UNCLASSIFIED FM MOSCOW TO DESKBY 061300Z FC0 **TELNO 194** OF O61146Z FEBRUARY 90 INFO PRIORITY PARIS, BONN, WASHINGTON, UKDEL NATO, ACTOR INFO SAVING EAST EUROPEAN POSTS

ADVANCE CUP

USSR: CPSU PLENUM: GORBACHEV'S OPENING SPEECH

1. THE 28TH CONGRESS TO BE ADVANCED TO LATE JUNE/EARLY JULY. THIS PLENUM WILL DISCUSS THE NEW PARTY PLATFORM (IE PROGRAMME). A FURTHER PLENUM IN 3 WEEKS WILL DISCUSS THE NEW PARTY RULES. THE PARTY'S POSITION SHOULD NOT BE ENDORSED IN THE CONSTITUTION. A MULTI PARTY SYSTEM COULD DEVELOP ''AT A CERTAIN STAGE.' ECONOMIC REFORM HAD TO BE SPEEDED UP. THE PROBLEM OF PRICES HAD TO BE RESOLVED MORE RAPIDLY. IF TROOPS HAD NOT BEEN USED IN AZERBAIDZHAN THOUSANDS NOT DOZENS WOULD HAVE DIED. THE PLENUM SHOULD DISCUSS PROPOSALS FOR A STRONGER PRESIDENCY. THE TOP STRUCTURE OF THE PARTY TO BE CHANGED.

- 2. GORBACHEV OPENED THE PLENUM WITH AN HOUR LONG SPEECH INTRODUCING THE NEW DRAFT PARTY PROGRAMME. THIS ''EXTENDED'' PLENUM IS BEING ATTENDED BY ALL THE TOP REPUBLIC LEADERS, A NUMBER OF JUNIOR PARTY AND GOVERNMENT OFFICIALS AND REPRESENTATIVES OF THE INTELLIGENTSIA, THE ARMED FORCES AND THE MEDIA. THE PROCEEDINGS HAVE NOT BEEN TELEVISED, BUT A FULL TRANSCRIPT IS TO BE PUBLISHED IN THE PRESS. THERE WERE 27 SPEECHES FROM THE FLOOR ON THE FIRST DAY, APPROXIMATELY HALF OF WHICH ARE REPRINTED IN TODAY'S PRAVDA.
 - 3. THE FOLLOWING IS A FAIRLY FULL SUMMARY OF THE MAIN POINTS FROM
 - 4. GORBACHEV BEGAN BY REFERRING TO THE IMMENSE PUBLIC INTEREST IN THE PLENUM AND IN THE ISSUE OF PARTY REFORM. HIS AUDIENCE WOULD HAVE SEEN THE RALLIES AND MEETINGS TAKING PLACE RECENTLY. WHAT WORRIED PEOPLE NOW WAS THE FATE OF PERESTROIKA AND THE ROLE OF THE SOVIET COMMUNIST PARTY AT WHAT WAS PROBABLY THE MOST CRUCIAL STAGE OF THE REVOLUTIONARY PROCESS.

5. THE 28TH PARTY CONGRESS HAD ALREADY BEEN BROUGHT FORWARD BY 6 MONTHS TO OCTOBER 1990. HOWEVER, THE COURSE OF DEVELOPMENTS WAS NOW SO FAST THAT THE TIMING HAD TO BE LOOKED AT AGAIN. THE POLITBURO,

PAGE 1 UNCLASSIFIED SAID GORBAHCEV, WAS THEREFORE PROPOSING THAT THE CONGRESS NOW BE HELD IN LATE JUNE/EARLY JULY THIS YEAR. THEY WERE CONFIDENT THAT THIS PROPOSAL WOULD BE AGREED. BEFORE THE CONGRESS THERE WOULD BE A FULL ''REPORT AND ELECT'' CAMPAIGN (IE A POLICY REVIEW AND RE-ELECTION OF ALL LOCAL AND REGIONAL PARTY OFFICIALS) AND A WIDE DEBATE ON THE NEW DRAFT PLATFORM AND DRAFT RULES FOR THE PARTY. ALL THIS WOULD MEAN THAT THE CONGRESS WOULD BE HELD IN TOTALLY NEW CIRCUMSTANCES.

