

PART SEVEN

TOP SECRET

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UK | Soviet Relations.

1033


Internal Situation.

(In folder attached - Briefing for Chaguers Seminar 27-2-87)

SOVIET UNION.

Part 1: May 1979.

Part 7: February 1987.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>11.2.87</del>							
<del>17.2.87</del>							
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PREM 19/2539

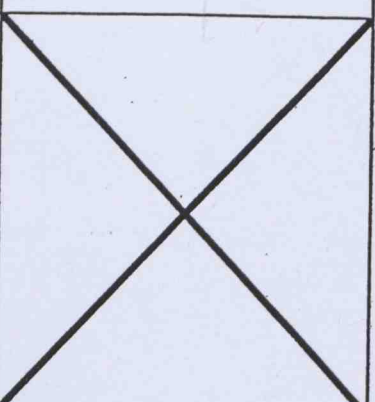
PART 7 ends:-

CAB. OFFICE TO FCO 21.4.67

PART 8 begins:-

PC TO CDP 5.5.67

**A** The National Archives

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2539</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>Letter from Davies to Butt          dated 21 April 1987</i>	
CLOSED UNDER FOI EXEMPTION .....	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>21 March 1987</i> <i>Wayland</i>
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Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.

This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

CONFIDENTIAL  
 FM PRAGUE  
 TO IMMEDIATE FCO  
 TELNO 104  
 OF 141000Z APRIL 87  
 INFO IMMEDIATE MOSCOW,  
 INFO PRIORITY EAST EUROPEAN POSTS, WASHINGTON, BONN, PARIS,  
 INFO PRIORITY UKDEL NATO, UKDEL CSCE VIENNA  
 INFO SAVING OTHER NATO POSTS

GORBACHEV'S VISIT TO CZECHOSLOVAKIA: CONCLUSIONS. *ms*

SUMMARY.

1. AN IMPORTANT VISIT. GORBACHEV ENDORSED HUSAK'S POLICY OF GRADUAL ECONOMIC REFORM BUT SAID VIRTUALLY NOTHING ABOUT THE EXTENSION OF GLASNOST' MORE GENERALLY TO THE POLITICAL SYSTEM OR TO CULTURAL OR INTELLECTUAL LIFE. USEFUL CONFIRMATION THAT SOVIET PRIORITIES IN EASTERN EUROPE LIE IN SECURING BROAD SUPPORT, POLITICAL AND INDUSTRIAL, FOR PERESTROJKA IN CONDITIONS OF STABILITY, RATHER THAN IN INSISTING ON TURNING EASTERN EUROPEAN LEADERS INTO SOVIET CLONES. THE CZECHOSLOVAK LEADERSHIP WILL BE PLEASED TO HAVE POWERFUL SOVIET SUPPORT FOR THEIR GENERAL POLICY. NEVERTHELESS THE DISPUTE HERE OVER THE BALANCE BETWEEN REFORM AND PARTY CONTROL IS LIKELY TO CONTINUE. NO EVIDENCE FROM THE VISIT AS TO WHO MIGHT REPLACE CZECHOSLOVAKIA'S AGING LEADERS, OR WHEN.

DETAIL.

CZECHOSLOVAKIA AND REFORM.

2. THIS WAS GORBACHEV'S FIRST VISIT TO A CMEA COUNTRY SINCE THE JANUARY PLENUM OF THE SOVIET PARTY CENTRAL COMMITTEE. IT HAD BEEN EXPECTED, INDEED HOPED, IN SOME QUARTERS THAT GORBACHEV WOULD PRESS THE CZECHOSLOVAK LEADERSHIP TO SPEED UP THE PROCESS OF ECONOMIC REFORM, AND EXTEND IT TO WIDER SPHERES. OUR CONSIDERED ASSESSMENT HAD HOWEVER BEEN THAT HUSAK WOULD BE ABLE TO PRESENT HIS POLICY AS RIGHT IN LOCAL CIRCUMSTANCES, AS ENABLING CZECHOSLOVAKIA TO MAKE THE NECESSARY ECONOMIC REFORMS, WITHOUT RISKING A 1968-STYLE POLITICAL EXPLOSION. IN PUBLIC GORBACHEV PRAISED CZECHOSLOVAKIA'S ECONOMIC ACHIEVEMENTS (WHICH ARE INDEED STRIKING FROM A SOVIET STAND POINT) AND SPOKE APPROVINGLY OF THE DIRECTION IN WHICH CZECHOSLOVAKIA IS TRYING TO MOVE: IN HIS MAIN SPEECH ON 10 APRIL HE ECHOED THE TERMS USED BY THE CZECHOSLOVAK LEADERSHIP. RUDE PRAVO QUOTED THIS PASSAGE WITH SATISFACTION ON 14 APRIL. HE DID HOWEVER MAKE IT CLEAR THAT THE SOVIET UNION WAS SERIOUS IN PRESSING FOR BETTER CMEA COOPERATION (WHICH STROUGAL WROTE OFF AS UNACHIEVABLE WHEN SPEAKING TO WHITEHEAD IN FEBRUARY) AND MORE JOINT ENTERPRISES. THE ACKNOWLEDGEMENT HOWEVER THAT PRICING NEEDED TO BE TACKLED WILL HAVE PLEASED THE STROUGAL FACTION AS REALISTIC.

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/LEADERSHIP

LEADERSHIP.

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4. ON THE SURFACE, GORBACHEV TREATED THE LEADERSHIP WITH FULLY SUFFICIENT RESPECT. NOTHING WAS SAID IN PUBLIC TO HINT AT THE NEED FOR LEADERSHIP CHANGE. NO ONE WAS SINGLED OUT FOR PRAISE BUT HE RUBBED SHOULDERS WITH ALL SHADES. DISSIDENT OPINION INCLINES TO THE VIEW THAT HUSAK GOT AWAY WITH A REPRIEVE FOR THE PRESENT RULING GENERATION. BUT GORBACHEV MUST HAVE BEEN SIZING UP POSSIBLE CANDIDATES.

THE EASTERN EUROPEAN DIMENSION.

5. GORBACHEV DEVOTED ABOUT A FIFTH OF HIS 10 APRIL SPEECH TO THE QUESTION OF RELATIONS BETWEEN EASTERN EUROPEAN PARTIES AND THE SOVIET PARTY. SUBSEQUENT SOVIET BRIEFING ON THESE PASSAGES INDICATES THAT THEY ARE INTENDED TO BE READ AS AN IMPORTANT RESTATEMENT OF PHILOSOPHY. THE EARLIER TEXTS WILL NEED TO BE STUDIED FOR CONFIRMATION BUT GORBACHEV IS SEEN HERE AS PUTTING THE EMPHASIS DIFFERENTLY FROM HIS PREDECESSORS. THERE ARE NOW MANY PATHS TO NIRVANA. WHILE SOCIALIST SOLIDARITY, CLOSER CMEA COOPERATION AND THE BASIC RIGHTNESS OF THE COMMUNIST MODEL ARE TAKEN FOR GRANTED, NO ONE 'HAS A MONOPOLY OF TRUTH', AND DIFFERENT APPROACHES ARE RECOGNISED AS INEVITABLE REFLECTING DIFFERENT CONDITIONS. GORBACHEV IS SURPRISINGLY FRANK ABOUT THE FACT THAT EASTERN EUROPE IS MORE ADVANCED THAN THE SOVIET UNION: 'SOME PROBLEMS HAVE ALREADY BEEN SOLVED IN OTHER SOCIALIST COUNTRIES'. BUT THERE IS A MESSAGE FOR ALL EASTERN EUROPE IN WHAT IS GOING ON IN THE SOVIET UNION, BECAUSE SOVIET RECONSTRUCTION 'CORRESPONDS TO THE ESSENCE OF SOCIALISM'. AND WHATEVER MOVES ARE MADE TOWARDS SOCIALIST DEMOCRATISATION ACROSS WARSAW PACT FRONTIERS WE MUST ASSUME THAT IT REMAINS THE BASIC TENET OF THE BREZHNEV DOCTRINE THAT LEAVING THE CLUB IS NOT AN OPTION OPEN TO MEMBERS.

PERSONAL RECEPTION.

6. GORBACHEV SCORED A CONSIDERABLE PERSONAL SUCCESS IN HIS PUBLIC APPEARANCES. HIS STYLE, ASTONISHINGLY INFORMAL BY LOCAL STANDARDS, WENT DOWN WELL WITH A PUBLIC STARVED OF PRESENTABLE LEADERS. CROWD REACTION ON HIS NUMEROUS WALKABOUTS WAS WARM AND INTERESTED, ALBEIT QUIET AND RESTRAINED (IN CZECHOSLOVAK STYLE). BUT 19 YEARS AFTER SOVIET TANKS WERE IN THE SAME STREETS, IT WAS A REASONABLE PUBLIC RELATIONS PERFORMANCE. EVEN THE CZECHOSLOVAK LEADERSHIP WERE RELAXING BY THE END OF THE VISIT, AND ENJOYING SOME SPIN-OFF FROM THE SUCCESS OF GORBACHEV'S APPARENT APPROACHABILITY.

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CONCLUSION

CONCLUSION.

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7. HUSAK NOW HAS, WITHIN THE LIMITS OF THE SYSTEM, A RELATIVELY FREE HAND IN MAPPING OUT POLICY IN THE FINAL PERIOD OF HIS LEADERSHIP. TIME HAS BEEN GAINED FOR HIS PROGRAMME OF LIMITED ECONOMIC REFORM TO SHOW WHETHER IT CAN ACHIEVE ITS AIMS. IT WOULD NOT BE CHARACTERISTIC FOR HIM TO USE HIS FREEDOM TO MAKE DRASTIC CHANGES, AND HE WILL PROBABLY CONTINUE TO DEVELOP THE POLICY SET OUT BY THE 17TH PARTY CONGRESS. IT MAY BE THAT HE WILL NOW FEEL SECURE ENOUGH TO BEGIN BRINGING SOME NEW FACES INTO A LEADERSHIP WHICH BADLY NEEDS TO LOCATE A SUCCESSOR GENERATION BEFORE OLD AGE AND ILL-HEALTH REMOVE A GROUP OF MEN WHO HAVE MAINTAINED REMARKABLE SOLIDARITY OVER THE LAST 19 YEARS.

8. BUT THE UNDERCURRENTS AND ANOMALIES REMAIN. THE DESCRIPTION BY GORBACHEV OF RECONSTRUCTION IN THE SOVIET UNION (OCCUPYING NEARLY A THIRD OF HIS 10 APRIL SPEECH) SHOWED IT TO BE MORE COMPREHENSIVE AND STARTLING THAN ITS WATERED DOWN VERSION HERE. THE 'VALUABLE INCENTIVES' OF THE SOVIET MODEL WILL CONTINUE TO PERCOLATE. THERE MAY BE PRESSURE FOR MORE ECONOMIC REFORM, AND AT A CERTAIN STAGE THE CONTRADICTIONS BETWEEN THE DRIVE FOR ECONOMIC REFORM AND LACK OF CHANGE ELSEWHERE WILL RESURFACE. ALREADY STROUGAL HAS ADDUCED THE SPIRIT OF THE VISIT TO SUPPORT HIS OWN VIEWS OF REFORM IN A SPEECH ON 13 APRIL, SAYING THAT 'SOVIET PERESTROJKA MUST BE FOLLOWED BY CZECHOSLOVAK RESTRUCTURING. NO OTHER PATH EXISTS FOR US'. HUSAK WILL HAVE TO BEGIN TO MOVE THINGS ON THIS YEAR IF THE TEMPORARY TRUCE IS NOT TO BECOME RAGGED.

BARRETT

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FCO PLEASE PASS SAVINGS

PNHPAN 3206

FCO | WHITEHALL (PALACE)

EED.

-3-  
**CONFIDENTIAL**

**IMMEDIATE**

US/SOVIET ARMS CONTROL TALKS/ EAST WEST &amp; US/SOVIET RELATIONS

PS  
PS/MS CHALKER  
PS/LADY YOUNG

MR POWELL No.10 DOWNING STREET ✓

PS/MR RENTON

MR D NICHOLLS DUS(P)

PS/PUS

NPS

MR THOMAS

DACU

MR BOYD

CDI

MOD

MR RATFORD

MR FALL

MR FEARN

~~MR~~

HD/DEFENCE DEPT

HD/ACDD

HD/SOVIET DEPT

HD/EEED

RESIDENT CLERK

[PLEASE ADD HD/NAD IF EAST/WEST DIST]



19.11:8

UNCLASSIFIED

FM PRAGUE

TO DESKBY 111100Z FCO

TELNO 101

OF 110920Z APRIL 87

INFO IMMEDIATE MOSCOW, WASHINGTON, UKDEL NATO

INFO ROUTINE BUDAPEST, WARSAW, BUCHAREST, BELGRADE, SOFIA,

INFO ROUTINE PARIS, BONN, EAST BERLIN.

GORBACHEV VISIT: SECOND DAY: SPEECH TO THE CZECHOSLOVAK - SOVIET FRIENDSHIP SOCIETY.

(RESIDENT CLERK TO PASS PARA 6 TO ACDD DUTY OFFICER).

SUMMARY

1. GORBACHEV'S SPEECH THE MAJOR VISIBLE FEATURE OF HIS SECOND DAY HERE, WHICH WAS OTHERWISE TAKEN UP WITH AN INDUSTRIAL VISIT AND PARTY TO PARTY TALKS.
2. SPEECH TOUCHED ON THREE MAIN SUBJECTS: REFORM IN THE SOVIET UNION, RELATIONS AMONG SOCIALIST COUNTRIES, ARMS CONTROL.

DETAIL

3. GORBACHEV'S ONE HOUR SPEECH AT THE PALACE OF CULTURE ON 10 APRIL THE ONLY NOTEWORTHY POINT IN HIS SECOND DAY PROGRAMME.
4. PASSAGE ON SOVIET RESTRUCTURING SEEMED ALONG NORMAL LINES. SOVIET UNION PORTRAYED AS A COUNTRY OF SHARP CONTRASTS OF SOPHISTICATION AND BACKWARDNESS. DEVELOPMENT OF SOCIALIST DEMOCRACY WAS THE MAIN PANACEA.
5. ON BILATERAL AND SOCIALIST COUNTRY RELATIONS MAIN POINTS WERE:
  - (A) PRAISE FOR CZECHOSLOVAK ACHIEVEMENTS 'A NATIONAL ECONOMY REMARKABLE FOR ITS STABILITY, RID OF FOREIGN DEBT'. 'A STANDARD OF LIVING, EDUCATION, HEALTH CARE... WHICH STANDS COMPARISON WITH THE HIGHEST WORLD STANDARDS', BUT 'PROBLEMS AND SHORTCOMINGS EXIST' WHICH WERE DISCUSSED 'OPENLY AND FRANKLY'.
  - (B) A 'CONVICTION THAT THE PROCESS OF RESTRUCTURING IN THE SOVIET UNION CORRESPONDS TO THE ESSENCE OF SOCIALISM'. SOVIET RESOLVE TO REALISE TASKS OF 27TH CONGRESS AND JANUARY CC MEETING 'REINFORCED BY THE SUPPORT OF OUR FRIENDS AND ALLIES'.
  - (C) POLITICAL RELATIONS AMONG SOCIALIST COUNTRIES SHOULD BE 'ON THE BASIS OF EQUALITY AND MUTUAL RESPONSIBILITY. THE SOVIET UNION



(C) POLITICAL RELATIONS AMONG SOCIALIST COUNTRIES SHOULD BE "ON THE BASIS OF EQUALITY AND MUTUAL RESPONSIBILITY. THE SOVIET UNION WAS NOT ASKING ANYONE TO COPY THEM, EACH SOCIALIST COUNTRY HAD ITS OWN SPECIFIC FEATURES AND FRATERNAL PARTIES WERE CONTINUING THEIR POLITICAL LINE WHILE TAKING INTO ACCOUNT NATIONAL CONDITIONS. PROBLEMS WHICH WERE A PRIORITY FOR THE SOVIET UNION HAD ALREADY BEEN SOLVED IN OTHER SOCIALIST COUNTRIES, OR WERE BEING SOLVED BY THEM IN THEIR OWN WAY. NO ONE HAS THE RIGHT TO DEMAND A SPECIAL POSITION IN THE SOCIALIST WORLD. THE INDEPENDENCE OF EACH PARTY...ITS RIGHT TO SOLVE THE QUESTIONS OF DEVELOPMENT OF THE COUNTRY, ARE UNCONDITIONAL PRINCIPLES FOR US." AT THE SAME TIME SUCCESSES ARE NOT POSSIBLE "WITHOUT THE CONCERN OF EACH PARTY... FOR COMMON INTERESTS, WITHOUT RESPECT FOR THEIR FRIENDS AND ALLIES". LATER, REPEATING THE SAME DUALITY IN OTHER WORDS, HE SAID "NO PARTY HAS A MONOPOLY ON TRUTH".

(D) TALKING OF THE NEED FOR CLOSER INDUSTRIAL COOPERATION HE ADMITTED THAT THE ESTABLISHMENT OF JOINT ENTERPRISES WAS "A VERY DIFFICULT TASK", AND HE MENTIONED THE NEED FOR CMEA WIDE AGREEMENT ABOUT PRICES, WAGES, MANAGEMENT AND INCOME.

6. ON ARMS CONTROL AND INTERNATIONAL RELATIONS, THE PRINCIPLE POINTS WERE:

(A) PROPOSAL TO START TALKS ON THE REDUCTION AND LATER ELIMINATION OF MISSILES OF 500 TO 1000 KM RANGE DEPLOYED ON THE EUROPEAN CONTINENT, AND NOT TO LINK THIS WITH "COURSE AND RESULT" OF MEDIUM RANGE MISSILE TALKS. FOR THE PERIOD OF THE TALKS, BOTH SIDES WOULD PLEDGE NOT TO INCREASE NUMBERS OF OPERATIONAL - TACTICAL MISSILES.

(B) HE CONFIRMED THAT, AFTER A MEDIUM RANGE MISSILE TREATY WAS SIGNED, AND INDEPENDENTLY OF THE OPERATIONAL TACTICAL MISSILE DISCUSSIONS, THE RUSSIANS WOULD REMOVE MISSILES DEPLOYED IN THE GDR AND CZECHOSLOVAKIA IN RESPONSE TO THE DEPLOYMENT OF PERSHING TWO AND CRUISE MISSILES IN W. EUROPE.

(C) HE DETAILED SOME "IMPORTANT MEASURES" OF VERIFICATION BY ON-SIGHT INSPECTION.

(D) HE SUGGESTED A BROAD DISCUSSION AT VIENNA BY CSCE FOREIGN MINISTERS "AIMED AT RADICAL REDUCTION OF TACTICAL NUCLEAR, MILITARY FORCES AND CONVENTIONAL ARMAMENTS".

(E) HE SUPPORTED THE CZ/GDR NUCLEAR CORRIDOR PROPOSAL (MENTIONING WEST GERMAN SPD HELP IN FORMULATING IT).

(F) ON CHEMICAL WEAPONS, HE ANNOUNCED 1) SOVIET PRODUCTION HAD NOW CEASED, 2) THE USSR HAD NO STORES OF CHEMICAL WEAPONS BEYOND ITS BORDERS, 3) A SPECIAL PLANT IS BEING BUILT IN THE SOVIET UNION FOR THE EVENTUAL ELIMINATION OF ALL THEIR CHEMICAL WEAPONS.

7. IN A SEPERATE PASSAGE ON EUROPE WIDE COOPERATION, HE CALLED ON EUROPEAN COUNTRIES TO WORK AGAINST TERRORISM, CRIME, DRUG ABUSE AND "SUCH A NEW DISASTER WHICH HAS AFFLICTED THE WHOLE OF MANKIND AS AIDS".

COMMENT

8. A JOINT COMMUNIQUE IS DUE TO ISSUE ON 13 APRIL. I WILL NOT ATTEMPT TO DRAW TOGETHER THE THREADS OF THIS INTERESTING VISIT UNTIL WE HAVE SEEN THAT, AND GORBACHEV'S VISIT TO SLOVAKIA IS OVER. MEANWHILE ENGLISH TEXTS OF GORBACHEV'S SPEECH FOR YOU AND MOSCOW WILL BE IN OUR 13 APRIL UNCLASSIFIED PAG.

BARRETT

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PNHPAK 3194

NNNN

**Restricted**

RESTRICTED  
 FM MOSCOW  
 TO DESKBY 070800Z F C O  
 TELNO 582  
 OF 070445Z APRIL 87  
 INFO PRIORITY PRAGUE

*mb*

YOUR TELNO 477: GORBACHEV'S VISIT TO PRAGUE

1. THE ONLY NEWS IN THE SOVIET MEDIA OF THE POSTPONEMENT WAS CARRIED BY THE SOVIET TV NEWS PROGRAMME VREMYA ON 5 APRIL AND DATELINED PRAGUE. THE PUBLICATION OF IZVESTIA ON 6 APRIL WHICH WAS PREVIOUSLY ANNOUNCED ON 5 APRIL AS TO BE HELD OVER (PROBABLY TO ACCOMMODATE DEPARTURE PHOTOGRAPH AND SPEECHES) ALSO POINTS TO A SUDDEN DECISION TO POSTPONE.

2. THE CZECH EMBASSY HERE WILL NOT GO BEYOND THE 'SLIGHT COLD' REASON AND SPECULATION AROUND THE TOWN RANGES FROM CZECH OR SOVIET MILITARY RESISTANCE TO THE POSSIBLE ANNOUNCEMENT OF TROOP WITHDRAWALS DURING THE VISIT TO CZECH ANNOYANCE WITH A REQUEST BY GORBACHEV TO MEET DUBCEK.

3. MY OWN GUESS IS THAT THERE MIGHT HAVE BEEN SOME LAST MINUTE DISAGREEMENT WITHIN THE LEADERSHIP HERE ON THE LINE TO TAKE OVER 'PERESTROIKA' IN EASTERN EUROPE. GORBACHEV'S VISIT TO PRAGUE IS NOT ONLY IMPORTANT FOR THE SEASON BUT IT WILL BE HIS FIRST TO AN EASTERN EUROPE COUNTRY FOLLOWING THE JANUARY PLENUM.

