TIME BEING, TV. THEY SHOULD NOT BE UNDERESTIMATED IN DEFEAT. BUT EVEN AT THE CONGRESS THEY GOT LITTLE SUPPORT FROM THE ORDINARY DELEGATES, THE DUE-PAYING PARTY MEMBERS THEY HAVE BULLIED AND MANIPULATED FOR SO LONG: A WEAKNESS WHICH GORBACHEV EXPLOITED TO THE FULL. AND IN THE COUNTRY AT LARGE THEY ARE RESENTED AND DESPISED, EVEN MORE THAN THEY ARE - NOWADAYS -FEARED. EVEN AS THE CONGRESS WAS REACING ITS HEIGHT THE MINERS -THOSE VERY WORKERS ON WHOSE BEHALF THE RIGHT WING WERE CLAIMING TO SPEAK - WERE STRIKING TO DEMANDS THAT THE PARTY LEAVE THE FACTORIES. THE ARMY AND THE KGB.
- 8. FOR THE PARTY AS A WHOLE, THE LAST MONTH HAS SHOWN THAT, WHETHER THEY MANOEUVRE TO LEFT OR TO RIGHT, THEY CAN NO LONGER HOPE TO REGAIN THE CONFIDENCE OR RESPECT OF THE PEOPLE. ELTSIN'S DRAMATIC DEPARTURE FROM THE PARTY WILL ENCOURAGE ALL THOSE WHO HAVE DELAYED HANDING IN THEIR PARTY CARDS FOR FEAR OF LOSING THEIR JOBS OR WORSE. THE NEXT MONTHS WILL SEE A MASSIVE HAEMORRHAGE OF MEMBERS. THOSE WHO BELEIVE THAT THE PARTY HAS JUST HELD ITS LAST ALL-UNION CONGRESS COULD BE RIGHT.
- 9. BUT IF THE PARTY HAS FAILED TO ESTABLISH ITSELF, SO HAS THE OPPOSITION. THE PARTY DID NOT SPLIT AT THE CONGRESS. BUT THE ''DEMOCRATIC PLATFORM'' OF LIBERAL COMMUNISTS DID. THE OPPOSITION THROUGHOUT THE COUNTRY IS DIVIDED AMONG WARRING GROUPS FOR WHOM WORDS SEEM MORE IMPORTANT THAN DEEDS. SOVIET POLITICS SEEMS INCREASINGLY DOMINATED NOT BY A ONE-PARTY SYSTEM, NOR BY A SYSTEM IN WHICH A FEW EFFECTIVELY ORGANISED DEMOCRATIC PARTIES COMPETE FREELY FOR POWER, BUT BY A REGIONALISATION OF POLITICS IN WHICH NATIONALIST PRINCIPLES ARE AT LEAST AS IMPORTANT AS DEMOCRATIC ONES. THE RISE OF RUSSIA UNDER ELTSIN WILL BE AS IMPORTANT A DEVELOPMENT OVER THE NEXT YEAR AS

PAGE 3
CONFIDENTIAL



THE PRESERVATION OF THE COMMUNIST PARTY UNDER GORBACHEV.

FOR ALL THAT, THE OUTCOME OF THE CONGRESS HAS BEEN A WELCOME RELIEF FOR GORBACHEV. HE NOW HAS LITTLE REASON TO FEAR THAT HIS OWN POSITION WILL BE UNDERMINED BY RIGHT-WING COMMUNISTS. HE CAN RESUME HIS POLICY OF SECULARISING THE POLITICAL SYSTEMS BY BUILDING UP THE MACHINERY OF GOVERNMENT. HE CAN BEGIN TO NEGOTIATE A NEW RELATIONSHIP WITH ELTSIN'S RUSSIA, AND WITH THE OTHER REPUBLICS (MORE THAN HALF THE TOTAL AT THE LAST COUNT) WHOHAVE DECLARED THEIR SOVEREIGN INDEPENDENCE OF THE UNION. ABOVE ALL HE CAN - WE MUST HOPE - ASSUME THE EFECTIVE PERSONAL RESPONSIBILITY FOR THE ECONOMY WHICH HE HAS SO FAR PREFERRED TO SHUFFLE OFF ONTO THE UNFORTUNATE RYZHKOV. THESE ARE FORMIDABLE TRIALS AHEAD. BUT THOSE IN THE WESTERN PRESS WHO WERE WRITING GORBACHEV'S POLITICAL OBITURARY A FEW WEEKS AGO WERE (AS MARK TWAIN WOULD HAVE SAID) NEVERTHELESS EXAGGERATING, TO SAY THE LEAST

BRAITHWAITE

YYYY

170 DISTRIBUTION

156 MAIN

SOVIET INTERNAL/SOVIET ECONOMY RAD WED LIMITED SOVIET D ECD(E) ILA KIEV UNIT PS

COMED PS/MR WALDEGRAVE CSCE UNIT

PS/PUS SED MR P J WESTON MED

MR TOMKYS CONSULAR D MR BAYNE EED MR TAIT

JAU/EED MR GOULDEN ECONOMIC ADVISERS MR MILES ERD MISS SPENCER INFO D NEWS D MR GREENSTOCK

PPD MR LING MR MOSS PUSD MR KERR **PLANNERS**

PAGE 4 ADDITIONAL 14 CONFIDENTIAL

SOVIET INTERNAL/SOVIET ECONOMY