6. GORBACHEV THEN ANNOUNCED THAT THE CURRENT PLENUM WOULD ONLY DISCUSS THE DRAFT PLATFORM OR PROGRAMME FOR THE CONGRESS. THERE WOULD BE ANOTHER PLENUM IN ''A MONTH, OR BETTER, 3 WEEKS'' TO CONSIDER THE DRAFT OF THE NEW RULES FOR THE PARTY.

7. GORBACHEV CAUTIONED THAT BY BRINGING THE CONGRESS FORWARD, THE POLITBURO WAS NOT INTENDING TO DRAMATISE THE SITUATION. BUT THE PARTY COULD ONLY FULFIL ITS ROLE IF IT DRASTICALLY REFORMED ITSELF. ANY DELAY AND IT WOULD LOSE THE INITIATIVE.

REFORM OF THE PARTY

- 8. GORBACHEV SAID THAT THE PARTY NOW HAD TO ABANDON IDEOLOGICAL DOGMATISM AND EVERYTHING THAT HAD LED TO THE ISOLATION OF SOCIALIST COUNTRIES FROM THE MAINSTREAM WORLD CIVILISATION. THE PARTY'S AIM WAS A HUMANE, DEMOCRATIC SOCIALISM. THIS WOULD BE REFLECTED IN THE NEW PLATFORM. THE PARTY COULD ONLY FULFIL ITS LEADING ROLE IF IT WAS A DEMOCRATICALLY RECOGNISED INSTITUTION. THIS MEANT THAT ITS STATUS SHOULD NOT BE IMPOSED THROUGH THE CONSTITUTION. THE PARTY WOULD CONTINUE TO STRUGGLE TO MAINTAIN ITS STATUS AS THE RULING PARTY. BUT IT WOULD DO SO STRICTLY WITHIN THE DEMOCRATIC PROCESS, GIVING UP LEGAL AND POLITICAL ADVANTAGES. AS POLITICAL PLURALISM DEVELOPED VARIOUS POLITICAL AND SOCIAL MOVEMENTS WERE EMERGING. THIS PROCESS MIGHT LEAD ''AT A CERTAIN STAGE'' TO THE ESTABLISHMENT OF OTHER PARTIES. THE PARTY WAS READY TO CONDUCT A DIALOGUE WITH ALL ORGANISATIONS COMMITTED TO THE SOVIET CONSTITUTION. RENEWAL OF THE PARTY PRESUPPOSED A THOROUGH RETHINKING OF THE PRINCIPLES OF DEMOCRATIC CENTRALISM.
- 9. THE MOST IMPORTANT ACHIEVEMENT OF PERESTROIKA SO FAR HAD BEEN THE EMANCIPATION OF SOCIETY. PEOPLE WERE TAKING AN ACTIVE PART IN RUNNING THEIR OWN LIVES. THIS SHOULD NOT BE A CAUSE FOR PANIC. NEVERTHELESS, IT HAD NOW BECOME CLEAR THAT THE COUNTRY'S CRISIS WAS MANY TIMES MORE SERIOUS THAN WAS ORGINALLY THOUGHT. GORBACHEV CONCEDED THAT THERE HAD ALSO BEEN MISTAKES AND MISCALCULATIONS. IT WAS IMPORTANT TO BE AWARE OF THE DANGER THAT SOME PEOPLE WOULD TRY AND EXPLOIT THESE DIFFICULTIES. THERE WERE SOME WHO THOUGHT CHANGE WAS TAKING PLACE TOO QUICKLY THREATENING THE FOUNDATION OF THE SOCIALIST SYSTEM. OTHERS THOUGHT THAT THE SOCIALIST SYSTEM WAS DOOMED TO FAILURE AND THAT THE COUNTRY COULD ONLY BE RESCUED BY

PAGE 2 UNCLASSIFIED EMBRACING CAPITALISM. THE PROCESS OF POLARISATION BETWEEN CONSERVATIVES AND RADICALS HAD SPEEDED UP RECENTLY.