4. I MAY HAVE SOME SUPPLEMENTARY INFORMATION WHICH COULD REACH YOU BY 1300Z ON 7 APRIL IF ANYTHING EMERGES FROM MY MEETING WITH MY US, FRENCH AND FRG COLLEAGUES WHICH BEGINS AT 0700Z

CARTLEDGE

YYYY

MXHPAN 9097

LIMITED

SOVIET D

EED

PLANNING STAFF

INFO D

NEWS D

PUSD

PS

PS/MR RENTON

PS/PUS

MR THOMAS

MR RAYFORD.

*cc. Mr Powell, No. 10*

*W. J. Powell  
7/4.*

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DEPARTMENT/SERIES	Date and sign
PIECE/ITEM ..... (one piece/item number)	
Extract details:	
Letter from Powell dated 27 March 1987	
CLOSED UNDER FOI EXEMPTION .....	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	21 March 2017 Wayland
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Enter the department and series,  
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Enter the piece and item references, .  
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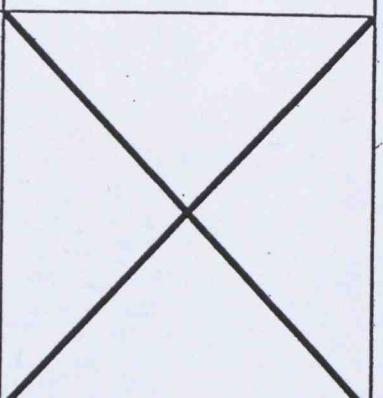
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eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
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If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

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DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2539</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>Letter to Powe dated 26 March 1987</i>	
CLOSED UNDER FOI EXEMPTION .....	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	<i>21 March 2017 Wayland</i>
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GRS 130

RESTRICTED

*Ric Austin*  
*!!*  
*CRV*

RESTRICTED

FM MOSCOW

TO DESKBY 201330Z F C O

TELNO 423

OF 201230Z MARCH 87

MY TELNO 421: MR HEALEY'S VISIT TO MOSCOW

1. WE FINALLY MADE CONTACT THIS MORNING, 20 MARCH, WITH THE INTERNATIONAL DEPARTMENT OF THE CPSU CENTRAL COMMITTEE AND SUBSEQUENTLY WITH SECOND EUROPEAN DEPARTMENT, MFA. BOTH SEEMED VAGUELY AWARE OF THE POSSIBILITY THAT MR HEALEY MIGHT BE COMING TO MOSCOW. BUT NEITHER EXPRESSED ANY INTEREST IN ARRANGING A PROGRAMME FOR HIM AND WERE STUDIOUSLY INDIFFERENT WITH REGARD TO ANY ARRANGEMENTS, E.G. A LUNCH, WHICH WE MIGHT WISH TO MAKE ON HIS BEHALF. WE SUBSEQUENTLY LEARNED FROM SOVIET DEPARTMENT FCO THAT MR HEALEY HAD FOUND IT "INCONVENIENT" TO TRAVEL TO MOSCOW AT THIS TIME. THIS WAS CLEARLY A POLITICALLY MOTIVATED SELF-INVITATION WHICH MISFIRED. THE RUSSIANS WERE EVIDENTLY NOT PREPARED TO PLAY BALL.

*!!*

CARTLEDGE

YYYY

MXHPAN 3642

LIMITED

SOVIET D.	PS
NEWS D.	PS/LADY YOUNG
PRU	PS/MR RENTON
ACDD	PS/PUS
DEF D.	MR D. THOMAS
	MR FALL
	MR RATFORD
	MR HOUSTON

RESTRICTED

RESTRICTED

2



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister  
This will be  
seen as a stunt.

19 March 1987

R1913

CDP 19/3

ms

Dear Charles,

Visit by Mr Denis Healey MP to Moscow

Mr Healey's office have telephoned us to say that he will be visiting Moscow at the invitation of the Soviet Central Committee from Sunday 22 March until Tuesday 24 March. In addition to talks with Central Committee officials, he is likely to be offered a television appearance similar to that offered to Mr Renton in January.

Mr Healey's office do not intend to announce the visit until 20 March.

Yours ever

*L Parker*

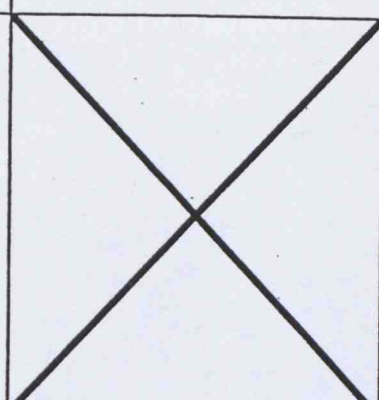
(L Parker)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

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DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2539</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>Letter to Galsworthy from          Power dated 19 March 1987</i>	
CLOSED UNDER FOI EXEMPTION .....	
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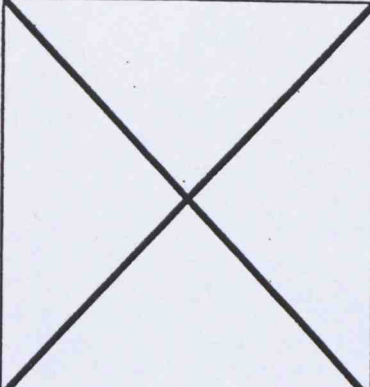
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Extract details:  <i>Letter from Galsworthy to Power dated 18 March 1987</i>	
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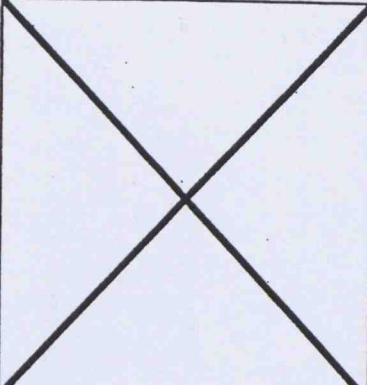
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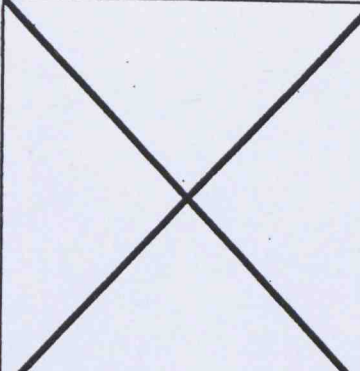
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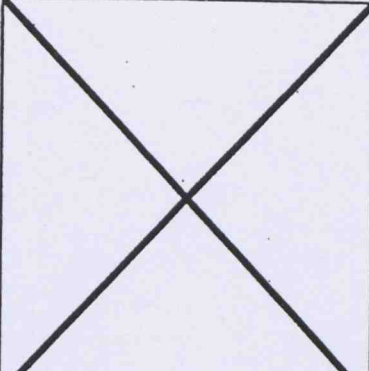
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FILE  
JA

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

17 March 1987

Thank you for your letter of 15 March enclosing the note for the Prime Minister and the copy of your paper. I am sure that she will read it and find it a very useful part of her preparations for the visit.

The Prime Minister certainly found the Seminar at Chequers very useful: indeed my impression was that all those taking part did so. Thank you very much for your helpful contribution.

(Charles Powell)

Archie Brown, Esq.

2

ST. ANTONY'S COLLEGE,  
OXFORD  
OX2 6JF  
TEL. 59651

15 March, 1987

R17/3

Dear Mr Powell,

I enclose a note for the Prime Minister and a copy of a paper I have written more recently than the one I sent you before the Chequers meeting and which will not be published in a quarterly journal until late April.

Ordinarily, I would assume that the Prime Minister would have neither the time nor the inclination to read it, but knowing how seriously she is taking the preparation for her Moscow visit, I think it possible that she may be interested in glancing through it.

I was glad to see you again at Chequers and I hope that that meeting was found to be of some value by the Prime Minister and Foreign Secretary.

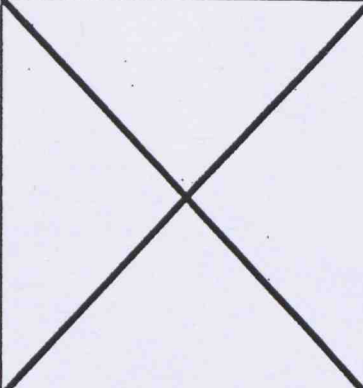
Yours sincerely,

Archie (Brown)

ARCHIE BROWN

Charles Powell, Esq.  
Private Secretary to the Prime Minister,  
10 Downing Street,  
London SW1A 2AA.

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ST. ANTONY'S COLLEGE,  
OXFORD  
OX2 6JF  
TEL. 59651

CDP 17/3.

15 March, 1987

Dear Prime Minister,

I enclose a paper on 'Gorbachev and Reform of the Soviet System' which I completed after the Chequers meeting and which will not be published until late April in a quarterly journal. Normally, I would not expect it to be of any interest to you, but in the special circumstances of your impending important visit to the Soviet Union, you may find parts of it to be of some use. It assesses Soviet domestic political developments and Gorbachev's position within the system.

Yours sincerely,

Antonie Brown

Rt. Hon. Margaret Thatcher,  
Prime Minister,  
10 Downing Street,  
London SW1A 2AA.

## GORBACHEV AND REFORM OF THE SOVIET SYSTEM

Archie Brown

Western publics were not very well prepared by their mass media for the changes which began to take place in the Soviet Union under the General Secretaryship of Yuri Andropov and which - following the Chernenko interregnum - are being carried much further under the leadership of Mikhail Gorbachev. Disproportionate attention was focused on the health and person of the top leader. While the subject of the succession to Leonid Brezhnev was a very important one, Brezhnev merely had to disappear from public view for a week or more (as he often did in his later years) for massive attention to be concentrated on his life expectancy and the possible identity of the next General Secretary.

That even under the conservative Brezhnev there were different political tendencies within the Soviet Communist Party - in broad terms (though many further distinctions can be made) reformist, conservative and neo-Stalinist - was a discovery which went largely unnoticed outside the ranks of a narrow circle of Western Sovietologists. A vast amount of attention was, of course, paid in the mass media to overt dissent, and the average Western newspaper reader or television viewer could have been forgiven for picking up an exaggerated idea of the dissidents' salience within Soviet political life and for coming to the conclusion that apart from them the Soviet Union consisted entirely of like-minded conformists.

Yet those Brezhnev years also saw debate, much of it esoteric, conducted in Soviet specialist journals and books. Many of the people who stayed within the boundaries of the system were far from satisfied with the status quo. Some criticised it from a neo-Stalinist or a Russian nationalist standpoint; others (and it is they who are coming



to the fore today) as advocates of economic and political reform. Those who wished to exercise influence and avoid the marginalisation which became the fate of most Soviet dissidents (for the political context in the Soviet Union was very different from that of Poland where a great part of the nation were 'dissidents') abided by certain rules of the game.

Thus, for many economic reformers this meant praising the Hungarian economic reform rather than directly advocating a significant role for markets within the Soviet economy (especially after Kosygin's attempted reform, which was launched in 1965 and which made some nods in the direction of the market, petered out in the face of conservative opposition, of which Brezhnev was a part). Similarly, the rules of the game involved (and still involve) emphasising the need for development of the 'democratic' component of 'democratic centralism' rather than making a frontal attack on that latter concept. They likewise entailed - and accommodated - advocating the recognition of the existence of different interests in Soviet society and the idea of 'diversity within monism' rather than embracing the notion of political pluralism which (especially following the 'Prague Spring') remained firmly taboo.

Such activity seemed neither newsworthy nor heroic. If the authors of these writings were heroes, they certainly remained unsung - apart from the occasional faltering solo of a British or American specialist on Soviet politics, usually delivered to a small audience. Yet, without such within-system reformers, people who tried to push further the limits of the possible and broaden the political space within them (rather than attempt to destroy such boundaries totally and destroy themselves politically in the process), there would be no changes of the kind which are underway in the Soviet Union today. The reform-

minded / <sup>wings</sup> of the party apparatus and of the party intelligentsia were an important part of the coalition which supported Gorbachev when he overcame considerable conservative opposition to attain the General Secretaryship. Today they are the most enthusiastic element in the coalition which bolsters his power.

There were, also, of course, 'objective factors' which led to the policy innovation which we are now seeing. These included a secular decline in the rate of economic growth from the 1950s to the early 1980s, a growing technological gap in many sectors of the economy between the Soviet Union and the most successful capitalist countries and growing international tension (with the associated burden and insecurity imposed by the spiralling military competition between the Soviet Union and the United States). But though Gorbachev appeared to some Western observers to be both a reformer and a very likely future General Secretary some years already before he got that job, it would be a mistake to think that there was an inevitability about his coming to office and to the acceptance of the policies which are now being pursued.<sup>1</sup> When I asked a Soviet jurist in Moscow in October 1984 whether the very seriousness of the economic and political problems would not lead to the adoption of <sup>many of</sup> the policies which we see now (and with Gorbachev implementing them as the most likely successor to the already physically failing Chernenko), he replied: 'Yes, either that or the complete opposite!'

It was clear that something new had to be tried. The quasi-corporatism of the Brezhnev era - a style of rule which produced a lowest common denominator of agreement within the elite - would no longer work. The Soviet Union could not afford to try to 'muddle through' the remaining years of the 1980s and the 1990s in the way in which it had, in domestic affairs, muddled through the 1970s, for it was becoming increasingly evident that this would mean, as Bialer put

it, 'a process of "muddling down"'.<sup>2</sup> There remained, however, reactionary as well as reformist alternatives. The person within the top leadership team who could well have personified the former tendency was Grigori Romanov, the former Leningrad regional party leader who by this time supervised the military and military industry within the Central Committee Secretariat. Like Gorbachev, he was a senior secretary (that is to say, a full member of the Politburo and a secretary of the Central Committee) at the time of Chernenko's death. Romanov did not control nearly as much of the apparatus or have as many friends as Gorbachev, and so he supported instead the elevation of another 'interim leader', the distinctly conservative and complacent 70-year-old Moscow party chief, Viktor Grishin, under whom the balance of power within the Secretariat could have been tilted in favour of Romanov and against Gorbachev.<sup>3</sup>

That Gorbachev was a far more skilful as well as a more appealing politician than Romanov and Grishin put together was a fact of no small importance. For if it be true that the changes of the last two years could not have occurred without an influential group of party members who not only support but are pushing for reform, it is equally clear that the Soviet system is one in which great power is vested in the office of General Secretary. Contrary to Western misconceptions and old-style Soviet propaganda, the party is not monolithically united. It contains people of very different ideas and personality types and embraces very distinctive opinion groupings and institutional interests. It is of prime importance that a new General Secretary can change the correlation of forces - or balance of influence - among the competing tendencies and various informal groups. This is precisely what has happened under Gorbachev. It is partly a matter of the Soviet leader himself encouraging people with fresh ideas and partly a matter of

reformers, emboldened by their perception that they have got a General Secretary who is highly intelligent, well-educated and open-minded, casting aside old taboos and saying in print (or on radio, television and the theatre stage) what they felt constrained to say mainly in private conversation, or in greatly diluted form in public, during the Brezhnev years.

#### The New Men (and a few women)

Gorbachev has achieved more personnel change in high places in his first two years than <sup>was achieved so soon by</sup> any other General Secretary in the Soviet Union's seventy-year history. This was facilitated by the fact that Brezhnev had allowed the entire political elite to grow old together, and though a start to rejuvenation was made under Andropov (and slowed down under Chernenko), the process still had a long way to go. It would be an oversimplification to see all of the new senior appointees as people whose ties are closer to Gorbachev than to any of his colleagues. Other senior members of the Politburo, such as the de facto second secretary of the party, Egor Ligachev, and the Chairman of the Council of Ministers, Nikolai Ryzhkov, have been successful in co-opting a number of their former colleagues and subordinates. But Ligachev and Ryzhkov are themselves part of the new top leadership team, men who were first brought into it under Andropov and who have risen still higher in the Gorbachev era. They are neither opponents nor clients of Gorbachev, but, rather, conditional allies.

Taken as a whole, the changes have been sufficiently sweeping as to greatly facilitate policy innovation. In some ways Gorbachev was fortunate in that a Party Congress (held every five years) was due within a year of Chernenko's death. This provided both a particularly authorita-

tive platform for the enunciation of new policies and an opportunity to change the composition of the Central Committee (for it is only at Congresses that new members can be elected). Against that, it is worth noting that Gorbachev has continued to strengthen his position in the meantime and a number of the new appointments to party and state offices in his second year are those which, when a Party Congress comes along, carry Central Committee membership virtually automatically. Thus a Central Committee elected now would mean the departure of more survivors of the Brezhnev era than actually left the political scene at the Party Congress in early 1986. Even so, the Central Committee membership turnover was greater at that 27th Congress than at any Congress since Khrushchev's last - the 22nd Congress of 1961. Whereas 87 per cent of surviving full members of the Central Committee elected at the 25th Congress in 1976 were re-elected in 1981, only 59 per cent of those elected at the 26th Congress in that year and still alive five years later were re-elected in 1986.<sup>4</sup>

It is within the inner bodies of the Central Committee - the top leadership team who compose the full and candidate membership of the Politburo or belong to the Secretariat of the Central Committee - that the personnel change has been greatest. Gorbachev's main power base lies within the Secretariat, a body which in practice wields only slightly less power than the Politburo itself. Here the change has been dramatic. Of twelve Secretaries of the Central Committee, nine have been appointed to their posts since Gorbachev took over. They include several key people who are particularly close to Gorbachev - among them, Aleksandr Yakovlev who oversees culture and propaganda within the Secretariat, who has been a strong proponent of the policy of greater openness (glasnost) and who in January 1987 added candidate membership of the Politburo to his Secretaryship; Georgi Razumovsky who has a background in agriculture,

career links to Gorbachev and is in charge of the extremely important Central Committee department responsible for placement of party cadres; and most recently (in January of this year) Anatoli Luk'yanov who overlapped with Gorbachev in the Law Faculty of Moscow University in the early 1950s and who has been heading the General Department of the Central Committee through which papers pass to the Politburo and who is the nearest functional equivalent in the Soviet system of the Secretary of the Cabinet in Britain. [There is only one woman in the top leadership team, but that is one more than was there throughout the Brezhnev, Andropov and Chernenko periods. Aleksandra Biryukova was promoted in March 1986 from the secretariat of the Soviet trade unions to the vastly more important position of a Secretary of the Central Committee. Gorbachev has criticised the slow promotion of women within the party ranks and there is no reason to doubt that he was responsible for this particular appointment. [Neither quantitatively nor 'qualitatively' is Gorbachev's position quite so strong in the Politburo as it is in the Secretariat. Whereas in the latter body, not only are three-quarters of the members new, a majority of them would appear <sup>also</sup> to be people of similar outlook to his own. Among full members of the Politburo, the turnover has been substantial - of the eleven, five have received this promotion under Gorbachev - but less sweeping than the turnover in the Secretariat. What is more, among them all, only the Foreign Minister, Eduard Shevardnadze looks as if he would willingly go as far down the road of reform as Gorbachev himself is prepared to contemplate. Among the candidate members of the Politburo, Gorbachev's position is stronger. Here, as in the Secretariat, the turnover has been of the order of 75 per cent. Of the eight candidate members at present (February 1987) only two were in that position when Gorbachev took over from Chernenko.

new  
para.

new  
para.

buro,

Only full members of the Politburo may vote but, as in the British Cabinet, votes are the exception rather than the rule. The candidate members of the Politburo and the Secretaries of the Central Committee attend Politburo meetings as of right and may speak. Hence, these twenty-five people constitute in a very real sense the top leadership team whose collective support the General Secretary needs, even though his political resources exceed those of any other individual among them and though his 'power to persuade' them is, on several counts, impressive.<sup>5</sup> The reform wing of that top leadership team, on which Gorbachev himself should certainly be placed, will, however, be significantly strengthened when two or three more people from the ranks of the Secretariat or from the candidate membership of the Politburo who share Gorbachev's political orientation can be promoted to full Politburo membership. Though the Central Committee nominally elects these members, the process is, in essence, one of collective co-optation by the Politburo itself. Within it, the General Secretary's voice counts for more than anyone else's but his colleagues (with historical precedents in mind) are usually anxious to maintain checks upon his power. Though such sentiments can be understood, the cause of reform would undoubtedly be furthered by the elevation from candidate to full membership of Aleksandr Yakovlev (who does indeed seem to be on course to become such a senior secretary) and of the outspoken First Secretary of the Moscow party organisation, Boris El'tsin.

The choice of Gorbachev as General Secretary (and the further changes in the composition of vital party and state institutions which have followed it) has also, as I noted earlier, changed the correlation of forces among party influentials. Thus, people who already were known reformers and party members of some significance in Brezhnev's time, have come to enjoy substantially higher standing and to advocate more directly the economic reform and 'democratisation' of the Soviet system which

they proposed in more coded language in the 1970s or early 1980s.

Numerous examples of people in this category could be cited, but for the sake of brevity four may suffice: Abel Aganbegyan, Tat'yana Zaslavskaya, Georgi Shakhnazarov and Fedor Burlatsky.

Aganbegyan, an economic reformer of long standing, spent almost twenty years as Director of the Institute of Economics and Organization of Industrial Production of the Siberian Section of the Academy of Sciences of the USSR, but was brought to Moscow to play a more central role in the elaboration of economic reform soon after Gorbachev became General Secretary. His colleague in Novosibirsk, Zaslavskaya, produced for a high-level Moscow seminar in 1983 an analysis of economic and social problems - and of the obstacles to reform - too devastating to be published in full in the Soviet Union at that time, though it subsequently appeared abroad.<sup>6</sup> Now, however, one can see strong echoes of her analysis in the speeches of Gorbachev and she herself has achieved a greater prominence than ever before for her views as one of the boldest reformers.<sup>7</sup> She has had access not only to the party's main theoretical journal, Kommunist<sup>8</sup>, but also more recently to the pages of Pravda where she made a swingeing attack on the concealment of information from social scientists (including statistics on crime, suicide rates, and levels of drug and alcohol abuse) and compared the level of Soviet sociology unfavourably with that of Poland and Hungary, 'not to mention the developed capitalist countries'.<sup>9</sup>

Shakhnazarov, an innovative Soviet theorist both on international relations and on 'socialist democracy' who combines his academic role (given formal recognition by his Presidency of the Soviet Association of Political Sciences and Vice-Presidency of the International Political Science Association) with a responsible post in the Central Committee apparatus, has been promoted from being one of a number of deputy heads



of the Socialist Countries department of the Central Committee to the important post of First Deputy Head.<sup>10</sup> Burlatsky, a bold reformer and man of broad-ranging talents who already in Khrushchev's time advocated competitive elections for deputies to soviets<sup>11</sup> and within months of Khrushchev's fall became the first advocate of a separate discipline of political science in the Soviet Union<sup>12</sup>, has achieved a greater prominence than he enjoyed even under Khrushchev<sup>13</sup> with plays on the Soviet stage and on television, a regular political column in the Writers' Union weekly newspaper (which he was first granted during Andropov's General Secretaryship) and a place in the Soviet entourage which accompanied Gorbachev to the Geneva and Reykjavik 'summits'.