10. GORBACHEV SAID THAT THE LEADERSHIP WAS STILL COMMITTED TO SOCIALISM AND THE CHOICE MADE IN OCTOBER 1917. BUT THIS SHOULD NOT BE INTERPRETED DOGMATICALLY: PEOPLES' INTERESTS COULD NOT BE SACRIFICED TO THEORETICAL NOTIONS. THERE HAD TO BE SOCIAL JUSTICE. IDEOLOGICAL TABOOS HAD TO BE REJECTED. EVERYTHING VALUABLE WHICH OTHER SOCIETIES HAD CREATED HAD TO BE USED. ALL THIS COULD NOT BE DONE QUICKLY.

THE ECONOMY

- 11. GORBACHEV REFERRED TO THE CONTINUING PROBLEMS OF THE CONSUMER SECTOR: THE SHORTAGES AND QUEUES AND THE FALL IN THE PURCHASING POWER OF THE ROUBLE. PEOPLE, HE SAID, WERE ESPECIALLY DISSATISFIED WITH THE FOOD SITUATION. AGREEMENT HAD BEEN REACHED ON VAROUS NEW FORMS OF LAND TENURE. BUT REGIONAL OFFICIALS WERE STILL GRIPPED BY OLD ATTITUDES AND SD NO FUNDAMENTAL IMPROVEMENTS HAD TAKEN PLACE. IT WAS TRUE THAT THERE WERE SHORTAGES OF RESOURCES AND TECHNOLOGY. BUT THE MAIN POINT WAS TO REFORM THE STRUCTURE OF AGRICULTURE. THE FARMER HAD TO BE GIVEN A FREE HAND.
- 12. GORBACHEV SAID THAT UNTIL NOW THE LEADERSHIP HAD LACKED RESOLVE ON THE ISSUE OF ECONOMIC REFORM. THIS WAS PARTICULARLY TRUE OVER THE ISSUE OF PRICING WHICH HAD BROUGHT THE WHOLE REFORM PROCESS TO A STANDSTILL. THIS HAD TO BE RESOLVED MORE QUICKLY. BUT THE PARTY CONTINUED TO HOLD THE POSITION THAT PRICE REFORM SHOULD NOT AFFECT STANDARDS OF LIVING - ESPECIALLY OF THOSE ON LOW INCOMES. GORBACHEV THEN LISTED A FURTHER SERIES OF WHAT HE CALLED GLARING EXAMPLES OF MISMANAGEMENT: CREDIT OFFERED AT LUDICROUSLY LOW INTEREST RATES, THE CONTINUING INCREASE IN THE LEVEL OF UNCOMPLETED CONSTRUCTION PROJECTS. HE RECALLED THE STUBBORNESS OF GOSPLAN WHEN THE 1990 PLAN WAS BEING AGREED IN ARGUING THAT NO FURTHER CUTS IN CAPITAL INVESTMENT SHOULD BE MADE. NOW THERE WAS A SITUATION WHERE IN 1989 UNCOMPLETED INVESTMENT PROJECTS OVER AND ABOVE THE NORM HAD INCREASED BY THE EQUIVALENT OF 4/5THS OF THE INCREMENT IN NATIONAL INCOME. THIS, GORBACHEV SAID, WAS OCCURING AT A TIME WHEN THERE WAS A HUGE SHORTAGE OF BUILDING MATERIALS. THIS AND OTHER FAILINGS COULD NOT BE ALLOWED TO CONTINUE. THE PROBLEM COULD ONLY BE RESOLVED BY PUSHING AHEAD WITH THE REFORM AND NOT BY A RETURN TO CENTRAL CONTROL.