Both within the higher ranks of the party apparatus and outside it, the people who have now come to the fore include far more with a commitment to reform than there were in positions of great power and influence under Brezhnev or even under Gorbachev's two immediate predecessors. It is worth emphasising that the changes which are now underway can hardly be considered a response to the activity of dissidents, for the dissident movement was already very weak by the time Gorbachev became General Secretary. It had, to all intents and purposes, been crushed. Thus, though it remains far less radical, the process of change within the Soviet Union is more akin to that in Czechoslovakia in the 1960s when the impetus for reform came from within the party itself than to that in Poland in 1980-81 when the Kania leadership retreated in the face of the 'extra-systemic' pressures of a spontaneous mass movement. The Soviet context must, of course, be distinguished from that of Czechoslovakia, too. The political cultures of the two countries remain very different and the strength of indigenous conservative forces in the Soviet Union is much greater than that of their counterparts in Czechoslovakia. There are, moreover, complicating factors which even Soviet reformers must bear closely in mind. If in Czechoslovakia there

was (and is) a relatively mild nationalities problem in the shape of strained relations between Czechs and Slovaks, there is in the Soviet Union - with over one hundred different ethnic groups, many of whom have administrative responsibility for their own national territories - a much greater potential problem of fissure. Hitherto, this has not been allowed to get out of hand, but some devolution of political and economic powers could whet local (and thus, in many cases, national) appetites for greater autonomy.

#### The Reform Process and Reform Agenda

For many reasons, therefore, the present time in the Soviet Union is a period of political struggle. How far the reform process will go the reformers themselves do not know. Since it is in part their relative open-mindedness and political realism which marks them off from their opponents, this is hardly surprising. For many of them, including Gorbachev, 'democratisation' is not just a slogan, but neither is it yet pluralist democracy. That is to say, we should not expect to see in the near future the institutionalisation of autonomous groups (still less rival parties) capable of challenging the policies advocated by the top leadership of the Communist Party. At the same time the 'diversity within monism' which is becoming ever more of a reality permits a substantial amount of informal group activity and some increasingly effective criticism. Soviet political commentators themselves point to the role of Russian creative writers in getting the party and government leadership to reverse a decision already taken to start work on a massive diversion of Siberian rivers for the irrigation of Central Asia.<sup>14</sup> The 'lobby' against this scheme was active over several years with the attacks on its ecological dangers reaching a climax at the Writers' Union Congress in June 1986; two months later this costly and dubious project (which had influential proponents as well as opponents) was dropped.

To the extent that a conscious broadening of the limits of the possible within the system is taking place - so that, to take a few examples, criticism of the Stalin era is once again appearing<sup>15</sup>, Doctor Zhivago is scheduled for its first-ever Soviet publication in the widely-read literary journal, Novy mir, in 1988, and demonstrations in Kazakhstan in December 1986 with strong overtones of ethnic animosity were promptly reported by the Soviet mass media - this may be interpreted as no more than progress towards a more enlightened authoritarian regime. Such a change - far removed from the totalitarianism of the Stalin era and the unenlightened authoritarianism of the Brezhnev years - should not be dismissed as negligible. But in the period since the 27th Party Congress and especially at the very important plenary session of the Central Committee in January 1987, there have been signs of something more.

Gorbachev himself (and certainly the reform wing of the party intelligentsia) seems to regard a measure of political reform as desirable both in itself and as a necessary complement to economic reform.<sup>16</sup> Some elements of 'democratisation' have now been proposed by Gorbachev - in his January plenum speech - which, if fully implemented, would be quite a remarkable change from established Soviet practice. This is particularly true of his proposal that there be more than one candidate for party secretaryships (including first secretaryships) at all levels from the district up to the union republican and that the elections be by secret ballot at meetings of the respective party committees. Rather more vaguely, he added: 'The Politburo's opinion is that further democratisation should also apply to the formation of the central leading bodies of the party. I think this is wholly logical.'<sup>17</sup>

It remains to be seen how such proposals will be implemented. Two cautionary notes are worth sounding. The first is that Gorbachev stated

that the competitive election of secretaries would not alter 'the statutory principle, under which the decisions of higher bodies, including those on cadre issues, are binding on all lower party committees'.<sup>18</sup> This may look like an attempt to square the circle. The second is that though the Central Committee resolution adopted at the end of the January plenum repeated Gorbachev's demand for more 'control from below' within the party, it did not follow the General Secretary in making specific mention of <sup>competitive elections for party secretaryships.</sup> ~~electing party secretaries in a less formal way than hitherto~~. It may well be that on this, as on other matters, Gorbachev is more of a reformer than a majority of his colleagues.

Some may view it, rather cynically, as an attempt by Gorbachev to speed up the personnel change throughout the party and to get more of his supporters into key positions. In that context, his insistence that the party leadership retains its powers to select cadres could be seen as a safeguard against local party committees choosing opponents of reform. But it is hard to see why he should raise the issue at all unless he meant it to be taken seriously. One of the contributory factors to Khrushchev's downfall was his fixing compulsory percentage turnovers for the membership of all party committees from top to bottom - a move which induced feelings of insecurity among the very party apparatus on which his power rested. Many party secretaries may feel similarly insecure in the light of Gorbachev's recent proposals. A willingness to incur the costs of generating such dangerous emotion would appear to betoken a determination to implement a reform which would indeed enhance control 'from below' while not, of course, going so far as to abrogate control 'from above'.

In general, Gorbachev's speech to the January 1987 plenum was even more innovative and important than his Political Report to the 27th Party Congress in 1986. It was, perhaps, the most / <sup>significant</sup> speech by a Soviet leader since Khrushchev's speeches demythologising Stalin delivered

to the 20th Congress in 1956 and the 22nd Congress in 1961. Among the other important points Gorbachev made were that Central Committee plenums had for years been brief and formal and that they must <sup>from now on</sup> be so conducted that 'there can be no persons beyond criticism or people with no right to criticise'; that the promotion of non-party members to leading positions was an 'important aspect of the democratisation of public life'; that the authority of the soviets needs to be further enhanced (and this seems likely to involve the introduction of competitive elections for deputies to soviets, at least at the local level, though, needless to say, none of the candidates would be challenging the 'leading role' of the Communist Party);

the assertion that Soviet socialist theory had remained largely fixed 'at the level of the 1930s-1940s' when 'vigorous debates and creative ideas disappeared... while authoritarian evaluations and opinions became unquestionable truths'; and the proposal that a party conference be held in 1988 to monitor the course of economic reform and 'to discuss matters of further democratising the life of the party and society as a whole'.

This last proposal was an important one. Party conferences - second only to Congresses in terms of party authority - are rare occurrences; the last one was held in 1941. The significance of holding one in 1988 is that it keeps up the pressure for economic and political reform. The matters Gorbachev has put on the political agenda cannot now be conveniently forgotten. On the contrary, the prospect of a party conference to consider taking them further gives a green light to party reformers to produce their own elaboration of the issues raised and to give more concrete substance to some of the ideas which Gorbachev - and the Central Committee resolution - discussed in general terms.

On economic reform, Gorbachev has emphasised that only the first steps have so far been taken. One important step was the publication this February of the draft law on the enterprise which sets out the considerably

enhanced rights and greater autonomy of Soviet industrial enterprises and associations. It embodies also the recently legitimated principle of 'socialist self-management' (which for long was regarded as a revisionist Yugoslav notion) whereby leading personnel in factories are to be elected by a general meeting of the work collective either by secret or open ballot, the latter decision being left to the discretion of the meeting. Again it remains to be seen how this draft legislation will be eventually amended and, more important, implemented, but already it may be seen as a mark of progress on the part of Soviet reformers.

So far the goals of the more radical Soviet economic reformers - explicit recognition of a role for the market as well as for central strategic economic decision-making - have been recognised only at the level of legalising small-scale private enterprise (which means, inter alia, that the Soviet Union is beginning to see its first private restaurants). But of greater importance for the economy as a whole will be the extension of the market principle into areas of the socialised economy. Gorbachev clearly recognises that the attempt to fix all prices administratively is a nonsense, but so far his support for a market element within the Soviet economy has been in the coded language of advocating a greater role for 'commodity-money relations'. That is doubtless because there is fierce opposition from within the ministries and from many party organs to a reform which attempts to combine real concessions to the market with central planning (and serious doubts, too, on the part of a number of his Politburo colleagues). If, however, as seems likely, Gorbachev goes on to consolidate his power still further, the chances of quite far-reaching economic reform will be better under the present leadership than they have been at any time since the fall of Khrushchev - and Khrushchev's reforms are no model, for they were hasty, inconsistent and ultimately ineffective.

In some ways Gorbachev's strategy is a high-risk one. It threatens

more vested interests and arouses more immediate hostility than Brezhnev's consensus style of rule. But Gorbachev's answer (which he often expresses in a phrase familiar also in Britain) is: 'There is no alternative'.

There are many in the West who dismiss the changes taking place in the Soviet Union as no more than cosmetic; if that is so, it is difficult to understand why they are encountering such fierce resistance and why pushing through what Gorbachev calls the 'reconstruction' of the Soviet system is such an uphill task.<sup>19</sup>

There is also a tendency to say that because there are still dissidents in prison and restrictions on emigration, nothing has really altered. It is right to be aware of what has not changed. The release of Andrei Sakharov from exile and of a number of other dissidents from prison does not mean that dissent has been institutionalised. It is, rather, an attempt to bring them - and this applies in particular/ back 'within the system', to a man of Sakharov's great distinction and moral authority, given that the boundaries of permitted criticism have been extended and there are articles now being published in the Soviet press which only a few years ago would have landed their authors in serious trouble. Similarly, travel abroad - whether in the form of emigration or for a short trip - remains a privilege rather than a right. In conditions of relaxation of East-West tension, it is a privilege which under the present Soviet leadership is likely to be much more widely extended, but we are some way off the day when Soviet citizens <sup>are free to leave the country at will.</sup> To go on from this, however, to say in effect that unless everything has changed, nothing has changed is an abdication of responsible judgement.<sup>20</sup>

Gorbachev himself describes the process of reform and restructuring as 'irreversible'. As a politician, it doubtless makes a great deal of sense for him to do so; he has no need to give encouragement to his domestic foes. The outside observer must be more cautious and allow for the possibility that the current trend could be reversed. And doubtless many in the West - including some in the Reagan administration - would

welcome a return to the old simplicities as well as to the days when they could rely on Soviet propaganda being more ham-fisted than their own.

The reversal of the current trends and the defeat of Gorbachev would, however, be in the long-term interest neither of the people of the Soviet Union nor of the West. If (as, on the whole, still seems likely) Gorbachev does remain in office for years to come and, as previous long-tenure General Secretaries have done, strengthens his power and authority over time, this will open up new prospects within and outside the Soviet Union. By the end of the century Gorbachev will, at sixty-eight, still be younger than any previous General Secretary was when - for political or biological reasons - he demitted office. There is reason at least for hope that by that time the <sup>reform</sup> ~~reconstruction~~ of the Soviet system will have made it qualitatively better than it has been hitherto and that opportunities will have arisen (which should not be passed by) for a more constructive relationship with the West.



## Notes

1. Thus, the American Sovietologist, Jerry Hough, and I independently came to the conclusion while Brezhnev was still alive that Gorbachev was a future General Secretary and that he wished to undertake reform. See Jerry F. Hough's chapter in Seweryn Bialer and Thane Gustafson (eds.), Russia at the Crossroads: The 26th Congress of the CPSU (Allen & Unwin, London, 1982), esp. pp. 43-44; and Brown in Archie Brown and Michael Kaser (eds.), Soviet Policy for the 1980s (Macmillan, London, 1982), esp. pp. 240-242, 244-245 and 269-270.
2. Seweryn Bialer, Stalin's Successors; Leadership, Stability and Change in the Soviet Union (Cambridge University Press, Cambridge, 1980), p. 305.
3. Rather remarkably, an article by the Soviet author, Mikhail Shatrov, in the journal, Ogonek (No. 4, 1987) recently confirmed that there had indeed been an attempt to secure the General Secretaryship for Grishin and put a stop to the rise of Gorbachev.
4. See Thane Gustafson and Dawn Mann, 'Gorbachev's First Year: Building Power and Authority' in Problems of Communism, Vol. XXXV, No. 3, May-June 1986, esp. p. 4. Following the 'anti-party group' crisis of 1957, only 49 per cent of surviving 1956 Central Committee members were re-elected in 1961.
5. Eleven full Politburo members, eight candidate members and twelve Secretaries of the Central Committee do add up to twenty-five people because six of them hold full or candidate membership of the Politburo jointly with a Secretaryship.
6. See 'The Novosibirsk Report' in Survey, Vol. 28, No. 1, 1984.
7. Indeed, as I noted two years ago, these echoes were already there in a speech Gorbachev delivered in December 1984 - three months before he

- became General Secretary. See Archie Brown, 'Gorbachev: New Man in the Kremlin' in Problems of Communism, Vol. XXXIV, No. 3, May-June 1985, esp. pp. 18-19.
8. Kommunist, No. 13, September 1986.
  9. Pravda, 6 February 1987.
  10. I have discussed Shakhnazarov's views and role at greater length in my article, 'Soviet Political Developments and Prospects' in World Policy Journal (New York), Vol. IV, No. 1, Winter 1986-87, esp. pp. 72-74.  
In general the personnel change in the foreign policy establishment has been particularly great. For further details, see the above article, esp. pp. 68-74, and F. Stephen Larrabee and Allen Lynch, 'Gorbachev: The Road to Reykjavik', in Foreign Policy (Washington, D.C.), No. 65, Winter 1986-87, esp. pp. 10-13.
  11. On this, see an interesting interview (by Monty Johnstone) of Burlatsky in Marxism Today, February 1987, esp. p. 15.
  12. See Archie Brown, 'Political Science in the USSR' in International Political Science Review, Vol. 7, No. 4, October 1986, esp. pp. 445-448.
  13. Burlatsky was at one time a speech-writer for Khrushchev and in the early 1960s he was a prominent member, and for a time the leader, of a group of consultants to Yuri Andropov who at that time headed the Socialist Countries Department of the Central Committee.
  14. For example, Burlatsky in his Marxism Today interview, p. 14.
  15. On this, see, for example, Stephen F. Cohen, 'An Anti-Stalinist Tide is Flowing Again', in International Herald Tribune, 3 February 1987.
  16. For more detailed argument of this case before the January plenum took place, see Brown, 'Soviet Political Developments and Prospects', op.cit., esp. pp. 57-67 and 75-85.

17. This major speech of Gorbachev to the January plenum is published in Pravda, 28 January 1987, and in English in BBC Summary of World Broadcasts, SU/8478/C1/1-37, 29 January 1987.
18. Ibid.
19. For a recent account of some of the psychological and institutional resistance to the Gorbachev / <sup>reforms,</sup> see the text of an interview given by Academician Tat'yana Zaslavskaya to a Hungarian newspaper, translated and published in BBC Summary of World Broadcasts, SU/8480/C1-6, 31 January 1987.
20. For one example, among all too many others, of such an oversimple response, see A.M. Rosenthal, 'How to Make This Glasnost More Interesting Than Ever' in International Herald Tribune, 3 February 1987.



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

16 March 1987

I know that the Prime Minister will be very grateful to you for your letter of 10 March and its enclosures which I shall ensure she sees as soon as possible. I am not sure whether she will have time to write to you before her visit to Moscow but have no doubt that she will be delighted to see you on your next visit (always supposing that other events do not intervene!).

Thank you for coming to the Seminar and making such an outstanding contribution.

(C.D. Powell)

Robert Conquest, Esq.

# HOOVER INSTITUTION

ON WAR, REVOLUTION AND PEACE

Stanford, California 94305-6010



Mr Powell  
to see

11 March 87

R 16/3

Dear Mr Goodchild,

on second thoughts,

I am attaching another copy of a letter  
to the Prime Minister, with enclosures

- not so much because of fear of a copy  
not arriving, but because of the possibility  
at this time of delays.

whilst works

Robert Cyren

SK/A3

Mr. POWELL - for information



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....6428  
Switchboard 01-213 3000 GTN Code 213  
Facsimile 01-213 5465 Telex 915564

Stephen Sherbourne Esq  
Political Secretary  
10 Downing Street  
LONDON  
SW 1

9<sup>th</sup> March 1987

Am 10/7.

Dear Stephen,

I have received the attached letter from a former colleague of mine who organises the Capital Music Festival on behalf of Capital Radio in London.

He has just returned from a visit to Moscow and meetings with the Ministry of Culture and Gosconcert (the Soviet Union's music agency). He and a colleague were viewing pop music bands in order to arrange a concert in London in July. They have now signed a "Heads of Agreement" with Gosconcert to present two bands "Dialogue" and "Ariya". The concert will be broadcast on Capital Radio in London and relayed live to the Soviet Union with an audience of over 70 million people. Linked with this broadcast will be feature material depicting the musical life of young people in London compared to their counterparts in Russia and I gather they propose to have a live telephone link up between young Russians and young Londoners to exchange views.

It will come as no surprise to hear that Mrs Thatcher's visit is causing some interest and the opening up of relations with the West is being seen as a tremendous boost to the youth culture in the USSR.

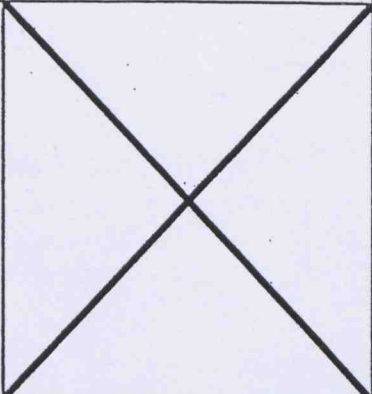
Obviously matters of much greater import will be on the agenda in Moscow but you might think it worthwhile to feed this information into the system. It has an interesting youth appeal which might grab the attention of the popular newspapers during the trip, if the opportunity presented itself.

Yours

Howell

HOWELL JAMES  
Special Adviser

# **A** The National Archives

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

1 March 1987

*Dear Tony,*

SEMINAR ON THE SOVIET UNION

I enclose a note about the Seminar on the Soviet Union which the Prime Minister held at Chequers on 27 February. Everyone retains his own overall impression of a discussion of this length and complexity. Mine may err slightly on the side of conveying too negative a view of what is happening in the Soviet Union. It was also rather inconsiderate of Mr. Gorbachev to make a major proposal on arms control on the day after the Seminar. The final section, dealing with the Prime Minister's visit to Washington, has a number of points which need to be followed up.

I am copying this letter and enclosure to John Howe (Ministry of Defence) and to Trevor Woolley (Cabinet Office); and on a personal basis to David Ratford (Foreign and Commonwealth Office), Martin Nicholson (Cabinet Office) and Sir Bryan Cartledge in Moscow.

*yours sincerely,  
Charles Powell*

(CHARLES POWELL)

A. C. Galsworthy, Esq., C.M.G.,  
Foreign and Commonwealth Office.

GA

CONFIDENTIAL

SEMINAR ON THE SOVIET UNION

The tasks set for the seminar were:

- to assess the changes taking place within the Soviet Union and where they might lead;
- to consider their likely effect on Soviet external policies and in particular their policies on arms control;
- to suggest what the British and wider Western attitude towards the changes should be and how we could affect them.

Change in the Soviet Union

Discussion of the prospects for change within the Soviet Union revealed a difference between those, principally the experts on the Soviet Union, who were impressed by the scope and energy of Gorbachev's reforms; and those, principally non-specialists, who were not convinced that real change would be either possible or allowed and were sceptical of Gorbachev's motives. To simplify: between enthusiasts and sceptics.

The enthusiasts portrayed Gorbachev as shocked by the poor performance of the Soviet economy and fearing that, without dramatic measures to improve it, the Soviet Union would enter the twenty-first century as a second-rate power. Although it would be exaggerating to talk of a crisis of survival affecting the very existence of the regime, there was undoubtedly a crisis of effectiveness. The Brezhnev era was treated with revulsion. There was a strong sense of urgency and a desire to make up for lost time. With little in the way of worked-out proposals for economic reform, Gorbachev had opted to make a start with political and social reform. (A comment of Tito's was recalled: in Communist systems there is no such thing as economic reform, only political reform with economic consequences). He was taking his campaign for

greater open-ness and democratization direct to the people, hoping to change attitudes and to outflank the inertia of the bureaucracy. His was a moral crusade, concentrating on such problems as alcoholism, inefficiency and the poor quality of products. There was no doubting the sense of urgency or the seriousness with which Gorbachev was pursuing his goals. Indeed he was taking considerable risks, particularly by proposing democratization of the Party and thus threatening the job security of millions of bureaucrats.

It was not clear how solid support for Gorbachev's reforms was among the party leadership. Shevardnadze was the only one who seemed one hundred per cent behind him. His approach was evidently not particularly popular with the Soviet people as a whole. Inertia was waiting to reassert itself. The prospects for Gorbachev's success remained uncertain. These were all reasons for caution. Nonetheless, many of those who visited the Soviet Union regularly and had hitherto been sceptical that there would ever be real change, now felt that there was something genuinely new and different in the air, and that changes were in prospect going far beyond those undertaken or contemplated by Kruschev. What we were seeing now was only the beginning of a process which might take ten, fifteen or twenty years to show results. We should keep an open mind about the prospects.