ARMENIA/AZERBAIDZHAN

13. GORBACHEV STRESSED THE URGENCY OF THE NEED TO DEVELOP A NEW LEGAL BASIS FOR THE SOVIET FEDERATION. HE ARGUED THAT MANY OF THE RECENT PROBLEMS IN THE CAUCASUS HAD BEEN CAUSED BY THOSE INVOLVED IN THE SHADOW ECONOMY AND THE MAFIA. THEY WERE DELIBERATELY STIRRING UP

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ETHNIC HATRED. MOSCOW, HE SAID, HAD PROBABLY GIVEN MORE ATTENTION TO THIS ISSUE THAN ANY OTHER OVER THE PAST 2 YEARS, BUT HAD FAILED TO RESOLVE IT. IF THE STATE OF EMERGENCY HAD NOT BEEN INTRODUCED IN AZERBAIDZHAN AND NAGORNO-KARABAKH, THOUSANDS AND THOUSANDS OF PEOPLE, NOT JUST DOZENS WOULD HAVE DIED. HE THOUGHT THAT, POSSIBLY, MOSCOW HAD FAILED TO USE ALL ITS RESOURCES AND AUTHORITY TO BRING EVENTS UNDER CONTROL. BUT THE KEY FACT WAS THAT NATIONALIST AND ANTI SOVIET GROUPS HAD TRIED TO TAKE POWER AND ESTABLISH A DICTATORSHIP BY FORCE. THERE HAD, IN FACT, BEEN AN ATTEMPT AT A COUP. AND THE FACT THAT SOME POLITICAL GROUPS WERE FLIRTING WITH THIS WING OF THE AZERBAIDZHAN POPULAR FRONT MERELY REVEALED THEIR OWN AIMS. 14. GORBACHEV THEN EXPRESSED CONDOLENCES TO ALL WHO HAD LOST RELATIVES DURING THE VIOLENCE AND UNDERTOOK THAT THE PARTY AND GOVERNMENT WOULD DO EVERYTHING POSSIBLETO EASE THE PROBLEMS OF REFUGEES. THE ARMY, HE SAID, HAD DISPLAYED COURAGE AND RESTRAINT AND SAVED THOUSANDS OF LIVES. IT WAS NOW UP TO THE PEOPLE IN ARMENIA AND AZERBIADZHAN TO DETERMINE HOW SOON NORMAL LIFE COULD BE RESTORED.

POLITICAL REFORM

15. GORBACHEV SAID THAT PEOPLE WELCOMED THE INCREASED ROLE GIVEN TO THE SUPREME SOVIET. BUT HE NOTED THAT THERE WAS ALSO CONCERN AT THE LACK OF DECISIVENESS AT THE CENTRE. AS A RESULT IDEAS WERE APPEARING AOBUT THE NEED TO STRENGTHEN THE ROLE OF THE PRESIDENT. THESE SHOULD BE DISCUSSED AT THE PLENUM. THE DEVELOPMENT OF PERESTROIKA COULD NOT BE PUT IN PERIL.

16. GORBACHEV THEN TURNED TO PROPOSALS FOR THE INTERNAL REFORM OF THE PARTY. THE DETAILS WOULD BE SET OUT IN THE NEW DRAFT RULES. BUT CERTAIN ISSUES WERE ALSO COVERED IN THE PLATFORM. THE RIGHTS OF LOCAL PARTY ORGANISATIONS SHOULD BE INCREASED AND THE SYSTEM OF FORMING SUCH BODIES CHANGED. THE PARTY APPARATUS HAD TO BE ACOCUNTABLE TO ITS MEMBERSHIP. THE INFLUENCE OF THE CENTRAL COMMITTEE DEPENDED ON HOW MUCH IT WAS TRUSTED BY PARTY MEMBERS. WORKERS AND FARMERS SHOULD BE BETTER REPRESENTED AND THERE SHOULD BE MORE GLASNOST. PARTY BODIES SHOULD BE ALLOWED TO DEVELOP THEIR OWN PLATFORMS ON PARTICULAR ISSUES.