A point of particular interest, as a guide to the extent of likely reform, was the role of ideology. A distinction had to be drawn between ideology and doctrine. Doctrine as an operational tool to deal with the current problems of the Soviet Union was dead as a door-nail. On the other hand ideology as a broader concept, embracing the Soviet Union's whole historical experience and expressed in terms of automatic responses to particular problems and situations, would remain a factor. Even so there were signs of greater pragmatism. Human rights were a case in point. Release of dissidents did not signal a conversion to western values. It was a hard-nosed recognition of the public relations' cost of

political prisoners particularly in terms of the Soviet Union's image abroad.

The sceptics, on the other hand, had seen it all before. The precedents were discouraging. They recalled Alexander II and Stolypin. Even if Gorbachev genuinely wanted reform, it was unlikely that he was strong enough to achieve it. The recent Central Committee plenum could be interpreted as a setback for Gorbachev. Speeches were all very well, but in terms of power he had been unable to get his way. Moreover analysis of some of Gorbachev's speeches, for instance those in Riga and Tashket, revealed orthodox and conservative views. A leader seeking to consolidate his power naturally sought new policies: but we should not assume that he would go on pursuing the policies once his power was successfully consolidated. The younger generation to whom Gorbachev appealed were as likely to be careerists out to displace their seniors as genuine reformers. There was a risk that the West would give too much weight to what was said by the communicators and the intelligentsia. Gorbachev was using them as tools. We should beware of facile use of words such as open-ness and democratization, which in fact had a very different meaning in the Soviet context.

The built-in obstacles to successful reform were substantial. The opposition to change was not just bureaucratic. Quite sound and persuasive arguments - in Communist terms - were being advanced against it. In any event, Gorbachev would not be ready to contemplate decentralization to the point where central Party control was threatened. The human material for successful reform was just not there. The Russian people were not used to thinking for themselves or to taking responsibility. There was no reason to think that they would welcome a more challenging existence; or that economic incentives, even if introduced, would actually work. Talk of change in the Soviet Union would worry the Eastern European Communist parties, and posed a risk to stability there. Although some participants detected a curiously laissez-faire attitude on the Soviet Union's part to

this risk, no-one doubted that fresh outbreaks on the lines of Czechoslovakia in 1968 and Poland more recently would be put down very firmly. This would in turn have consequences for the successful prosecution of reform in the Soviet Union.

The sceptics tended to the conclusion, therefore, that Gorbachev would prove a transient figure. Even if he survived, his efforts towards reform would be stymied by the contradictions and obstacles. The degree of reform which he could contemplate would anyway not be enough to solve the problems.

The argument - somewhat dramatised for the purposes of this note - was not resolved. But a number of conclusions seemed to command broad assent. There were no grounds for euphoria, no prospect that a pluralist society was just round the corner, no sign of adoption of market principles in the Soviet economy, no likelihood that Soviet ideology would change fundamentally. Indeed fundamental change was not on the agenda: only limited change which fully preserved the powers and guiding role of the Party. Gorbachev might want to enjoy the fruits of the incentive system. But he could not take the risk of adopting it. Reform would be conducted firmly within the bounds of the socialist system. This could produce limited improvements in efficiency, which might indeed be just enough for his purposes. But there would be nothing dramatic or far-reaching. The Soviet system might at best evolve in 20 years time into something resembling Yugoslavia today.

#### The effect on Soviet external policies

The possible effect of change within the Soviet Union on Soviet external policies was recognised to be the most important aspect for the West. Expectations were modest.

Some evidence was detected of new thinking in Soviet foreign policy: a tendency to give priority to universal

concerns such as peaceful coexistence and interdependence over class struggle and confrontation with imperialism. This had been reflected in Gorbachev's recent address to the peace forum.

A weightier argument was that the Soviet Union needed a stable and tranquil external environment to concentrate on internal reform. There was evidence of disillusion with Soviet achievements in the third world. They had revealed the limits of military power in securing political influence. There was discontent about Afghanistan, although no grounds to think that this had reached the point where the Soviet leadership would be ready to withdraw and leave a regime which was not dominated by the Communists. Foreign adventures probably no longer played a significant role in legitimising the power of the Soviet leaders.

But while there might be a short-term interest in a respite on the foreign policy front, the fact was that the main motivation of those who wanted reform was dissatisfaction with the past. Their global ambitions were higher than those of their predecessors. They wanted to end the decline and reassert Soviet power and influence in the world. There was no evidence that successful reform at home would make the Soviet Union behave less aggressively abroad. Rather, a Soviet Union which was enabled to deploy its military power, propaganda and economic aid more effectively, would be a more dangerous opponent. The ideological drive of Soviet foreign policy in terms of class struggle and anti-imperialism would continue unabated.

In short, one could not judge their likely behaviour on the basis of thinking, but only on their policies. There was no reason to expect that domestic reform would lead to significant change in the general thrust of Soviet foreign policy. At best we might benefit from a temporary respite, the purpose of which would be to regroup for fresh advances.

Arms Control

The prospects for arms control were seen as an important part of the the Soviet leaders' calculations on reform. Arms control affected the military balance; held the key to increasing the resources going to the civilian economy; and would determine whether the technological gap with the West would continue to widen.

Taking the military balance first, there was some evidence that the Soviet preoccupation with total security was in decline. The main consideration for them was to prevent the United States achieving a first-strike capability. Here SDI played a key role. They saw it not only as threatening their nuclear parity with the United States, but also as widening the technological gap, and as opening the way for the West to develop conventional weapons based on different physical principles, leaving the Soviet Union in some years time with the world's largest fleets of redundant ships, tanks and aircraft. They would therefore give absolute priority to limiting and restricting SDI.

That apart, the Soviet aim in arms control would be to continue where Reykjavik left off. The emphasis would be on getting rid of nuclear weapons altogether, given the huge advantage that would leave the Soviet Union. Elimination of INF in Europe would be in the foreground, because this too would offer the Soviet Union one-sided advantages. They could not lose with zero INF: the likelihood that a conflict in Europe would lead to strategic nuclear exchange would become more remote, and the imbalance of conventional forces in their favour would assume still greater importance. It was significant that the Soviet military were already changing their concepts to provide for a longer period of conventional warfare in Europe, without escalation to nuclear exchanges.

There was little doubt that Gorbachev would like to be able to reduce military spending and divert resources to the civilian economy. He would present this internally as the

best means of increasing the Soviet Union's military capacity in the long term. Cutting down on redundant weapons and strengthening the economy as a whole now would make it possible to provide better equipment in fifteen to twenty years time. Put another way, the choice for the military was to have fewer guns now in order to have better death rays in the year 2000. Limited arms control agreements would make it easier for Gorbachev to sell this to the military.

The implications for the West

Drawing together these strands left three main questions to be answered:

- would reform and the building up of the Soviet Union's economic strength change the pattern of its internal and external behaviour? Or would nothing ever really change?
- would it be to the West's advantage if Gorbachev were to succeed in his proposed reforms?
- what if anything could we in the West do about it?

The answer to the first question was that internal change was likely to be limited enough, and change in Soviet external policies less still. The Soviet Union would continue to pose a major long-term threat to the West, even if temporary accommodations could be reached. We should prepare ourselves for a long haul. Our public attitude should be to watch internal developments with interest and to give credit where it was due. More skilful Soviet presentation carried the risk of creating euphoria in the West about the changes which were taking place. This could undermine support for strong defence and for nuclear weapons and must be forcefully countered.

The answer to the second question was by no means self-evident. There was some feeling that Gorbachev was probably better for the West to deal with than any likely alternative. But simple rationalisation and strengthening of the existing Soviet system would be of no benefit to us.



Internal reform and liberalisation would not necessarily make the Soviet Union any less aggressive externally. A more efficient but no less aggressive Soviet Union would present at least as many problems for the West as now and probably more.

A great deal therefore turned on the third point, the question of the West's capacity to influence events. Our ability to affect what happened within the Soviet Union was quite limited. Public comments by western governments on the reform process were unlikely to be of much consequence one way or the other. The notion that the West should deliberately pursue policies designed to subject the Soviet economy to unbearable strain was not very practicable, and probably not desirable either. To start with the motives were unclear. Would the purpose of such action be to sabotage reform for instance by imposing additional burdens in terms of military expenditure, which could only be met by tighter central control, thus reversing the trend to decentralisation? Or would it be to encourage a breakdown of the Soviet economy, leading to far more radical change? The results of such efforts would be uncertain, but probably destabilising and dangerous. We should pursue policies based on what we thought best for us rather than on hypothetical calculations of how they might affect internal developments in the Soviet Union. We should certainly not make concessions from a misguided desire to help reform.

But we did have a major interest in less aggressive Soviet Union behaviour internationally and could have some influence over this in a number of ways:

- by maintaining Western unity and strength
- by displaying firmness in negotiations and always seeking a quid pro quo. In the arms control field this meant making clear that we would not allow the Soviets to gain through arms control agreements the degree of clear military superiority which they had failed to achieve through the arms race
- by encouraging and strengthening rules of prudence

governing the behaviour of both sides. There was scope for codifying such rules.

- by constantly pressing the Soviet Union on Helsinki Basket III issues and treating domestic changes primarily as an exercise in implementing Helsinki commitments. We should stress that performance here was crucial to determining the Soviet Union's "acceptability"
- by focussing international discussion on problems where the Soviet Union was clearly vulnerable or was obviously reappraising its policies. Afghanistan was an obvious case in point. Soviet policies in Africa might be another.

Implications for the Prime Minister's Visit to the Soviet Union

This aspect was dealt with mostly in a more restricted session among Ministers and officials.

It was agreed that it would be important to discourage exaggerated expectations from the Prime Minister's visit. The purpose should be presented as being to renew earlier contacts and discussions with Mr. Gorbachev, to improve our understanding of his policies and objectives at a particularly interesting moment. At the same time, the visit would be an opportunity to pursue arms control, regional and human rights' issues on the basis of established western positions.

Particular care would be needed in commenting publicly during the visit on internal developments. The general line should be that we were watching with interest what was going on and would give credit where it was due. While it was primarily an internal matter for the Soviet Union, the Helsinki agreements gave us legitimate grounds to comment on some aspects of what was going on. One purpose would be to draw out the links between the kind of society into which the Soviet Union might develop and the prospects for improving the

international climate. It would be important to avoid any impression of impeding or obstructing change and reform.

Arms control would inevitably be one of the main issues for discussion. Given that the prospects for progress were very limited, we should discourage speculation about a possible breakthrough during the visit. Our declared aim would be to promote a search for agreement on the basis of the priorities identified by the Prime Minister and President Reagan at Camp David. It was likely that Gorbachev would focus particularly on the need for constraints on SDI and the case for a non-nuclear world. The Prime Minister would want to make clear that the reality in Washington was that the research and testing of the SDI could not be stopped and that it would be fruitless to maintain the linkage between this and progress on other aspects of arms control. The key was to preserve the position that deployment was a matter for negotiation. The extent of Soviet interest in predictability and the 'milestones' for SDI research and testing which we had proposed in the recent talks with Nitze could be explored. INF would be the other main area for discussion. One possibility would be to revert to the concept of an interim agreement leaving both sides with a fixed number of weapons. (This was of course before Gorbachev's statement of 28 February). There was a possibility that the Soviet side would move further towards acceptance of our proposals on challenge inspection for chemical weapons. This would require very careful handling, given American objections.

Regional issues would be another main topic for discussion. The Prime Minister would want to concentrate on Afghanistan, the Middle East and Southern Africa.

The Prime Minister would want to raise human rights.

There would probably be a number of bilateral agreements ready for signature during the visit (but not by the Prime Minister herself).

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- 11 -

Particular attention was needed to the drafting of the Prime Minister's speech in Moscow and the briefing for what she might say on television. She would want plenty of time to consider drafts. She would also at the appropriate moment want to send President Reagan a message explaining her intentions.

C.D.P.

C. D. POWELL

1 March 1987

JA2ALC

CONFIDENTIAL

Jill

PRIME MINISTER

## SEMINAR ON THE SOVIET UNION

Participants have been asked to arrive between 9.30-9.45, so that the meeting can start punctually at 1000. I suggest that you go straight through to lunch without a coffee break, to make maximum use of the time available, and continue discussion over lunch. The academic participants are due to leave between 1430 and 1500. Officials will then continue for as long as you judge necessary.

You have read most of the papers in the attached folder as well as Professor Bailer's book. You will want to have by you the list of questions and the agenda which has been circulated in advance.

Professor Bailer has volunteered to make an introductory statement of 10/15 minutes. Although you will want to avoid long statements from all participants, it might be useful to make an exception for him as the only foreign participation.

In your introductory remarks, you will want to:

- thank Mr. Peter Frank who produced a paper especially for the seminar.
- thank also other participants who have provided copies of their articles and writing.
- remind participants that the meeting is held under Chatham House Rules, nothing said should be attributed to the meeting or to any of its participants.
- stress that the main purpose of the seminar is to try to reach a view of current developments in the Soviet Union and where they are likely to lead. This judgement will be crucial to how you handle your talks with Gorbachev

and to setting the objectives for your visit. It is not the purpose of the meeting to get into details of what you should say in Moscow on individual issues such as arms control. That is for a later stage.

### Restricted Session

At the restricted afternoon session with the Foreign Secretary and officials you will want to consider the conclusions about the future direction of the Soviet Union which can be drawn from the morning session, and what these imply for the handling of your visit. You will want to cover such points as:

- how should you respond both privately and publicly to the reforms which are being introduced in the Soviet Union?
- what response should we give to the Soviet insistence that the visit should be given 'political' content?
- how can we prevent the visit becoming focussed too exclusively on arms control - and above all SDI - issues, where the prospects for progress are rather slim?
- what real scope is there for achieving results from the visit which can be presented as a real step forward in East/West relations?
- what work do you want the FCO to do over the next month to prepare the substance of your visit? Should we be looking to an OD discussion?

CDP

26 February, 1987.

JD3AVU



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

SIR ROBERT ARMSTRONG

CHEQUERS SEMINAR ON THE SOVIET UNION: 27 FEBRUARY

I have put to the Prime Minister the request in your minute of 23 February that Mr. Mallaby should be added to the list of those attending the Seminar. The Prime Minister was adamant that she wishes to keep numbers to a minimum and is not prepared to add any additional names. The same response has been made to the Foreign Office, who also wished to introduce an extra candidate.

She is sorry to disappoint Mr. Mallaby and others.

C. D. Powell

24 February 1987

JB



Prime Minister

Ref. A087/499

MR POWELL

Chequers Seminar on the Soviet Union: 27 February

*at 11:00 PM*  
I minuted on ~~22~~ December 1986 to urge that Mr Mallaby and I, or at least Mr Mallaby, should attend this seminar. I understand that the list as it stands includes neither of us. I know that the Prime Minister is keen to keep the numbers down, and I do not press for my own attendance. But I suggest that it would be helpful to have Mr Mallaby present. I believe he could contribute as well as benefit from being present: he has had two postings in the Soviet Union, retains close contacts with experts on the subject inside and outside government, and is likely to be much involved with East-West relations in future stages of his career.

RA

ROBERT ARMSTRONG

23 February 1987

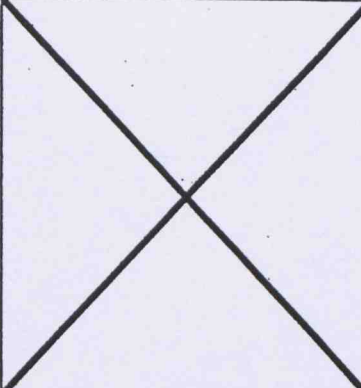


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# **A** The National Archives

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2539</i> ..... (one piece/item number)	Date and sign
Extract details:  <i>Letter from Davies to Gungen dated 20 February 1987</i>	
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*Instructions for completion of Dummy Card*

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
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Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

PRIME MINISTER

SEMINAR ON THE SOVIET UNION

The Seminar is next Friday at Chequers. It will follow the normal format. A session with academic participants from 1000-1300, continuing over lunch: a meeting with officials to discuss the policy implications in the afternoon: I attach a list of participants.

You will find in the folder some background papers and a note on Professor Bialer's book (which I will leave in the flat).

You need to reach a judgement on how far Gorbachev really intends to change the Soviet system and what his prospects of doing so successfully are. A great deal else depends on that judgement, including how you handle your talks with him and how we present your visit. The Seminar is intended therefore to focus on this aspect, and the academic participants are in the main experts on the internal affairs of the Soviet Union.

I suggest that you cut out introductory statements by the participants, and work instead through a list of questions. The main ones (which do not match exactly with the agenda circulated in advance) are:

1. Change in the Soviet Union

- has the existing system reached a point of crisis where change is unavoidable? Or can it muddle on almost indefinitely?
  
- Is Gorbachev simply trying to galvanise people to make the existing system work better? Or does he want real changes to the system?

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- 2 -

- Is it just a question of change being imposed from above? Or is there genuine popular demand for it?
- Is one motive for change a deliberate attempt to present a more favourable picture of the Soviet Union abroad, in the hope of weakening Western resolve? Or is it driven entirely by internal considerations?
- How real is economic reform so far? How far is it likely to go? As far as some Eastern European countries? To the extent of allowing a role for market forces? At what point does economic reform threaten the system of Communist Party control?
- Can economic reform which does not fundamentally change the system actually produce worthwhile results?
- Can there be significant economic reform without political change? How significant are glasnost and the introduction of 'elections'? Will the latter be as devoid of significance in practice as they are in Eastern Europe?
- How significant is the change of policy on emigration and the treatment of dissidents?
- What is the risk/likelihood that political and economic change will awaken forces that the leadership will be unable to control? How far can the leadership go before that becomes a real risk?

2. Opposition to Change

- where does the opposition to change come from (given that Gorbachev seems to have stacked the leadership with his own supporters)? Is it principally sullen resistance and passivity? Or is there real argument/struggle going on within the Communist Party?

- What evidence is there that Gorbachev is in practice being held back from going as far and as fast as he wants? Or is the talk of opposition largely tactical?
- Is it conceivable that opposition to change will put Gorbachev's own position at risk?

3. External Aspects

- will change extend to the Soviet Union's external policies? Will it be just a change of style, or also of substance?
- Will proselytising and the triumph of Communism world-wide remain Soviet goals? Or will attention be switched exclusively to strengthening the home base? Will the Soviet Union be ready to pay with concessions for a quiet life?
- Is internal change likely to make the Soviet Union more or less aggressive and expansionist in its external policies?
- Will a relatively more 'liberal' Soviet regime continue to need the notion of the West as a threat to legitimise its rule?
- How vulnerable are Gorbachev's domestic aims to external pressures? Can his hopes for the Soviet economy be derailed by the threat of a further spiral in the arms race? Will defence spending continue to enjoy absolute priority?
- How far can change in the Soviet Union be influenced, if at all, by Western policies? Are pressures from outside more likely to inhibit further change than to accelerate it?

4. The West's Interests

- how far does 'liberalisation' in the Soviet Union make it more difficult for Western governments to maintain support in their own countries for strong defence policies?
  
- Do we have a greater interest in seeing reform in the Soviet Union succeed or in seeing it fail? Is a more liberal Soviet Union likely to be a more satisfied power which is easier to deal with?
  
- What should the public response of the West be? Will welcoming and encouraging change make Gorbachev more reasonable to deal with? Will failure to give credit for change discourage him, and make him more likely to pursue harsher policies towards the West?
  
- Will public expressions of support by Western governments for Gorbachev's efforts at internal reform 'disarm' our own public opinion, thus making it more difficult to sustain support at home for nuclear weapons and defence spending?

5. Implications for your Visit

- what will be Gorbachev's main interest in your visit? What will he hope to achieve from it?
  
- Will he be interested in you in your own right as Prime Minister of the UK? Or principally as a guide and mentor to what is happening in the US, and as an alternative channel of communication to the Americans?
  
- There is a risk on the one hand of seeming to perpetuate hidebound attitudes towards the Soviet Union; and on the other of encouraging unrealistic expectations in the UK about the nature and extent of the changes which are taking place. Which is the greater risk?

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- 5 -

- What message should you try to convey to the Soviet people, e.g. through television?
  
- How can you most effectively influence the Soviet leadership at this juncture? By welcome for what they are doing? Or by scepticism about how genuine it yet is and pressure for more?
  
- Is this the moment to emphasise firmness particularly on issues such as SDI? Or to suggest willingness to be flexible, if they are prepared to reciprocate?

CHARLES POWELL

20 February 1987

L05P/707



SEMINAR ON THE SOVIET UNION

Participants

A. Academic

Professor Ronald Amann (Head of the Centre of Russian and East European Studies at Birmingham University)

Dr. Archie Brown (Fellow of St. Antony's College, Oxford)

Mr. C. N. Donnelly (Head of the Department of Soviet Studies at Sandhurst)

Dr. Peter Frank (Reader in Soviet Studies at the University of Essex)

Professor Sir Michael Howard (Regius Professor of Modern History)

Lord Thomas of Swynnerton

Professor Seweryn Bialer (Professor of Political Science at Columbia University)

Mr. Robert Conquest

B. Official

Foreign and Commonwealth Secretary

Sir Percy Cradock

Sir Bryan Cartledge

Mr. David Ratford (Under Secretary in the FCO; formerly Minister in Moscow)

Mr. Martin Nicholson (has succeeded Malcolm Mackintosh as Soviet expert in the Cabinet Office).

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CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01- 270 0380

Jp 0292

19 February 1987

*Dear Derek,*

"Whither the Soviet Union?  
A Personal View"

I suggested to Malcolm Mackintosh before he left us that he might write a valedictory paper, giving his personal forecast for the Soviet Union under Gorbachev. Here it is. Like anything from this source, it is well worth reading.

I am sending copies to other JIC members.

*Yours truly*

*Percy Cradock*  
PERCY CRADOCK

Lieutenant General Sir Derek Boorman KCB  
Ministry of Defence

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SIR P CRADOCK

WHITHER THE SOVIET UNION? A PERSONAL VIEW

1. The aim of this paper is to offer a personal view of the likely evolution of Soviet internal, external and military policies in the foreseeable future under the leadership of Mikhail Gorbachev. It attempts to assess how Gorbachev will exercise his authority at home and abroad, and what his ambitions and his priorities, forced or conceptual, will be as he proceeds to formulate the policies of the Soviet Union.

2. To recall the title of Stalin's wartime military doctrine, Soviet policy-making under Gorbachev will still be dominated by its "permanently operating factors". These include the size of the Soviet Union and its population (now 280 million), the weight of its military power, both conventional and nuclear, and the Soviet Union's economic resources and its inability to exploit them effectively. These factors also include the sense of political mission based on Marxism-Leninism, which added an ideological motive to Russia's ambitions to advance to "top nation" status in the world power balance.

3. Of less certain impact are some very deeply-ingrained elements of the Soviet system which influence policy-making. Some of these actually limit the capacity of any Soviet leader to make major changes in the system or alter the established ways of governing the country or implementing new policies. The massive bureaucracies supporting the Communist Party which in turn creates the government and directs the work of the Armed Forces, the KGB and the economic and scientific communities are dominated by vested interests, rigid social organisation and the principle of "keeping everything as it is". The collective and state farm system in agriculture appears to be sacrosanct. So does the network of Party and KGB controls which has stifled the creativity of a talented people and made many of them all too often act according to the old Russian proverb: "I am a dark (ie ignorant) man and I know nothing" when faced with difficult choices.

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4. These characteristics, coupled with the centuries-old tradition of fear of authority and, particularly among Russia's rulers, a sense of inferiority to other - primarily Western - countries, have done much to create the Soviet Union that we see today. Combined with recent history and ideology, they continue to generate general support for overinsurance in military power over all potential adversaries for defensive or offensive purposes. They help to instil the belief that war, particularly a nuclear war which could cause breakdown to the Soviet system should be avoided. Every effort should be made to achieve Soviet goals by negotiation, intimidation, subversion and propaganda, and very high priority is given to the skilful use of public relations, diplomatic techniques and deception to outwit or corner real or imagined opponents. The Soviet Union, however, will always maintain the forces thought necessary to wage and win any war which might break out.

5. Of all the questions to be asked about the future policies of the Soviet Union probably the most important is whether Gorbachev will turn out to be the last of the "one-man Soviet rulers" of the Stalin-Khrushchev-Brezhnev tradition, or the first of a succession of reforming leaders. The former would doubtless try to modernise the Soviet system without changing it radically. The latter's main priority would be to reform the governmental system and the economy, improve the lot of the Soviet people and bring their powerful state fully into the European tradition. On the evidence of his performance so far Gorbachev probably believes that he can and should direct the future policies of the Soviet Union according to the following principles:

a. to make as clean a break as possible with the personnel and the style of government of the Brezhnev era in the Communist Party, the government, the Armed Forces, the KGB and the economic, scientific and agricultural sectors, including the theorists as well as the practitioners;

b. to streamline the bureaucracies and make them more efficient, better able to implement new ideas - though without the right to initiate major reforms - and develop a greater accountability in all of them to the Party and government leadership;

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c. to make efforts towards radical improvements in the practical functioning of the economy, though without significant changes in the ideological basis of its structure. Gorbachev, as a proud Soviet man and leader, is painfully aware that the backwardness of the Soviet economy undermines Soviet claims to full (ie non-military) super power status. It also weakens the attractiveness of the Soviet system to other countries, and seriously inhibits the projection of Soviet power on a global basis;

d. to concentrate the decision-making process on foreign policy, especially towards the West, in his hands as Party leader;

e. to maintain and improve the capabilities and superiorities of the Armed Forces, providing them as far as possible with the defence allocations which their new leadership - to be carefully chosen by Gorbachev and his advisers within the next year or two following the departure of Marshal Sokolov - can justify to the Politburo. Gorbachev, recognising the vital importance of this power base, will seek to avoid Army-Party conflicts, especially those which could weaken military support for Soviet foreign policy or arms control initiatives, while not allowing the Armed Forces to challenge Party authority in any aspect of military affairs;

f. to preserve and improve the competence and authority of the KGB, its subordination to the Party and its internal and external role in Soviet policy. Gorbachev will ensure that the KGB's leadership is totally loyal to himself; he may, however, try to improve its image at home by increasing its accountability to Party organs;

g. to correct and, if possible, eliminate the more damaging defects of Soviet society by encouraging greater debate and discussion in approved circles than heretofore. This will be aimed not only at rooting out corruption and resistance to all change, but at improving the morale of the people as a whole. Gorbachev's ideal

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would be to create new horizons of opportunity for the up-and-coming generations of Soviet people, to re-discover enthusiasm, and to find ways of promoting active interest among young and old in the task of bringing the Soviet Union into the Twenty-First Century while adhering to those elements of Marxist-Leninist ideology which are accepted by Gorbachev as valid and correct.

6. If these are indeed the likely bases of Gorbachev's thinking, and on the assumption that their implementation does not lead to his fall from power by a "Palace Revolution" - the only known method of changing the Party leader in the Soviet Union - the Soviet Union is likely to develop along the following lines in the years ahead.

7. On the domestic front, Gorbachev will reorganise and streamline the upper reaches of the Party and government, reducing the number of senior leaders and ministers, and creating more State or Party Commissions - such as those now in charge of agriculture and certain parts of industry - with greater direct subordination to the Party Secretariat and the Politburo. The Politburo will be manned by proven supporters of Gorbachev, and their staffs in the Secretariat will be reduced in size and closely monitored by their Politburo masters. Gorbachev will exercise his authority to select or dismiss subordinates to the full; the latter will be aware of his readiness to discipline or remove those who fail. This principle will be extended down through the Party apparatus, the government, the commissions, and, indeed, the ruling class or "Nomenklatura" - to give this group its Soviet title.

8. The economy will show evidence of some inroads by Gorbachev along the lines already put forward at the 27th Party Congress in February-March 1986. Some Soviet economic structures may be altered to allow for increased supervision by high-level commissions over the work of the enormous bureaucracies supporting the main elements of the Soviet economy: agriculture, heavy and light industry, science and technology and the exploitation of the country's natural wealth, including mineral

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and maritime resources, and energy. Gorbachev will relentlessly press for modernisation and for the adoption of new ideas: greater use of computers and labour-saving techniques, for example. Some of these may lead to a good deal of unemployment which would be, where possible, concealed by the Soviet propaganda machine - though not entirely by the media.

9. In foreign affairs, which will increasingly become one of Gorbachev's most active personal as well as professional interests, the maintenance of the Soviet Union's super-power status - whose basis he will try to extend from the military sphere only into politics, economics and trade - and the relationship with the United States will be the most important priorities. Looking beyond the current phase in relations during which the Soviet Union will try to pursue its goals in bilateral contacts with the Reagan administration, Gorbachev may move quickly after the appearance of a new American Government in 1989 to restore something like the super-power "special relationship" with the United States of the 1970s, though in a significantly updated form.

10. In the first instance he will seek strategic nuclear arms control agreements with the new American government aimed initially at reducing the degree of damage which could be inflicted by the nuclear forces of the United States on the Soviet Union in any major war which might break out. Gorbachev's ultimate aim would be to eliminate the nuclear arsenals of both sides altogether, though he cannot expect to achieve this goal in the foreseeable future. As part of this process the Soviet Union would direct its energies to persuading a future United States Administration, in negotiations and wide-ranging publicity campaigns, to abandon the Space Defence Initiative (SDI) of President Reagan and to give up other plans to use space for military purposes in any significant way. It is impossible to predict, however, what concessions in arms control Gorbachev might offer in return for the US abandonment of SDI so far ahead in the future.

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11. The Soviet Union would also try to work for a super-power "crisis management" arrangement with the United States, on a regional or global basis. The Soviet aim would be to eliminate the risk of escalation of a war in the Third World to an East-West military conflict, and to prove to the rest of the world that the United States recognised the Soviet Union as its equal in international relations. In carrying out all its policies the Soviet Union would hope to expand Soviet-American trade and to see an end to current American limitations on technology transfer, in the defence and civil fields.

12. The Soviet Union's policies towards Europe will probably be based on the assumption that Europe is the traditional area of Russian foreign policy and that the Soviet Union has a "right" to exercise domination over the continent in one form or another. The Russians will try to exploit intra-European differences, and divide Western Europe from its North American allies by a combination of blandishments and intimidation. Gorbachev will not consider a war of aggression against Western Europe as long as NATO's deterrent capabilities - including its nuclear forces - remain credible in Moscow. But he will seize every opportunity through diplomacy, blackmail, subversion and propaganda to undermine Western Europe's stability and weaken NATO's cohesion, and hope for practical results from sustained campaigns with those aims in view. Gorbachev has shown undoubted skills in using blandishments and deception in presenting the Soviet case, especially on arms control, to Western governments and peoples, and this will certainly continue in the future.

13. Soviet policy towards China would depend on the extent and speed of China's recovery from poverty and internal Party and government squabbles; and on the effectiveness of her military forces, including her nuclear capabilities, in the years ahead. Gorbachev's experience of dealing with China - the disappointing Chinese reaction to his speech in Vladivostok in July 1986, for example - if it continues, will not encourage him to believe that China would ever return to the Soviet-dominated Communist fold. So he will probably assume that China

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will be a major power of enormous size and growing economic and military strength which will act as a "third" and basically independent super power, especially in Asia, pursuing its own policies for Chinese national or ideological reasons, and uncommitted to either the Soviet Union or the West.

14. It is in the Third World where Gorbachev may try his hand at introducing a slight change of emphasis in Soviet policies. In recent years the Soviet Union has concentrated on securing Soviet interests, sometimes by the use of force, in the "peripheral areas" close to the Soviet border, such as in Afghanistan. Soviet policy paid less attention to direct involvement in more distant areas, especially when a suitable "proxy" such as Cuba was available. These priorities and "divisions of labour" are likely to continue. But Gorbachev may come to believe that the Soviet Union should redirect Soviet policies in important Third World countries towards changes in regimes which would significantly damage the West and might benefit the Soviet Union. These policies might involve greater preparation and effort through subversion, propaganda and "active measures" by the KGB, paying increased attention to and, where possible, penetrating, the youth movements and dissident groups of traditionally pro-Western countries such as Saudi Arabia, Pakistan, Indonesia, the Philippines and Malaysia. In the short term the Russians would probably avoid Latin American countries, where Soviet activities might lead to an unwanted clash with the United States. Gorbachev would, of course, have no high hopes of immediate success from these activities. But if they moved the balance of power in the relevant area in Soviet favour even marginally, they might encourage him to undertake more active policies in such areas of the Third World on an opportunistic basis.

15. In order to plan and carry out these policies towards the United States, Western Europe, China and in the Third World, Gorbachev will complete the formation of a team of very senior professional Soviet diplomats, economic experts and KGB officers as Party Secretaries, Ministers or their deputies. They will be men like Anatoly Dobrynin, the

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Head of the International Department of the Party's Central Committee, who are experienced in these important areas, and whom Gorbachev will trust to draw up realistic, and, where appropriate, imaginative foreign and arms control policies. Gorbachev may form a new foreign-and-defence policy "directoriate" in the Party Secretariat, where these senior experts can meet and report to Gorbachev, the Politburo and the Defence Council, bypassing Ministers or other officials of the Secretariat. Such evidence as we have suggests that this is the kind of administrative reform favoured by Gorbachev, and could appeal to him as he assumes full responsibility for Soviet foreign policy in the years ahead.

16. A brief and very personal assessment of the future policies of the Soviet Union inevitably omits discussion of many important aspects of Soviet affairs. These include defence (where no great reorganisation of the Armed Forces or military doctrine is to be expected), social developments, (whose evolution away from bureaucratic rule may be quite extensive), the detail of possible economic changes, and increased freedom of expression - though within Gorbachev's own current guidelines. On the basis of the topics discussed here, it may be possible, however, to answer the question posed earlier on Gorbachev's place as a leader in Soviet history: as a repairer of the present system or a radical reformer? The answer is likely to be the former. Gorbachev, whatever his personal visions of Soviet power may be, will be remembered as the man who tried to make the present system work more efficiently rather than as the one who reformed it radically and gave the West a new and more amenable super power with which to deal.

*Mackintosh*

MALCOLM MACKINTOSH

January 1987

1671F

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Copies to:

Mr Hall  
Mr Wright  
Mr Burke  
Brigadier Henshaw  
Mr Hibberd  
Mr Wordsworth  
Miss Froud

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File

8/21

**PRIME MINISTER**

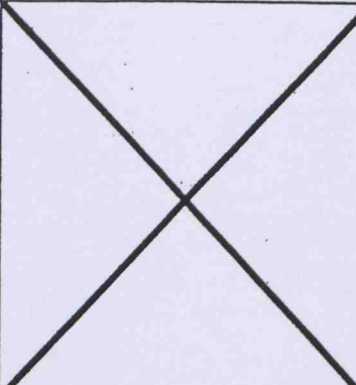
**FRIDAY 27 FEBRUARY:  
ALL DAY SEMINAR AT CHEQUERS**

Your last engagement on Thursday  
26 February is an informal talk  
with Brian Walden and Bernard  
at 1800-1900. Would you like  
to go down to Chequers after  
that? The seminar the following  
day starts at 1000.

**MRS. TESSA GAISMAN**

18 February 1987

# **A** The National Archives

DEPARTMENT/SERIES ..... <i>PREM 19</i> ..... PIECE/ITEM ..... <i>2539</i> ..... (one piece/item number)	Date and sign
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Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
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If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

PRIME MINISTER

SEMINAR ON THE SOVIET UNION

One of the participants in your Seminar on the Soviet Union is Professor Bialer of Columbia University. He is regarded as the best informed American specialist on the Soviet Union, with a particularly wide range of contacts in the Soviet bureaucracy. I attach his most recent book The Soviet Paradox, completed towards the end of last year.

You will not have time to read it, and anyway bits of it are rather rambling. But there are passages which you might look at. The basic message is one of scepticism and pessimism about the extent to which Gorbachev will actually be able to carry through fundamental reforms.

Chapters which I think are particularly worth reading are:

- Sources of Stability (pages 19-40). This concludes that the kind of stability on which the Soviet system is based is likely to be severely tested in the decade to come.
- Gorbachev in Power (pages 109-125). Some quite interesting material on Gorbachev's background and intentions. This sees him using very strong language about the failures of the existing system: but in contrast ready to consider only relatively feeble remedial action.
- The Politics of Reform in the Soviet Union (pages 126-171). Probably the most important chapter in the book, although it becomes discursive. It expects no bold or rapid steps to do away with archaic economic institutions. There is a passage on pages 169-170 which sums up the conclusions as follows:

"Obviously there comes a point at which a crisis of effectiveness becomes a crisis of survival. One should stress, however, that the present situation may last for a very long time before signs appear that the survival of the system is endangered. Such a transformation could best be predicted by designating thresholds of the effectiveness crisis that, when reached, indicate a menace to the survival of the system. In the social arena, such a threshold is reached when such social behaviour as absenteeism, corruption, or alcoholism becomes politicized and produces unrest. In the economic arena, such a threshold is reached either when the technology and economic effort cannot sustain competitive growth in military strength or when, without recourse to full-blown Stalinism, the growth of the economy is entirely utilized for investment or military expenditures over a prolonged period of time. Politically, such a threshold is reached when pronounced and enduring fissures appear within the leadership and among the elites concerning the basic structural or procedural characteristics of the system, rather than mere tactical issues. None of those thresholds is in sight and none is likely to appear in the present decade."

"In an ironic historical twist, the internal decline of the Soviet Union coincides with the height of its military power. Generations of sacrifice forced on the population have produced military might that has become the instrument of the basic rationale for the regime from the time of the revolution - to create a new civilization that would defiantly face the surrounding world and try to change it by any means available. While most of the Utopian dreams of the original Bolshevik Revolution have been discarded or become a hollow ritual, the universalistic claims have largely expanded with the growth of military capabilities. This then is the Soviet paradox of



today and of the foreseeable future, which both its leaders and the West have to face squarely in the 1980s: internal decline coupled with awesome military power directed toward external goals. The effect of this paradox on military policy and foreign behaviour, on the Eastern European empire, on the threat of nuclear confrontation, on turmoil in the Third World, and on relations with China, Europe, and the United States is the subject of the rest of this book."

- The Roots of Foreign Policy (pages 259-271). The thrust of Soviet foreign policy is described as neither peace nor war. Security of the homeland is the first priority. The leaders are committed to an expansion of influence and power. The Soviet definition of their security has been broadened to include preservation of the Soviet Union's status, which includes the right to intervene in any civil war or regional conflict.
  
- Gorbachev and the Dilemmas of Foreign Policy (pages 329-344). This identifies four main problems: the conflict between the Soviet Union's internal material and spiritual decline and the need for additional resources to sustain the leadership's expansionist aims; the incongruity between managed rivalry with the US and foreign expansion; the temporary and unstable nature of the profits from the Soviet investment of effort in the Third World set against the steadily rising costs; the declining legitimacy of the regime, which may actually need continuation of the cold war to sustain its domestic support.

CDT

CHARLES POWELL

17 February 1987

2044 K-



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

11 February 1987

SEMINAR ON THE SOVIET UNION

I attach a copy of Dr. Peter Frank's paper for the Prime Minister's seminar on the Soviet Union. I should be grateful if you would arrange for copies to be distributed to the FCO participants.

I also enclose letters and copies of the documents for Professor Bialer and Mr. Conquest. I should be grateful if you could ask Peter Rickett in Washington to pass them on.

CHARLES POWELL

Lyn Parker, Esq.,  
Foreign and Commonwealth Office.



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

bc PC

11 February 1987

The Prime Minister was very pleased to hear that you are able to attend the seminar on the Soviet Union at Chequers on 27 February. You will by now have heard from Mrs. Goodchild about the administrative arrangements.

I am enclosing with this letter:

- a paper prepared as background for our discussion by Dr. Peter Frank of Essex University. *- in briefing folder attached*
- a copy of Dr. Ronald Amann's recent Inaugural Lecture at the University of Birmingham, also circulated as background. *- in briefing folder attached*
- a list of questions which might be addressed at the meeting. This is not intended to be a binding agenda, but an indication of the ground which we hope to cover.
- a list of those expected to take part. ✓

I look forward very much to seeing you on 27 February.

CHARLES POWELL

Sent to Academic Participants

THE SOVIET SYSTEM UNDER GORBACHEV  
TERMINAL CASE, OR RIPE FOR REVIVAL?

1. General

- What are Soviet objectives internally and externally?

2. Political

- How much does it matter to the elite that the main elements of the present system (political, military, intellectual/doctrinal) should survive unchanged? Do they believe in it? Could it survive loss of faith? Is its survival a Soviet or Russian requirement?
- Alternatively, how much change; openness; "democratisation"; economic liberalisation can the system allow? Room for human rights? Market forces?
- Is proselytising and triumph of Communism worldwide still important? Has its importance increased or decreased?
- How far can the Russians be satisfied with improved security alone?

3. Economic

- Will Gorbachev secure major improvement in economic performance? Does he need to? Does he really want to? What are the obstacles - technical, political, intellectual, bureaucratic?
- Why have the Russians not so far been able to work out and implement appropriate policies for themselves? Are they likely to look to other systems for models (PRC; Hungary; GDR; Yugoslavia; the West)?

#### 4. The External Factor

- What has been the impact on Soviet policies of the US (Reagan) and Western Europe? How do they view Reagan and post-Reagan? How do they plan to influence political developments in Western Europe?

#### 5. The Gorbachev Factor

- How far have Soviet objectives changed under Gorbachev? How feasible are they? How far can he go without endangering his personal position?

#### 6. UK Role

- What policies should the UK adopt towards the Soviet Union? What role for the Prime Minister, and the EC/Twelve, in the next five years? What effect can we expect to have?
- Can we, or should we, do anything to promote the success of the process of economic improvement? If so how?
- How can we influence Gorbachev/the elite/the Soviet people? Does influencing the people matter when they have no voice?

SEMINAR ON THE SOVIET UNION: PARTICIPANTS

Academic

Dr. Ronald Amann  
Professor Seweryn Bialer  
Mr. Archie Brown  
Mr. Robert Conquest  
Mr. C.N. Donnelly  
Dr. Peter Frank  
Professor Sir Michael Howard  
Lord Thomas of Swynnerton

Government

The Prime Minister  
The Foreign Secretary  
Sir Percy Cradock  
Sir Bryan Cartledge  
Mr. David Ratford  
Mr. Charles Powell  
Dr. Michael Nicholson



Foreign and Commonwealth Office

London SW1A 2AH

10 February 1987

*ccle*

*CDP 1012*

*Dear Charles,*

Seminar on the Soviet Union

*FILE WITH CDP*

You wrote on 3 February enclosing a copy of Professor Amann's inaugural lecture. We would see no objection at all to your slipping this in when you circulate Peter Frank's paper.

Michael Llewellyn Smith has spoken to Frank, who will be sending his paper by express mail to you and to Soviet Department today. He is then off to Moscow for five days.

*Yours ever,*

*Lyn Parker*

(L Parker)  
Private Secretary

C D Powell Esq  
No 10 Downing St

SOVIET UNION

RELATIONS

PT 6



UNITED STATES DEPARTMENT OF STATE  
OFFICE OF THE ASSISTANT SECRETARY FOR  
EASTERN AFFAIRS  
WASHINGTON, D.C. 20520





cc: FCO  
Sir P. Cradock

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

10 February 1987

Thank you for your letter of 28 January about the agreement you have reached with the Soviet Central Armed Forces Museum to exchange historic tanks.

We have had to balance some conflicting considerations on this. On the one hand it would remind people in countries of the War-time alliance. On the other, we are not particularly keen, especially during the occupation of Afghanistan, to underline any sort of military ties with the Soviet Union. There are some very real practical difficulties which you point out. And the Prime Minister's programme is desperately full.

On balance we have decided that we prefer to pursue this idea. I am sorry to disappoint you, because I think that the agreement you have reached with the Russians is welcome and important. If you need help in encouraging it forward towards realisation, do please get in touch with the Soviet Department of the Foreign and Commonwealth Office.

Charles Powell

Dr. Alan Borg

88

CCP



Foreign and Commonwealth Office

London SW1A 2AH

9 February 1987

*Dear Charles,*

Exchange of Historic Tanks

Thank you for your letter of 28 January enclosing one from the Director of the Imperial War Museum suggesting that a proposed exchange of historic tanks might take place during the Prime Minister's visit to the Soviet Union.

We have thought carefully about this proposal and concluded that it would be best not to pursue it. It has certain attractions. The exchange would be a visual event which would make an impact on the public: and it might appeal to the Russians as a reminder of our wartime alliance.