17. GORBACHEV ALSO REFERRED TO PROPOSALS CONTAINED IN THE DRAFT PLATFORM FOR REFORMING THE STRUCTURE OF HIGHER PARTY BODIES. HE SAID THERE INVOLVED MORE THAN JUST CHANGES OF NAME. BUT HE DID NOT GO INTO DETAILS OTHER THAN TO NOTE THAT THE CENTRAL COMMITTEE WOULD BE REDUCED IN SIZE AND WOULD BE TURNED INTO A 'BODY WORKING ON A PERMANENT BASIS.''

INTERNATIONAL AFFAIRS

18. GORBACHEV SAID THAT THE FUNDAMENTAL PRINCIPLES OF THE SOVIET

PAGE 4 UNCLASSIFIED UNION'S NEW FOREIGN POLICY UNDER PERESTROIKA HAD BEEN SET OUT AT THE UN AT THE END OF 1988. THE KEY THING NOW WAS TO PUSH FORWARD WITH NEGOTIATED DISARMEMENT, DEEPEN DIALOGUE AND UNDERSTANDING ON THE MAIN ISSUES OF INTERNATIONAL DEVELOPMENT AND PROMOTE THE FUNDAMENTALS OF THE COMMON EUROPEAN HOME. IN PARTICULAR THERE WAS AN URGENT NEED TO REFINE ALLIANCE RELATIONS WITH EAST EUROPEAN COUNTRIES. THEIR NEW LEADERS UNDERSTOOD THIS.

19. GORBACHEV SAID THAT THE WORLD SITUATION HAD IMPROVED RECENTLY BUT THAT THERE WAS STILL A DANGER OF WAR. THE SOVIET LEADERSHIP WOULD EXPOLOIT POSITIVE CHANGES BUT BE ALERT TO THE DANGERS. THE DOCTRINES AND CONCEPTS OF THE USA AND NATO WHICH WERE FAR FROM BEING DEFENSIVE REMAINED UNCHANGED AS DID THEIR ARMS AND MILITARY BUDGETS. THIS WAS WHY THE SOVIET UNION NEEDED WELL TRAINED AND WELL EQUIPPED ARMED FORCES. RESTRUCTURING OF THE ARMED FORCES WAS NEEDED - BUT THERE SHOULD BE A MORE RESPONSIBLE APPROACH. HE ACKNOWLEDGED THAT CONCERN WAS BEING EXPRESSED THAT THE COUNTRY'S DEFENCE CAPABILITY WAS BEING REDUCED. MORE ATTENTION WAS NEEDED TO DEMONSTRATE THE THE PROCESS OF REDUCTION AND REORGANISATION OF THE ARMED FORCES WAS IN CONFORMITY WITH THE DOCTRINE OF REASONABLE SUFFICIENCY FOR DEFENCE. MUCH STILL HAD TO BE DONE TO CONVINCE OFFICERS AND THEIR FAMILIES THAT THE GOVERNMENT WAS CONCERNED TO RESOLVE PROBLEMS OF HOUSING AND SOCIAL SUPPORT. A SPECIAL PROGRAMME OF SOCIAL SECURITY FOR OFFICERS AND THEIR FAMILIES SHOULD BE ADOPTED. MEDIA COVERAGE SHOULD BE MORE JUST AND RESPECTFUL TO THE SOVIET ARMY, BUT THIS DID NOT MEAN THAT THE FUNCTIONING OF THE FORCES CXOULD NOT BE THE SUBJECT OF DEMOCRATIC DEBATE

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