But the counter-arguments are strong: first that it would be a reminder and acknowledgement of Soviet military power at a time when, because of Afghanistan, we do not wish to draw attention to this. Secondly, as a war-time reminder it would be essentially backward-looking. Finally, the exchange would, we believe, run the risk of seeming both to the Soviet authorities and to the public a trivialisation of the visit.

If it is accepted that the exchange should not take place in the context of the Prime Minister's visit, the question of transporting the tanks by a Soviet aircraft need not arise.

I enclose a draft reply to Dr Borg.

I am copying this letter to John Howe (MOD).

*Yours ever,*

(L Parker)  
Private Secretary

C D Powell Esq  
10 Downing Street

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM:

Reference

PS/NUMBER 10  
DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

TO:

Copies to:

Top Secret

Dr Alan Borg FSA  
Director  
Imperial War Museum  
Lambeth Road  
LONDON SE1 6HZ

Secret

Confidential

Restricted

Unclassified

SUBJECT:

PRIVACY MARKING

Thank you for your letter of 28 January about the agreement you have reached with the Soviet Central Armed Forces Museum to exchange historic tanks.

..... In Confidence

CAVEAT .....

~~The programme for the Prime Minister's visit is likely to be very full, and I regret to say that we shall not be able to find a place in it for the exchange of tanks. But I agree that the agreement you have reached with the Russians is welcome and <sup>important</sup> significant. If you need help in <sup>encouraging</sup> pushing it forward towards <sup>realisation</sup> implementation, do please get in touch with the Soviet Department of the Foreign and Commonwealth Office.~~

↑ We have had to balance some conflicting considerations on this. ~~on the~~ we had it would remind ~~the~~ people in countries of the wartime alliance.

On the other, we are not particularly keen, particularly during the occupation of Afghanistan, to undertake

any sort of military Enclosures flag(s) .....

ties with the Soviet Union. There

are some very real practical difficulties which you point out. And the Prime Minister's programme is

deplorably full. On balance we have decided we will not ~~cancel~~ prefer to pursue this idea. I am sorry to disappoint you, because I think that

*Handwritten signature/initials*

*Handwritten initials*

SOVIET UNION: Relations: A66

CCP ②

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

9 February 1987

Dear Charles,

ms Prime Minister  
CDP 9/2.

Visit of the Supreme Soviet Delegation

You said in your letter of 30 <sup>at 11ap</sup> January that the Prime Minister would be interested to hear the outcome of Mr Zagladin's talks with the Foreign Secretary and others.

Zagladin and his delegation returned to the Soviet Union on 6 February, after a successful visit, well organised at very short notice by the COI. He repeatedly expressed satisfaction.

cont'd

Zagladin made quite clear in his discussion with Sir Geoffrey and elsewhere that he saw his visit as a part of the process leading up to the Prime Minister's visit to Moscow. He noted with satisfaction the increase in bilateral contacts since Gorbachev's visit here in 1984. He stressed the need for careful preparation of the Prime Minister's visit and for practical results from it. It was an important visit and should be a success both in form and in content. He agreed with Sir Geoffrey that the Prime Minister's rapport with Gorbachev offered an opportunity for frank and even philosophical discussion, but qualified that by saying that philosophy was not enough - there must be practical results. He suggested that the Prime Minister should use her prestige to bring the United States and the Soviet Union closer together - not acting as an intermediary, but helping along the process of arms control. Sir Geoffrey said that the UK was indeed not an intermediary, but that nevertheless we had our independent contribution to make.

In each of his meetings (with the Foreign Secretary, Tim Eggar and the Foreign Affairs Committee) Zagladin mentioned as a point of contact on which we should build the Prime Minister's statement in 1984 that the UK opposed the extension of the arms race into space, and her approval of the ABM Treaty and the SALT agreements. He proposed also that the UK and the Soviet Union should agree bilaterally to implement the CSCE document on human contacts which was vetoed by the Americans at Berne last year. We have told the Russians that we see no need for such a bilateral agreement. It is clear that they are picking out issues where they see the opportunity either to try to persuade the Prime Minister to use her influence helpfully with the Americans (ABM Treaty, SALT, etc) or where they see a chance to drive wedges (CSCE).

/In

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The Foreign Secretary welcomed the Soviet decision to stop jamming the BBC Russian Service. Zagladin indicated that the Russians would similarly stop jamming other foreign broadcasts with the exception of Radio Free Europe and Radio Liberty, which they regard as beyond the pale.

The Foreign Secretary and Tim Eggar both stressed the importance of further movement in human rights and personal cases. Zagladin claimed that things were on the move. But the response he gave in detail to the list of human rights and personal cases which had been put to him by MPs was rather disappointing. He gave no assurances and suggested merely that progress might be possible in three of the personal cases. He did however agree to continue private contacts with Messrs Mikardo and Ivan Lawrence.

Zagladin also called on Michael Jopling, Alan Clark, and Lord Glenarthur; and on Mr Kinnock.

Zagladin clearly came here determined to present an open and constructive image. He told the FAC that each parliamentary visit had been better and franker than the last. British/Soviet parliamentarians could now address any subject despite their differences. He gave them what they regarded as a useful and frank account of the recent Plenum in the Soviet Union. All in all, he was an impressive figure. We hope that his visit will have helped to develop contacts with the International Department of the Central Committee and make easier for Bryan Cartledge to get in through that door.

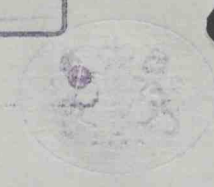
Yours ever,

(L Parker)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

CONFIDENTIAL

09 11 12 1 2 3 4 5 6 7 8 9 10 11 12 PM 187





10 DOWNING STREET

Prime Minister

I don't think  
that you had time  
to finish this. It  
is very interesting.

CDD

M has  
been  
OK





Foreign and Commonwealth Office

London SW1A 2AH

9 February 1987

Prime Minister

Dear Charles,

A fascinating admission of failure. I have underlined the key points.

Reforming the Soviet Economy

Tony Galsworthy sent you recently a note by Rodric Braithwaite on talks he held earlier this month in Moscow with Soviet officials and theoreticians.

We have received another interesting account, this time by a Russian, of the problems of reforming the Soviet economy. This is a lecture delivered to a Soviet audience by the Economic Editor of a well-known Soviet weekly publication. An American official succeeded in attending without being noticed. The lecturer's thesis is that the economic system has failed because it does not motivate the people required to make it work. The elements of the analysis are not in themselves new in Soviet publications. But the pessimism and frankness of the lecturer's approach are remarkable.

I enclose a copy of the lecture. It is important that our knowledge of it should be closely held to protect the fact that an American succeeded in gaining entry. They hope to be able to do it again.

Yours ever,

L Parker

(L Parker)  
Private Secretary

C D Powell Esq  
10 Downing Street

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CD

THE FOLLOWING IS AN ACCOUNT OF A RECENT LECTURE BY THE ECONOMIC EDITOR OF A PROMINENT SOVIET PUBLICATION:

THE EDITOR'S LECTURE LASTED FOR ABOUT THREE HOURS. HE OPENED HIS REMARKS BY SAYING THAT THE "TERRIBLE" STATE OF THE ECONOMY WAS NOT SO APPARENT IN MOSCOW OR LENINGRAD BUT HE HAD JUST RETURNED FROM PERM (WESTERN URALS) WHERE HE SAW, FROM HIS HOTEL WINDOW, PEOPLE WAITING IN LINE FOR TWO AND THREE HOURS IN FRONT OF A SAUSAGE STORE. THERE WAS OF COURSE NO SAUSAGE ON SALE. "THAT GOES WITHOUT SAYING." THEY WERE WAITING TO BUY CUTLETS. (NOTE: HEAVY ON THE NON-MEAT FILLER).

## ENERGY CRITICAL

- THE EDITOR SAID THE ENERGY SITUATION "IS MORE  
- CRITICAL THAN YOU CAN IMAGINE". HE HAD BEEN  
- TOLD BY A CENTRAL COMMITTEE OFFICIAL THAT  
- THERE WAS A "DEFICIT" IN ENERGY CAPACITY  
- (MOSCHNOST) OF SIX MILLION KW. ENERGY CAPACITY  
- NOW STOOD AT 320 MILLION KW. (THE STATISTICAL  
- HANDBOOK PUTS THE CAPACITY FOR 1985 AT 315 MILLION  
- KW). THE SITUATION IS MOST SERIOUS IN THE  
- CAUCASUS AND THE UKRAINE. THERE, AND ELSEWHERE  
- IN THE COUNTRY, FACTORIES WERE SHUTTING DOWN  
- FOR PERIODS OF TIME. "NOW YOU CAN UNDERSTAND  
- WHY THE TV IS CARRYING THOSE CARTOONS ON TURNING  
- OUT THE LIGHTS".

ONE REASON FOR THIS SHORTAGE IS "FANTASTIC"  
WASTE. ANOTHER IS THE EXCESSIVE AGE OF GENERATING  
EQUIPMENT, 70 PERCENT OF WHICH IS 15-20 YEARS  
OLD, ALTHOUGH IT WAS TO HAVE BEEN AMORTIZED OVER  
A TEN YEAR PERIOD. A SIGNIFICANT PERCENTAGE  
OF THE MACHINERY IS ALWAYS OUT OF OPERATION. THE  
MINISTRY OF POWER AND ELECTRIFICATION HAS TO EMPLOY  
30,000 WORKERS TO TRY AND MAINTAIN  
GENERATOR EQUIPMENT.

## AGRICULTURE

- IN AGRICULTURE, DESPITE ENORMOUS INVESTMENT,  
- PRODUCTIVITY REMAINS LOW. SINCE THE 8TH FYP,  
- 550 BILLION RUBLES HAVE BEEN INVESTED IN  
- AGRICULTURE (THE STATISTICAL HANDBOOK TOTAL  
- FOR 1966-85 IS 477.3 BILLION) BUT THE COSTS  
- (IZDERZHKI) OF PRODUCING 100 RUBLES OF OUTPUT  
- (VALOVAYA PRODUKTSIYA) HAS STEADILY RISEN.  
- ON THE AVERAGE IT NOW TAKES 121 RUBLES TO  
- PRODUCE 100 RUBLES WORTH OF AGRICULTURAL OUTPUT.

## INFLATION

- WE ARE NOT SUPPOSED TO TALK ABOUT INFLATION UNDER  
- COMMUNISM. (AUDIENCE MEMBERS: EVERYONE  
- IS TALKING ABOUT IT). OF COURSE, EVERYTHING

IS IN SHORT SUPPLY EXCEPT MONEY, WHICH IS AVAILABLE IN AN ENORMOUS SURPLUS.

### MACHINE BUILDING INDUSTRY

THIS BRANCH OF INDUSTRY IS IN A SERIOUS STATE. IT HAS AN ABUNDANCE OF MACHINERY -- MORE MACHINES IN FACT THAN DESIGNATED WORK PLACES. BUT THE MACHINERY IS BASICALLY OBSOLETE, AND WHAT IT TURNS OUT IS SUBSTANDARD. MANY ENTERPRISES HAVE BEGUN MAKING THEIR OWN MACHINERY RATHER THAN DEPENDING ON THEIR USUAL SUPPLIERS FROM THE MACHINE BUILDING INDUSTRY. THE MILITARY OF COURSE HAVE LONG HAD THEIR OWN MACHINE BUILDING ENTERPRISES.

### THE DECLINE OF THE USSR

THE EDITOR SAID THAT IF THIS DECLINE WERE NOT ARRESTED, THE USSR WOULD BECOME ANOTHER "DEVELOPING COUNTRY". IT WOULD STILL BE ONE OF THE GREAT NATIONS IN THE WORLD, BUT ECONOMICALLY SPEAKING IT WOULD BE A DEVELOPING COUNTRY. "WE COULD EVEN END UP AS A TAIL TO CHINA."

### SOVIET EXPERIMENT FAILED

IN ADDRESSING THE CAUSE FOR THE COUNTRY'S PROBLEMS, THE WRITER SAID THE ECONOMY HAD BEEN BASED ON A "MYTH": "SINCE THE ADVENT OF SOVIET POWER" IT WAS THOUGHT THAT AN ECONOMIC SYSTEM COULD BE CONSTRUCTED IN THE ABSENCE OF ECONOMIC MOTIVATIONS (EKONOMICHESKAYA INTERESOVANNOST). THE PREVAILING CONCEPT HELD THAT PLANNING AND COMMANDS FROM ABOVE WOULD MAKE EVERYTHING WORK. PUT NO ONE - INDIVIDUALS, GROUPS, MANAGERS - HAD ANY DIRECT INTEREST IN WHETHER THE SYSTEM WAS EFFECTIVE. THE IDEA THAT A WORKER WOULD WORK WELL BECAUSE HIS FACTORY SOMEHOW BELONGED TO THE WORKING CLASS WAS NONSENSE. ONE NOW HAS TO ADMIT THAT THIS "EXPERIMENT HAS FAILED."

### PLANNING NOT THE ANSWER

MANY PEOPLE THINK THAT ALL THAT IS NEEDED TO TURN THE ECONOMY AROUND IS BETTER PLANNING. I SAY THIS IS ABSURD. IT IS SIMPLY IMPOSSIBLE TO PLAN THE DETAILS OF AN ECONOMY OUR SIZE. IT DOES NOT MATTER WHETHER WE HAVE BAYBAKOV OR TALYZIN AT GOSPLAN. TO THE EXTENT THAT GOSPLAN INTERFERES WITH ECONOMIC MOTIVATIONS, IT INHIBITS OUR PROGRESS. WE CAN OF COURSE HAVE SOME PLANNING, AS THERE IS IN LARGE WESTERN COMPANIES LIKE GENERAL MOTORS. BUT THESE PLANS ARE IN THE CONTEXT OF MARKET FORCES. (TOVARNO-DENEZHNAYA SISTEMA).

-----  
MARX NOT APPLICABLE  
-----

MANY COMRADES FEAR AN ECONOMY BASED ON ECONOMIC  
MOTIVES. THEY SEE US DIVERGING FROM THE  
MARXIST PATH AND GIVING WAY TO PETIT BOURGEOIS  
MORALS. THIS IS "NONSENSE" (APPARENTLY THIS  
ENGLISH WORD HAS ENTERED THE LEXICON  
OF SOVIET INTELLECTUALS). FIRST, MARX  
NEVER TALKED IN TERMS OF ECONOMIC PLANNING.  
SECOND, HE COULD NOT HAVE FORESEEN AN ECONOMY  
OF THE SIZE AND COMPLEXITIES OF OURS. AS FAR  
AS MORALS ARE CONCERNED, ARE WE MORALLY  
SUPERIOR BECAUSE WE DO NOT HAVE A MARKET  
ECONOMY? CAN ANYONE SAY THERE IS NO CORRUPTION  
UNDER OUR CURRENT PLANNED SYSTEM?

-----  
KHOZRASCHET FAR FROM A REALITY  
-----

OF COURSE A MARKET ECONOMY IS STILL A LONG  
WAY OFF. APART FROM A FEW EXPERIMENTS, NONE

- OF OUR ENTERPRISES IS YET OPERATING ON A  
- REAL KHOZRASCHET (SELF FINANCING) BASIS.  
- OUR PRICING SYSTEM IS ARTIFICIAL. (AUDIENCE  
- MEMBER: OUR PRICES AREN'T REAL AND NEITHER  
- IS OUR MONEY). THERE WILL BE NO REAL REFORM  
- WITHOUT PUTTING EVERY ENTERPRISE ON A SELF  
- FINANCING BASIS.

-----  
GET RID OF "COMMAND" SYSTEM

- WE HAVE TO REALIZE THAT ONLY THE SELF-INTEREST  
- OF WORKERS WILL MAKE THEM PERFORM EFFECTIVELY. ((  
- UNDER STALIN YOU WERE FIRED FOR BEING FIVE  
- MINUTES LATE AND JAILED FOR BEING -- HOW  
- MANY MINUTES LATE? AUDIENCE MEMBER: 20.  
- YES, 20. PUT NOBODY WORKED MORE EFFECTIVELY.  
- STALIN ALSO HAD MACHINE GUNS AIMED AT THE  
- BACKS OF OUR TROOPS AT STALINGRAD SO THEY  
- WOULD NOT RETREAT. WE CANNOT OPERATE THE  
- ECONOMY THAT WAY. (AUDIENCE MEMBER: "A  
- LITTLE FEAR CAN BE A GOOD THING"). I  
- DON'T THINK SO.

-----  
NEW GOVERNMENT INSPECTION SYSTEM A MISTAKE

- THE NEW GOVERNMENT INSPECTION SYSTEM  
- (GOSPRIYEMKA) WHICH IS GETTING SO MUCH  
- PUBLICITY IS AN EXAMPLE OF THE KINDS OF MISTAKES  
- WE ARE STILL MAKING. (NOTE: THIS SYSTEM WAS  
- INTRODUCED BY GORBACHEV AT A CC SEMINAR IN  
- NOVEMBER AND HAS BEEN RECEIVING MASSIVE  
- ATTENTION FROM THE PRESS EVER SINCE).  
- WHAT MAKES YOU THINK THAT THE GOVERNMENT  
- INSPECTORS ASSIGNED TO A FACTORY WILL BE  
- IMPARTIAL AND INDEPENDENT. IT IS NO SECRET  
- THAT IN OUR SOCIETY EVEN JUDGES AND  
- PROCURATORS ARE TOLD WHAT TO DO BY LOCAL  
- PARTY OFFICIALS. UNDER THESE CIRCUMSTANCES  
- DON'T THINK THAT INSPECTORS CAN BE INDEPENDENT.  
- THE INSPECTION SYSTEM IS JUST ANOTHER BUREAUCRATIC  
- IMPEDIMENT TO MARKET FORCES. THE ONLY REAL  
- JUDGE OF QUALITY IS THE CONSUMER. DO YOU  
- THINK MERCEDES-BENZ AND SONY PRODUCTS ARE OF  
- HIGH QUALITY BECAUSE THOSE COMPANIES WANT  
- TO SATISFY GOVERNMENT INSPECTORS? NO, THEIR  
- ULTIMATE INSPECTORS ARE THEIR CUSTOMERS. ||

-----  
RECENT UPSWING WILL NOT LAST

- DON'T BE FOOLED BY THE SLIGHT IMPROVEMENT IN  
- ECONOMIC INDICATORS RECENTLY. THE IMPROVEMENT  
- IS ONLY A RESULT OF SOME GREATER ATTENTION TO  
- DISCIPLINE. BUT THIS WILL WEAR OFF IN TIME,  
- AND BECAUSE THERE STILL HAVE BEEN NO FUNDAMENTAL  
- ECONOMIC CHANGES, THE DECLINE WILL RESUME.

-----  
BUREAUCRATS KILLED EARLIER REFORMS

- OF COURSE MANY ECONOMISTS HAVE BEEN AWARE OF  
- OUR PROBLEMS FOR YEARS, AND WE HAD A NUMBER OF  
- USEFUL REFORMS GOING IN THE 60'S. IN FACT  
- THEY LED TO OUR PEAK PERFORMANCE IN THE 8TH  
- FYP. BUT THE REFORMS WERE SUPPRESSED BY  
- CONSERVATIVE BUREAUCRATS. THE DECLINE THAT  
- FOLLOWED HAS LED TO A "POWERFUL PESSIMISM". IF THE  
- BUREAUCRATS STOP THE PRESENT DRIVE FOR REFORMS,  
- IT IS IMPOSSIBLE TO PREDICT WHAT OUR MOOD  
- WILL BE.

- "RESTRUCTURING" NOT YET REALITY

---

- MANY PEOPLE SAY THAT THE DRIVE FOR REFORMS  
- IS ONLY A SLOGAN CAMPAIGN, THAT THERE HAVE  
- BEEN A LOT OF WORDS BUT NO DEEDS. A WHOLE  
- BODY OF JOKES HAS GROWN UP ON THE THEME  
- OF ACCELERATION AND RESTRUCTURING.  
- ESSENTIALLY, THESE PEOPLE ARE RIGHT. THERE  
- HAVE BEEN FEW CHANGES. BUT THERE HAS BEEN  
- ONE FUNDAMENTAL IMPROVEMENT. WE ARE BEING

- MORE OPEN. LIT GAZ HAS PRINTED SOME OF  
- THE REFORM JOKES. BEFORE THIS  
- WOULD NOT HAVE BEEN PERMITTED. IN THE  
- OLD DAYS, A CC OFFICIAL WOULD NEVER HAVE  
- DISCLOSED TO A JOURNALIST OUR CRITICAL  
- ENERGY SITUATION.

FILM "REPENTANCE" A SIGN

- THE SHOWING OF THE FILM "REPENTANCE"  
- (POKAYANIE) IS ANOTHER SIGN WE ARE  
- CHANGING. THE SHOWING OF THIS FILM, WHICH  
- REVEALS THE TOTALITARISM, TERRORIST SYTEM  
- OF THE STALIN ERA, WAS APPROVED AT THE  
- HIGHEST LEVELS. GORBACHEV APPLAUDED LOUDLY  
- WHEN HE SAW IT AT THE RECENT THEATRICAL  
- CONFERENCE. (AUDIENCE MEMBER .THE SHOWING  
- WAS CANCELLED IN LENINGRADI!): MANY  
- PEOPLE ASK WHAT KIND OF DEMOCRACY IS IT IF  
- A FILM LIKE "REPENTANCE" IS SHOWN ONLY  
- BECAUSE THE LEADER PERMITS IT? I WOULD LIKE TO  
- SEE THE KIND OF DEMOCRACY IN WHICH WE WOULD  
- NOT HAVE TO WAIT FOR THE LEADER'S PERMISSION.  
- BUT WE CANNOT ACHIEVE THIS KIND OF DEMOCRACY  
- NOW. SOMEDAY, PERHAPS.

OUR DOUBLE LIFE

- PUT IT IS ESSENTIAL THAT WE BECOME MORE  
- OPEN. ONE OF THE RESULTS OF THE STALIN  
- ERA IS THAT WE ALL HAVE LIVED DOUBLE LIVES.  
- ESSENTIALLY HONEST PEOPLE HAVE SAID ONE  
- THING AT HOME AND ANOTHER THING IN SCHOOL,  
- AT WORK, OR IN MEETINGS. CORRUPTION WAS RIFE IN  
- A SITUATION WHERE THE PRESS WAS SILENT, WHERE  
- THERE WAS NO INFORMATION, NO STATISTICS.  
- THIS LACK OF OPENNESS (GLASNOST)  
- HELPED PUT POWER IN THE HANDS OF  
- BUREAUCRATS AND ENABLED THEM TO THWART  
- PROGRESS WHILE MAINTAINING THEIR PRIVILEGES.

QUESTIONS AND ANSWERS - SOME WRITTEN, SOME ORAL

- Q. HOW MUCH REVENUE ARE WE LOSING ANNUALLY  
- FROM REDUCED VODKA SALES?
- A. I DON'T KNOW. (AUDIENCE MEMBER: 5 BILLION  
- RUBLES). BUT THE REAL ISSUE IS NOT ALCOHOL.  
- IF THERE WERE ORDINARY THINGS TO SPEND  
- MONEY ON, THE STATE BUDGET WOULD HAVE  
- OTHER SOURCES OF REVENUE. CAN PEOPLE TAKE  
- A VACATION TRIP HERE ON THEIR OWN - TO SAY  
- NOTHING OF FOREIGN TRAVEL? CAN YOU BUY  
- A CAR? IT IS ALL A QUESTION OF PRODUCTIVITY.  
- THIS LACK OF PRODUCTIVITY IS WHAT MADE  
- VODKA SALES SUCH AN IMPORTANT SOURCE OF  
- BUDGET REVENUE.



Q. WHAT HAPPENED TO KUNAYEV?

A. I WOULD NOT BE SURPRISED TO SEE THE SAME KIND OF SCANDAL DEVELOP AROUND HIM AS UNFOLDED IN UZBEKISTAN AROUND RASHIDOV. THE "DEMONSTRATIONS" IN ALMA ATA JUST REPORTED BY TASS MAY HAVE BEEN INSPIRED BY KUNAYEV AND HIS SUPPORTERS IN ORDER TO HEAD OFF INVESTIGATIONS. THE UZBEKISTAN SCANDAL WAS MASSIVE. IT INVOLVED BRIBERY OF STUPENDOUS PROPORTIONS, AS WELL AS MURDER. THE REPUBLIC MVD WAS INVOLVED. THE NETWORK OF BRIBES, COVER-UPS, AND CHAIN OF COMMAND RESEMBLED A RETURN OF FEUDALISM. THE SITUATION WAS THE WORST IN FERGANA OBLAST, WHERE A MAFIA-LIKE CRIME NETWORK OPERATED. THE BODIES OF MURDER VICTIMS WERE FOUND BURIED UNDER THE ASPHALT ROADS. MORE THAN A THOUSAND RUSSIANS HAD TO BE SENT TO UZBEKISTAN TO FILL JOBS HELD BY

ARRESTED OR OUSTED UZBEKS. ALTHOUGH IT HAS NOT BEEN MENTIONED PUBLICLY, A BUST OF RASHIDOV IN TASHKENT HAS BEEN REMOVED, AS HAVE ALL PLAQUES AND MEMORIALS MENTIONING HIM. WE MAY SEE THE SAME HAPPEN TO KUNAYEV.

Q. OUR METHOD OF CHOOSING CADRES IS OBVIOUSLY NO GOOD. HOW CAN WE IMPROVE IT. I SUGGEST GETTING RID OF THE NOMENKLATURA SYSTEM.

A. AGAIN, DEMOCRACY IS THE BEST METHOD.

Q. WHERE DO THE SUBSIDIES FOR AGRICULTURE COME FROM?

A. FROM TAXES, FROM OUR LOW WAGES. IN OUR COUNTRY THE PEOPLE FEED AGRICULTURE INSTEAD OF THE OTHER WAY AROUND.

Q. COULD WE HAVE UNEMPLOYMENT UNDER A COUNTRY-WIDE MARKET SYSTEM?

A. THE WASTE OF OUR LABOR RESOURCES IS "COLOSSAL". BUT MORE EFFICIENCY WOULD NOT NECESSARILY BRING UNEMPLOYMENT.

Q. IF "RESTRUCTURING" MEANS A LOSS OF POWER BY THE PARTY, COULDN'T THE REFORMS LEAD TO A STALINIST REACTION?

A. THERE COULD WELL BE A REACTIONARY RESPONSE TO REFORM. BUT IT WOULD NOT BE STALINIST IN NATURE. WE ARE NO LONGER BLIND. WE, AND ESPECIALLY THE YOUTH, WOULD NOT TOLERATE A STALINIST SYSTEM.

Q. THERE MIGHT NOT BE A RETURN TO STALINISM, BUT COULDN'T THERE BE A CONSERVATIVE REACTION OF SOME KIND?

A. THIS IS QUITE POSSIBLE. THE BUREAUCRACY IS VERY RESISTANT TO CHANGE.

Q. THERE HAVE BEEN IMPROVEMENTS AT THE TOP, BUT THE SAME MIDDLE-LEVEL BUREAUCRATS ARE STILL THERE. THEY ARE THE WORST ELEMENT. THEY SHOULD BE CHANGED. ANOTHER AUDIENCE MEMBER: "WHO COULD WE REPLACE THEM WITH?"

A. I AGREE WITH YOU. BUT I AM NOT IN FAVOR OF WHOLESALE PURGES. WHAT WE NEED IS OPENNESS. THIS COULD MAKE OUR BUREAUCRATS MORE EFFECTIVE AND FLEXIBLE. WE NEED A LAW ON THE PRESS.

Q. I HAVE HEARD THAT THERE IS A MILITARY PATRIOTIC GROUP IN MOSCOW WHICH WAS

OSTENSIBLY FORMED TO PROTECT RUSSIAN CULTURE BUT IS IN FACT MODELED AFTER THE BLACK HUNDREDS. ||

- A. THIS IS TRUE. THE CENTRAL COMMITTEE APPARATUS IS WATCHING THIS GROUP. BUT DEMOCRACY MEANS WE MUST TOLERATE MANY IDEAS - WITHIN LIMITS.

- Q. OUR REFORMS SEEM TO CONFIRM THE CONVERGENCE THEORY.

- A. ACADEMIC SAKHAROV COULD COMMENT ON THAT.

- Q. WHY WAS SAKHAROV PUNISHED? (NOTE: THIS WAS BEFORE HIS RELEASE WAS ANNOUNCED).

- A. I REGRET THAT I HAVE NO GOOD INFORMATION ON THIS

- Q. WHAT DO YOU KNOW?

- A. REALLY NOTHING. IF WE KNEW, IT WOULD BE BETTER.

Q. WHY DO WE KEEP APPLAUDING PLAN OVERFULFILLMENT?  
DOESN'T OVERFULFILLMENT BRING IMBALANCES IN THE  
PRODUCTIVE PROCESS.

A. OF COURSE. BUT PLANS AND OVERTFULFILLMENT ARE  
A FETISH WITH US. THEY ARE ALSO DANGEROUS.  
EVERY ENTERPRISE TRIES TO HAVE ITS PLAN  
LOWERED IN ORDER TO INCREASE CHANCES OF  
OVERFULFILLMENT. PLANS DO NOT FACILITATE  
PRODUCTION; THEY SLOW IT DOWN. AND THE  
IDEA THAT YOU CAN ARTIFICIALLY INSTILL IN  
WORKERS A "FEELING OF OWNERSHIP"  
(CHUVSTVO KHOZYAINA) IS UTTER NONSENSE.

OUR PROPAGANDA ALWAYS ROASTS ABOUT HOW  
ADVANCED WE ARE. IN FACT OUR BUREAUCRACY  
CONSISTS OF "WILD CONSERVATIVES"  
(DIKII KONSERVATORY).

Q. WHY DIDN'T OUR ECONOMISTS UNDERSTAND OUR  
PROBLEM EARLIER. (AUDIENCE MEMBER:  
THEY'RE NO GOOD, LIKE EVERYTHING ELSE).

A. THERE WERE EARLIER REFORMS. BUT YOU'RE  
RIGHT, OUR ECONOMISTS ARE, BY AND LARGE,  
WEAK. WE ARE WEAK IN ALL THE SOCIAL  
SCIENCES. IT IS NOT THAT WE DON'T HAVE  
THE PHYSICAL RESOURCES, IT'S JUST THAT OUR  
THEORIES ARE WRONG. RECENTLY THE FIRST  
SECRETARY FOR ECONOMICS (SIC) AT THE AMERICAN  
EMBASSY, A DOCTOR OF SOME KIND OF SCIENCE,  
CALLED ON ME. I HAD TRIED TO AVOID THE  
MEETING, BUT THE MFA ASKED ME FINALLY TO  
RECEIVE HIM. HE ASKED ME HOW IT WAS  
POSSIBLE THAT WE SUFFERED FROM SO MANY  
SHORTAGES. HE WAS RIGHT. HOW IS IT  
POSSIBLE? WE ARE A RICH COUNTRY WITH  
MANY RESOURCES. LOOK AT WHAT JAPAN DOES  
WITH NO RESOURCES.

THE WASTE THAT IS INEVITABLE WITHOUT  
ECONOMIC SYSTEM IS ENORMOUS. IF WE DO NOT  
CARRY OUT OUR RESTRUCTURING REFORMS,  
IT WILL BE A NATIONAL CATASTROPHE. YOU  
AS WRITERS MUST NOT STAND ON THE SIDE  
LINES IN OUR EFFORTS TO BRING REFORM.

GRS 300

RESTRICTED  
FM MOSCOW  
TO IMMEDIATE F C O  
TELNO 143  
OF 041130Z FEBRUARY 87

**Restricted**

ANGLO-SOVIET RELATIONS: STATEMENT BY SOVIET FOREIGN MINISTRY  
SPOKESMAN

1. TASS IN ENGLISH CARRIED A STATEMENT BY GERASIMOV ON ANGLO-SOVIET RELATIONS DURING A ROUTINE MFA PRESS CONFERENCE ON 3 FEBRUARY.

2. THE STATEMENT WAS AS FOLLOWS: BEGINS

"IN RECENT DAYS, SUCH LEADING BRITISH FIGURES AS MARGARET THATCHER, GEOFFREY HOWE AND TIMOTHY RENTON HAVE MADE STATEMENTS APPARENT IN WHICH IS THE WISH TO TELL THE WORLD THAT THE CURRENT BRITISH GOVERNMENT "HAS DESERVED THE RESPECT OF THE RUSSIANS" ONLY DUE TO FIRM RELIANCE OF THE FORMER ON THE POSITION OF STRENGTH POLICY. IT LOOKS LIKE THEY IN WHITEHALL HAVE STARTED A CAMPAIGN OF SELF-ADVERTISEMENT ON THE EVE OF THE ELECTION CAMPAIGN IN THAT COUNTRY.

"WE VIEW THE ELECTION CAMPAIGN STARTING IN BRITAIN AS HER PURELY DOMESTIC AFFAIR. YET WE ARE RESOLUTELY AGAINST THIS SO CALLED "INTERPRETATION" OF THE DEVELOPMENT OF SOVIET-BRITISH DIALOGUE AND RELATIONS IN VARIOUS FIELDS.

IT IS APPROPRIATE TO RECALL IN THAT CONNECTION THAT WE ARE INTERESTED IN DEVELOPING RELATIONS WITH BRITAIN, BUT NOT MORE THAN SHE HERSELF IS INTERESTED IN DEVELOPING RELATIONS WITH US. THIS IS A RECIPROCAL PROCESS AND SHOULD BE DONE FROM BOTH DIRECTIONS, HONESTLY AND RESPECTFULLY TOWARDS THE PARTNER. THIS IS ALSO IN BRITAIN'S BEST INTERESTS." ENDS

**Restricted**



10 DOWNING STREET

LONDON SW1A 2AA

ack/ 3 February, 1987.

*From the Private Secretary*

SEMINAR ON THE SOVIET UNION

I enclose a copy of a letter from Dr. Amann, who is attending the Prime Minister's seminar on 27 February, together with a copy of his Inaugural Lecture. He suggests that this should be circulated to the participants in the seminar.

Clearly we must not detract from the paper which we have commissioned from Mr. Peter Frank of Essex University. But when we come to circulate that, I would propose to slip in the Amann paper too as background, unless the Department see any objection.

C.D. Powell

Lyn Parker, Esq.,  
Foreign and Commonwealth Office.

SRW

3 February 1987

Thank you for your letter and for sending me your Inaugural Lecture. It's good stuff and I will arrange for it to go round to the participants in due course, together with a paper which we have asked Peter Frank of Essex to write.

I am so glad that you came to the seminar.

(CHARLES POWELL)

Professeo Ronald Amman



# The University of Birmingham

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CONFIDENTIAL

Mr Charles Powell  
10 Downing Street  
LONDON SW1

Dear Charles

I have been thinking further about the meeting at Chequers on 27 February. I understand that you do not require me to write a special paper and fully sympathize with your desire to keep the supporting paperwork to a minimum. However, events in the Soviet Union are now unfolding with such astonishing speed that I do feel inspired to submit a previously written paper for consideration. We could well be at a major turning point in Soviet history.

The enclosed paper is a transcript of my Inaugural Lecture, which was delivered in early December but was actually drafted in October. It might be considered important and relevant to our discussion for two reasons: (a) it predicts and attempts to explain the phenomenon of political reform (b) it places political reform within a broader analytical framework. Several academic colleagues who have already received transcripts of my lecture have begun to refer to some of the ideas contained in it. It might be useful, therefore, for other participants at the Chequers meeting to be aware of what these arguments are and what evidence they are based on. I should point out that, in order to retain the attention of the audience, Inaugural Lectures tend to be very bold and provocative statements. If I were writing a 'customized' paper for this occasion it would be more guarded. But perhaps present circumstances are such that some of these concepts need to be presented in a sharp way. You are obviously the best judge of that.

Yours sincerely

Professor R Amann

enc.



THE EMPIRE STRIKES BACK

(The Interplay of Economic and Political Change in the Soviet Union)

An Inaugural Lecture delivered by Professor Ronald Amann at the  
University of Birmingham, 9 December 1986.

THE EMPIRE STRIKES BACKThe Interplay of Economic and Political Change in the Soviet Union

I have known for some time the ground I intended to cover in this Inaugural Lecture and the central argument I wished to advance. The difficulty was what to call it and when to hold it. Since the title of my chair obliges me to engage in sweeping generalisations about contemporary political issues and, as we all know, the USSR is passing through a period of rapid and unpredictable change, the title of the lecture and its timing became matters of delicate judgement. Would it be wise to go for a 'snap' Inaugural before the publication of the revised version of the Party Programme (1) (in October 1985)? Ought one to wait for the new policy directives to be announced at the 27th Congress of the Communist Party (in February 1986)? Dare one say anything too definite about the contemporary political scene before the changes in leading personnel, accelerated by Gorbachev's accession to power, had worked their way more fully through the system and a new pattern of leadership had begun to establish itself? No doubt, instantaneous falsification advances the development of science but it reflects badly upon the reputation of new professors. In the end, I resolved to take courage in both hands and to settle on a high risk date in December which would coincide with an anticipated summit meeting between Mr Gorbachev and President Reagan. The precise timing of events did not work out quite as I had hoped (or feared) but the new light in which the Soviet Union revealed itself at Reykjavik turned out to be consistent with the thrust of my analysis. You must now decide whether you find these arguments persuasive.

Pro-Vice-Chancellor, you will have deduced from these introductory remarks - perhaps with some relief - that the title 'The Empire Strikes Back' does not refer directly to the position of CREES in the University (though I would be neglecting the tools of my trade and disappointing my colleagues if I failed to include a few choice passages which could be interpreted in more than one way). Nor am I especially concerned with the Strategic Defence Initiative - Star Wars. My main theme is the interplay of economic and political change in the Soviet Union today. The 'empire' is very different from that which is often portrayed in the West. Its primary struggle is against its own backwardness, and the domestic consequences of external pressures. It is an 'Empire of Inertia' rather than an 'Empire of Evil'. My central argument in this lecture is that we have misunderstood and are misunderstanding its essential dynamics.

## I

When did this misunderstanding begin?

It goes without saying that understanding the Soviet Union has always presented special difficulties and specialists have always disagreed about the underlying character of the country. But for the purposes of my argument we need to turn the clock back to those resource-rich days of the 1960s when droves of undergraduate students sat at the feet of sociological theorists (at Birmingham University - literally!). An important topic of debate at that time was the extent to which different social systems shared common features, due to their exposure to the universal forces of advanced industrial development; and how far they might converge as a result of this inexorable "logic of

industrialism". The convergence theorists hypothesized that in Western market economies the scale of expenditures necessary to finance advanced technologies would require much more national planning and a closer relationship between large corporations and the state. At the same time, the greater role of technical specialists and dependence upon esoteric knowledge would modify the character of traditional representative democracy. In state socialist societies such as the Soviet Union, on the other hand, the emergence of a new breed of technocrats would mark the first steps in the direction of political liberalisation. Owing to the fact that the development of advanced technologies depends more upon individual creativity than on collectivist discipline, it seemed reasonable to anticipate a substantial de-centralisation of the traditional planning mechanism and, thus, a less prominent role for the central political elite in economic management. The general theoretical basis for this view was sketched out by the American sociologist Clark Kerr and his colleagues in 1960.<sup>(2)</sup> Jan Tinbergen contributed an influential article on its relevance to Soviet economic organisation.<sup>(3)</sup> By the end of the decade one could turn to excellent collections of scholarly articles, critically evaluating the possible social and political impact of these technocratic factors on the future pattern of Soviet development.<sup>(4)</sup>

Earlier, during the first post-war decade, the eminent American historian, Barrington Moore, had written a brilliant book entitled, Terror and Progress: USSR.<sup>(5)</sup> He viewed future Soviet development as an interplay between three variables: 'power' (the need of the political elite to retain control), 'tradition'

(security of official tenure and privilege) and 'rationality' (the need of the system to adapt to technical change). This conceptual view set the agenda for a whole generation of Soviet specialists and, arguably, has never been improved upon. But what of the balance between these variables? The 'modernization school' of the 1960s argued strongly that 'rationality' had become a more important factor than the crude maintenance of 'power'. They challenged the orthodox view - which drew its inspiration from the most unpleasant features of the Stalin period - that the Soviet political system could best be viewed as a totalitarian monolith. A subterranean battle thus began for the hearts and minds of the Sovietological profession throughout the world, as one paradigm collided with the other. The battle was inconclusive, with significant consequences for our understanding of the USSR and the general public's perception of it.

On political and sociological grounds, the most perceptive critics of the 'convergence' or 'modernization' approaches undoubtedly had some strong points in their favour. They argued that the linkage between economic and political factors was excessively deterministic: that the proponents of the modernization thesis were, firstly, naive in assuming that Soviet leaders were 'rational actors' who would respond to the objective need for change and, secondly, insular in insisting that 'modernization' in the USSR must necessarily follow a Western pattern. Goldthorpe got to the heart of the matter when he argued:

The crucial point, . . . , at which the rationale breaks down is in the supposition that industrialism and totalitarianism cannot 'in the long run' coexist: that is in the idea that with

industrial advance, a progressive diffusion of political power must necessarily occur.(6)

The loss of momentum of the 1965 Soviet economic reform and the crushing of the Prague Spring in August 1968(7) appeared to give convincingly empirical support to these criticisms. Thus, although the modernization approach played a positive role in opening up the field of Soviet studies to Western social science concepts and pointed to important new areas of empirical enquiry, it never succeeded in generating a coalition of support necessary to sustain a new paradigm. Liberal social scientists were ambivalent, feeling that the approach was, in many respects, 'culture-bound'; adherents of the traditional left retained their faith in the possibility of progressive change within essentially the same institutional framework, while those on the right never departed from their firm belief in the social and political immobility of communist regimes.

Yet these circumspect criticisms of methodology left very significant aspects of reality unexplained. Economic forces in communist regimes were allegedly subordinated to something called "purposive political action"(8) But what were those purposes? Without a clear paradigm commitment it was impossible for researchers and teachers to formulate a satisfactory explanation of the function of political power in the USSR: why prospective leaders sought it and for what ends they used it? Totalitarian theorists, of course, were content with the notion of power for its own sake - but this notion was superficial, ultimately tautologous and it became increasingly inconsistent with the evident efforts of Soviet leaders to push through much needed and far-reaching reforms.

There is, however, a further and even more important side to this issue, which also remained unresolved. This lay in the precise character and strength of the economic pressures to which the Soviet regime was exposed. These were underestimated. Western observers of communist regimes commonly supposed that with a display of political will, political elites could somehow hold at bay the implications of the system's economic shortcomings. No doubt there would be periodic crises, as in Czechoslovakia and Poland, but organised opposition would be crushed and the more radical reform ideas would be suppressed. In some emigre writings, this assumption of a demonic elite, virtually impervious to socio-economic pressures, rests upon a supernatural concept of power which is very different from our own. Alexander Zinoviev and Harold Lasswell<sup>(9)</sup> typify the two extremes: in the case of the former, the power of the state is something overwhelming and enveloping which the individual is compelled to submit to whereas in the latter case, power is a commodity to be coolly measured, lost and gained. The former approach is held with passionate intensity by victims of the Soviet regime; the latter approach squares more with the outlook of political scientists and the governments of competitor nations, who are more keenly aware of the fragility of state power - their own, as well as that of others.

In the mainstream of Western economic writings until recently it was widely assumed, on pragmatic grounds, that the Soviet regime would be able to maintain itself in power by a mixture of 'muddling through' and 'riding out' periodic economic difficulties. These notions misrepresent the character of the

economic pressures which the Soviet Union is exposed to. They are based on inappropriate analogies. 'Muddling through', 'keeping one's nerve' and 'riding out the storm' are appropriate governmental responses to cyclical crises in Western systems, where business confidence is a crucial variable. But the Soviet crisis is not a crisis of confidence but a crisis of structures. This is why radical currents of economic and political reform do not evaporate; they are temporarily dammed up but return inevitably with renewed force. Eventually, deterioration in economic performance becomes so pronounced that the top leadership is compelled to contemplate radical measures.

Underestimation of the character and depth of economic pressures was paralleled by misconceptions among Western political scientists about the nature of Brezhnev's leadership. At first, Brezhnev was seen as a more astute and realistic leader than his predecessor Khrushchev; but later, it came to be recognized that the political stability of the Brezhnev era had been secured at the expense of much needed change. In circumstances of hastening economic decline, the corporatist trade-off between different major interest groups began to unravel. Thus, by the early 1980s Brezhnev's successors announced that, "We have now reached an historical watershed in our social development where deep qualitative changes in productive forces and a corresponding improvement in the relations of production have become not only timely but inevitable."<sup>(10)</sup> In short, the 'logic of industrialism' was re-asserting itself.

It must now be clear where this argument is leading. Since most of the academic specialists studying the Soviet Union hovered



uncertainly between competing paradigms - and they communicated that ambivalence in their writings - it is not surprising that the popular view of the Soviet system as a totalitarian one remained largely unmodified. This had a number of important effects on public perceptions. Evidence of internal change was played down or re-interpreted as a secondary feature of totalitarianism while evidence of corruption and human rights violations strengthened and extended the concept. The Soviet Union was seen paradoxically as a military super-power increasingly prone to economic difficulties, though the most plausible policy response to this disparity was not always predicted: the pressing need for internal reform and an accommodation with the West, which would provide the necessary breathing space for fundamental reforms to be introduced. Instead, precedence was given to the external threat which the USSR apparently presented rather than to its internal struggles. To square the circle it was asserted that the USSR might be stung by economic weakness into dangerous acts of external aggression. Western countries were warned by such luminaries as Alexander Solzhenytsin to be on their guard against the "mortal danger" that threatened them.(11) In an extreme case, it was even argued that the Prague Spring and the Sino-Soviet split were deliberately orchestrated by the KGB in order to give the impression that the communist world was disunited, thus lulling the West into a false sense of security.(12) These fears, in their most extreme form, have not gained much of a foothold in the West but there has undoubtedly been a widespread tendency to underplay and sometimes misrepresent the significance of Soviet reforms and diplomatic initiatives. One of the consequences of

paradigm uncertainty is the constant fear that some deeper truth might have eluded one. Western scholars have been duped too often in the past. It is prudent, therefore, to slip into a defensive vocabulary when discussing Soviet affairs in order to deflect any possible charge of naivete; that is why the Soviet Union is always seen to win propoganda points and never arguments, why it launches peace offensives rather than diplomatic initiatives, why it is seen to be driving a wedge between the Western allies rather than extending its range of diplomatic contacts and why its new leader can best be regarded as a dangerously persuasive salesman(13) rather than a great communicator.

Paradigm uncertainty thus gives rise to a pervasive mood of scepticism, underplaying progressive changes in Soviet institutions and policies until they become so manifest that they can no longer be ignored. That stage may now have been reached. We must naturally subject these new developments to careful scrutiny and by no means neglect those morally reprehensible features of Soviet political life which unfortunately still exist. The exact context and boundaries of these changes need to be established. But some conceptual adjustment is required. Otherwise we may find ourselves in a state of incomprehension masquerading as sophistication. One is reminded of a certain US Senator, described by Lord Keynes, who kept his ear so close to the ground that he could no longer hear the voice of an upright man.

We now arrive at several key links in the chain of argument, which time does not permit me to deal with in detail. For the most part, they will simply have to be noted. They concern such matters as the marked deterioration of Soviet economic performance over the last decade, the relative technological backwardness of the country, the implications of this backwardness for the achievement of major social and political objectives and the underlying systemic factors which explain this unsatisfactory performance. Members of CREES, both historians and contemporary specialists, have made a vital contribution to our understanding of these issues and I pay tribute to their work in this lecture; it is an impressive collective endeavour from which I for one have benefitted greatly. In particular, I would pick out the creative influence on all of us of Professor R W Davies, whose Inaugural Lecture on Science and the Soviet Economy<sup>(14)</sup>, delivered almost twenty years ago in January 1967 is still fresh and relevant today.

This body of detailed empirical work enables us to understand why it is that the Soviet Union has now reached a crucial phase of its historical development where fundamental institutional changes in the centrally planned economy can no longer be avoided. Perhaps I may be allowed to illustrate this point with an anecdote.

Several years ago, during the course of a holiday in Scotland, some friends of ours visited the remote island of Iona. Iona is approached initially by boat from Oban to Mull; one must then journey along a winding single-track road to the other side

of the island from whence a ramshackle and infrequent passenger ferry operates between Mull and Iona. Having disembarked and walked to the far end of Iona our friends observed in the distance what appeared to be two large packing cases on the beach but which, on closer inspection, turned out to be a makeshift post office. On the seaward side of the building was a large new poster which read, "Beware - the television detector vans are in your area!". The significance of this to a student of the Soviet economy was immediately apparent. It was yet another instance of the triumph of central doctrine over local diversity.

The omniscience of the planner, his moral superiority and political vision, are, of course, the most fundamental assumptions which lie behind a central planning system and they have a number of practical consequences as an economy moves from an early stage of development to a more complex one. Firstly, more and more administrative controls are necessary in order to bolster the self confidence of the political elite and sustain the illusion that they are actually in charge of events: such devices include elaborate forms of data collection, huge spreadsheets of material balances, grandiose forecasts and so forth. As the Italian social theorist Vilfredo Pareto once reminded us, a mastery of the non-rational is an indispensable prop to the confident exercise of political power.<sup>(15)</sup> Secondly, fearing insubordination and backsliding at the lower levels (though not necessarily with any objective foundation), the elite adopts a tougher managerial stance, imposing a succession of even more elaborate success indicators and strenuous evaluations of staff performance. Nobody really believes in these devices but they pretend that they do in

order to ingratiate themselves with the providers of central funds. Finally, ignoring their own common sense and conscience, individuals throughout the economic system set about fulfilling planned targets in a calculating and formalistic manner, which invariably runs counter to any sensible conception of the overall national interest. Such an administrative order, founded on a desperate need to be seen to be in control, is inimical to creativity and technological change. The more rapid the pace of change, the more cruelly the pretence is exposed, until a collegial and more responsive form of rule must be introduced, which demands a fundamental shift in the relationship between centre and periphery. It is here that the roots of Soviet technological backwardness and declining economic performance are to be found, though these phenomena can be observed in a variety of institutional contexts.

There is, however, an ultimate stage of bureaucratisation which not all institutions and very few social systems ever fully reach. This comes about when administrative arrangements, which were appropriate for a particular set of socio-economic circumstances, - in the Soviet case, its industrialisation drive of the 1930s - become thoroughly fossilised. Established 'rules of the game', however irrational they may have become according to external criteria, in time produce their own winners and losers; they become enmeshed with cherished political principles and are emotionally charged with nostalgia. Thus, the sources of resistance to institutional change in the Soviet Union are extremely powerful and complex. They range far beyond the vested interests of leading party apparatchiki and the military, who are concerned about their loss of power and resources.

Vera Dunham has pointed to a significant relationship which began to unfold during the immediate post-war period between Soviet political leaders and the broad mass of minor officialdom. Drawn together initially by a mutual concern for order, social respectability, and desire for legitimate reward, members of the top elite were more than willing to extend economic privileges and job security to a growing stratum of bureaucrats in order, thereby, to secure a reliable power base for themselves. This so-called "big-deal" has given rise to career expectations and life styles among officials and managers (the nomenklatura) which are difficult to modify. A radical economic reform which is intended to reward the entrepreneurial effort of individuals rather than to give financial recognition to political loyalty and formal official status, irrespective of performance, would strike at the very roots of the system of social stratification.(16) Moreover, deep self interest is reinforced by genuine misgivings about fundamental change. Many among the older generation of Soviet managers remember the heroic deeds of wartime and still believe that this Soviet version of the 'Dunkirk spirit' could find a place under modern economic conditions.(17) The more politically aware are troubled by the prospect of a reform along market socialist lines in which many of the typical problems of capitalism - inflation, unemployment and regional neglect - could surface within a framework of socialist ownership.(18) Though some reform-minded specialists(19) have argued that socialist property relationships have now become so internalised that the political dangers of a radical reform within an established mode of production are remote, others are less sure; they echo the

fears of Engels in Anti-Duhring (20) about the creeping danger of 'commodity production' in socialist communities; they foresee a weakening in the ability and commitment of the political leadership to protect the overall 'social interest' - in their view, a central objective of state socialism.

Soviet leaders are therefore hesitant to introduce radical economic and political reforms but their hesitation should not be seen, crudely, as the protection of their own vested interests at any cost. One can discern a variety of motives. The desire to protect the ultimate institutional power of the party is certainly one of them. But genuine misgivings about the practicality and socio-economic side effects of a major reform and wariness of widespread official resistance to it are also clearly apparent. Indeed, Hungarian economic specialists who have already experienced the ebb and flow of radical change in the context of their own 'New Economic Mechanism' are familiar with "the reform paradox". This term refers to a Catch-22 situation: the decision to reform will not be taken until deteriorating economic circumstances compel it but at this point these same economic conditions preclude implementation. Without a bold political initiative from the top, the net result is continuing paralysis. There comes a point, therefore, at which decisive leadership becomes essential. After decades of dithering the Soviet Union has reached this point.

The whirlpool of economic forces and political interests, (21) which I have described, makes it extremely perplexing to interpret the actual reform package, so far introduced under Gorbachev's leadership. It is at this moment in the lecture, more than any

other, when one yearns for postponement until a clearer pattern of events has emerged. But we must press on.

### III

I am going to sketch out a risky and novel line of argument, (22) which I may well have cause to regret in months to come. It concerns, once again, the manner in which we conceptualise political and economic change in the Soviet Union. Whereas in the early part of my lecture I identified a form of paradigm uncertainty, which has led us to underestimate the prospect of basic reforms, I now want to examine another established form of conceptual thinking, which may lead us to misunderstand the sequence of reforms once they begin to be introduced.

Western social scientists, studying the Soviet Union and Eastern Europe, have invariably assumed that political reforms would be much more controversial than economic reforms and would only take place, if at all, at a later stage of development. (23) The predominant causal relationship, therefore, is specified as one in which the aggregation of economic changes gives rise to a step by step evolution of the political system. Marketisation and greater institutional autonomy lead eventually to a freer and more confident expression of interests, since the state no longer controls all resources. The greater need for specialist knowledge, relative to simple political loyalty, changes the balance of power between the political elite and emerging groups of influential technocrats. Ideology loses its original utopian vision and gradually becomes 'secularized' and pragmatic. This is the general thrust of the argument. (24)



Within this conceptual framework, it is natural to select the scale of economic reform as the litmus test by which one judges the extent of institutional change, more generally. According to this criterion, the present package of reforms in the USSR could only come as a disappointment to the outside observer. Despite tantalising hints from some Soviet specialists, those reforms have not yet been applied to key features of the traditional planning mechanism such as centrally fixed prices and centrally administered supplies. Some greater flexibility has undoubtedly been introduced into the economic system at the lower levels and a larger measure of private enterprise has been permitted, especially in the service sector, but in terms of the labels used in a recent article by my colleague Philip Hanson, the 'rationalisers' would seem for the moment to have triumphed over the 'marketeters'. (25)

There is another way of looking at these developments. If we are correct in supposing that Gorbachev and his supporters face widespread resistance from the middle levels of the Soviet bureaucracy, it is clear that this powerful obstacle to change will have to be overcome before real progress can be made. This raises the intriguing question of whether political reform is a prerequisite for the full introduction of an economic reform. In other words, the conventional relationship between economic and political change in communist systems may have been specified incorrectly.

There is strong evidence that the Soviet Union is now passing through a crucial phase of political mobilisation. The need for greater discipline, expressed in the anti-alcohol campaign and in

the public exposure of corrupt officials, is one obvious aspect of this; so, too, is the rapid turnover of leading personnel in the party and state apparatus. In the first 12 months since Gorbachev took power the complexion and age profile of the politburo changed considerably, with eight new appointments, two promotions from candidate status and five departures; 39 of the 101 members of the Council of Ministers are gone; 14 of the 23 heads of departments in the central party apparatus have been replaced.(26) If successful, these measures would undoubtedly energize the political system. My main argument, however, is that they should not be seen as an alternative to a deep institutional reform but, rather, as the first phase of an overall strategy for achieving such a reform.

As far as we can at present discern it, Gorbachev's general strategy is aimed at building up a coalition of support for fundamental changes at all levels of society. It is significant, for example, that Soviet social scientists have begun to define and classify the main formal and informal interest groups in the state apparatus;(27) this is a barely disguised attempt to describe the battlefield on which the conflict between pro and anti reform forces is being fought. Recent speeches made by Gorbachev, especially during his tour of the Soviet Far East, are very much those of a campaigning leader, under pressure from his opponents, trying to expand his power base and to generate political momentum. The concept of the reform process which is now emerging is different from one which restricts itself to increased economic incentives for managers and officials. What is demanded is not merely the selective introduction of new

technologies and work practices by a few model institutions but their adoption on a mass scale; the primary focus has moved from introduction (vnedrenie) to diffusion (raspredelenie); it involves changes in mass attitudes and in the character of participation. Indeed, the key Russian term "reconstruction" (perestroika) applies both to organisational structures and to individual consciousness.

The development of the political dimension is essential for at least two other reasons. Firstly, it provides an alternative source of political legitimation during a difficult transition period, when consumerist aspirations must be restrained in order to permit investment in high-technology industries. Secondly, an economic reform involving administrative decentralisation can not be sustained unless there is a corresponding political reform; otherwise, as Hungarian experience shows, managers who come under pressure from market forces call upon their old political contacts in the central apparatus to bail them out of their difficulties. No psychological reorientation is allowed to occur and centralised economic management becomes re-established through the back door.

In the long term, forms of popular mobilisation, sufficiently powerful to secure and sustain the introduction of major economic reforms, could transform the basic character of political relationships in the Soviet Union. There are already clear hints that an important discussion is underway on the role of group interests in Soviet society. Following Andropov's lead, (and, one might add, that of Adam Smith) self interest is seen increasingly by many reformist writers as a respectable dynamic force: to ignore it is to squander an important source of energy; to

suppress it is to allow dangerous political contradictions<sup>(29)</sup> to fester beneath the surface, which could lead, as they have in other East European countries, to political explosions. The freer interplay of interests, of course, entails greater openness of discussion (glasnost') - already in evidence in the Soviet press - and a greater willingness on the part of political leaders to integrate different interests rather than to impose their own notion of what is in the general interest. One of the defining features of any political community is the relationship between different kinds of interests and the institutional mechanisms for reconciling them. In the Soviet Union today, this balance appears to be in the process of negotiation. Potentially, these changes in the relationship between officially encouraged activity (deyatelnost') and spontaneous behaviour (povedenie) are very far-reaching. As one leading Soviet reformer has put it, quoting Hegel, "A state where everybody from top to bottom is regimented and where everything of any substance is removed from the competence and activity of concerned sections of the population...gradually becomes tedious and devoid of spiritual meaning".<sup>(30)</sup> It is in this sense that political reform may be a prerequisite or accompaniment to an economic reform and not a long term consequence of it.

Interesting signs of political change are therefore in evidence in the USSR, instilling new confidence into longstanding advocates of the 'modernization' perspective such as myself. It is important, however, to define our expectations clearly, in order to avoid exaggeration and future misunderstanding. The Soviet Union is not moving inexorably towards full parliamentary

democracy, a multi-party system, a free market economy, the official encouragement of religious belief or full-hearted acceptance of the concept of natural rights. There are important cultural and philosophical impediments to such radical breaks with tradition. Convergence between different social systems may be possible - even probable - but submergence is unlikely.

Nevertheless, if existing political institutions were to operate in practice, as the Soviet Constitution suggests they do in principle, this would represent an enormous democratic advance, and it could be achieved without necessarily threatening the "ultimate" power of the party as the final arbiter of the social interest. It is not so much the political framework which needs to change but the way its constituent institutions actually function within it. The great danger, of course, is that greater democracy will be conceived of by party leaders in manipulative terms, as an improvement of information, and will not, therefore, mark a fundamental shift in the exchange relationship between state and society. At most, such a development would amount to "invigoration without innovation"<sup>(32)</sup> - little more than an elaborate confidence trick. This is the other, more pessimistic, side of the argument.

While it is important not to overestimate the kinds of political and social changes which might occur in the Soviet Union in the next few years it is equally important not to underestimate them, by tying expectations to impossible fundamentals. One is reminded here of slippery arguments sometimes deployed to demonstrate the unchanging nature of Western capitalism. From a preconceived ideological standpoint, seemingly substantial changes

can be presented as policies designed to strengthen the underlying system: social security can be seen as a grudging concession to maintain stability, increased educational opportunity promotes efficiency, free medical services improve labour productivity, charitable feelings become expressions of bad conscience and the principal role of reformist politicians is to blunt and deflect demands for revolutionary change. Yet, at another level, we are acutely aware that significant shifts of power and policies can occur within a given mode of production, which transform immeasurably the actual lives of people - in one direction or another. These changes are very real to those who experience them. The broad theoretical category is arid but the reality within it is rich. When studying the Soviet Union, therefore, we must be careful not to define change in such a way that it can never occur.

#### IV

Inaugural lectures are a special kind of ordeal. In attempting to stimulate general interest, the triumphant victim is obliged to explain, in fairly stark terms, how he thinks about evidence in his field. He is not allowed merely to summarize available facts. This is a dangerous task. In the field of Soviet politics today, one would perhaps be wiser to keep such ambitious thoughts to oneself. Evidence is patchy and the ground is constantly shifting. On the other hand, the field of study is becoming much more interesting. No longer do Sovietologists emerge from their ivory towers only to provide murmured biographical details on television news broadcasts, as a succession of aged leaders is laid to rest in the Kremlin Wall.

That phase is ending. We are now called upon to interpret the new pattern of events which has been occasioned by the departure of this generation of leaders.

I am not at all confident - Pro-Vice-Chancellor - that my own interpretation of the early Gorbachev era is the correct one but I am convinced that such an attempt needs to be made. Many of us feel in our bones that the next year or so represents a crucial watershed in Soviet political and economic development. There is little that we in the West can do to promote these changes, even if we wished to, but probably a great deal that we could do to prevent them. Some noted specialists such as Professor Richard Pipes have argued that the Soviet system will only change in response to internal crisis.<sup>(33)</sup> The policy implications of such a view are that by depriving the Soviet Union of advanced Western technology and by compelling huge additional expenditures on advanced weapons systems, existing economic difficulties will be intensified and brought to crisis point. I disagree with this analysis and the policy conclusions which appear to flow from it. It seems much more plausible to me that external pressures of this kind would only strengthen traditional central controls and would inhibit reform. Only in this way could the Soviet government enforce sacrifices and mobilise the necessary resources. Lurking behind this discussion, of course, is a huge value judgement. Is a more efficient and democratic Soviet Union necessarily in the interest of Western countries? Would the new kinds of leaders, capable of directing such a reformed system, be more or less congenial to deal with? We each have our own answer to these questions.

The intractability of reform and the need for early success places Gorbachev in a position which can be readily comprehended in footballing terms. In my younger days - which came abruptly to an end when I became Director of CREES - I had the misfortune to support Newcastle United. The club had something in common with the Soviet Union. It was rich in natural resources, had enjoyed a stirring decade under a ruthless and charismatic chairman and still had enormous pretensions; but team restructuring was undertaken by a succession of indifferent managers, each one of whom was welcomed initially as a messiah. The atmosphere of the club and of its ground was steeped in faded glory. The desire for "equivalence of esteem" (as Professor Vernon Aspaturian would have put it) with the leading clubs was palpable. I well remember standing on those windswept terraces for the first game, as each new manager began his short reign. One was struck by the design of the new strips, one appreciated the increased work-rate of the team, but how one longed for the ball to hit the back of the net. Only then, would performance and support begin to reinforce each other - the foundation of any successful institution, whether it be a football club or a nation. One gets a strong sense that the Soviet people are waiting - and the occasional foot is beginning to stamp impatiently.

The current interplay of economic and political change in the Soviet Union is not merely of academic interest. It has far-reaching implications for our foreign and defence policies and for prospects of East-West trade. All of these areas of policy are contingent upon a certain view of the internal character of the Soviet regime and of the threat or challenge which it poses. The



cost of understanding this 'threat' is a minute fraction of the cost of responding to it - especially the cost of responding to a mistaken appreciation of it. Here, university specialists have a role to play. Their reviews of original sources, formulation of new concepts and their institutionalised license to challenge conventional wisdom, are vital ingredients in the policy-making process. A good working relationship between government and the academic community promotes the analytical vitality of a country, upon which its power and independence ultimately rest.

Regretably, in recent years there has been a decline in the resources going to Soviet and East European Studies in Britain, as a report by the House of Commons Foreign Affairs Committee has noted.<sup>(34)</sup> Academic posts have been disestablished. In order to maximise student credits, specialists have been obliged to return to their basic disciplines and to spend less time on research. Several distinguished scholars have taken up posts abroad. Britain is being stripped of some of its major academic assets, especially those individuals working in areas of direct governmental interest. But, the problem is not confined to the universities; the general tendency to erode minor but important specialisms applies to the education system as a whole. Out of a total Soviet school and university population of about 58 million, no fewer than 15 million at any one time are studying English; in 1984, there were 293 Advanced Level GCE passes in Russian and 109 first degree graduates in Russian in Great Britain.<sup>(35)</sup> The Foreign Affairs Committee discerned in these figures a "disturbing" disproportion. Beyond a certain point it becomes impossible to base academic decision-making on student demand

because the whole base of the subject has been undermined. The situation can only be remedied by firm government intervention and encouragement.

The need to understand the Soviet Union has never been greater. Once again the country is going through a period of change even more perplexing than that of the late 1950s, which inspired the creation of Hayter Centres such as CREES. For the 23 years since its foundation in 1963, the Centre has enjoyed the status of an extra-faculty organisation within the university. That status is now coming to an end - not without regret on our part but with acceptance and goodwill. We are returning to our original "home" in the Faculty of Commerce and Social Science. With appropriate support, this organisational change will not weaken but will rather strengthen our determination to uphold the traditions<sup>(36)</sup> and add to the achievements in contemporary Soviet Studies which have made Birmingham University famous throughout the world. Our 'Empire' is making a tactical retreat in good order - but it may fight another day!

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PART 6 ends:-

Moscow Tel. 122 30.1.87

PART 7 begins:-

Prof. Amman to CDP. undated

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