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USSR

A Pinker Shade of Red?

Mikhail Gorbachev pushed on with his revolution-from-the-throne yesterday, telling 5,000 party stalwarts assembled in Moscow that he wants a new, full-time legislature, a more powerful presidency and greater separation between party and state.

He made it abundantly clear, however, that he was not advocating a multiparty system. To emphasize the point, Moscow police a few blocks from the Kremlin were dragging away street demonstrators who had demanded multiparty government. Mr. Gorbachev wants multiple candidacies for legislative posts, but they all will have to pass Communist Party muster.

In short, we have nothing here quite as dramatic as when Vladimir I. Lenin and his Bolsheviks wiped out yet another democratic experiment, the short-lived provisional government, in 1917. Probably it's easier to destroy democracy than to create it, particularly in a country with almost no democratic traditions. Lenin and his chief of terror, Felix Dzerzhinsky, were ruthless and imaginative destroyers. Mr. Gorbachev is a plodding and careful rebuildler, which means it may take a long time.

Yet there can no longer be any doubt that he is trying to give Soviet peoples more breathing room. He has looked abroad, as did Peter the Great. The contrast between the retrogression in the Russian empire and advances in capitalist democracies becomes more evident every day. Given the dangerous stagnation in the vast territory the Kremlin controls, he seems to have concluded that it is less dangerous to make changes, provided they are made carefully, than to postpone them.

Lest his speech create yet another outburst of dangerous illusions in the West, however, let it be known that the parliament he envisions falls well short of the Westminster model. Mr. Gorbachev has no intention of presiding over the dissolution of the Soviet Communist Party. Yet it will be more like a real parliament than what passes for a parliament now, the toothless Supreme Soviet. Clearly, Mr. Gorbachev wants a body that will exercise better control over the government and its ministries than is possible in the present system, where party and government are elaborately interconnected.

Mr. Gorbachev is no amateur at this game. His speech to the party "conference"—a type of gathering that had not been convened since

1941—revealed a careful strategy. These grass-roots party bosses were told that they will have more, not less, power at the local level. The new president will be elected by the new parliament, which will be elected by these same local bosses. The president will be responsible for foreign and defense policy and will appoint a prime minister. In theory, at least, future general secretaries of the party will have to exercise their power through the rank and file.

We will see whether anything like that actually happens or whether the Gorbachev speech was just another of the Potemkin villages Soviet leaders so lovingly erect from time to time. But Mr. Gorbachev probably knows that unless he can in some way decentralize decision-making authority, he can never energize the masses. It is one thing to decree, as he did yesterday, that peasants shall hereafter be able to lease state lands and grow their own crops, and quite another to make such a reform actually happen and bring about more food production. It also is quite a trick to raise prices without pain to consumers, yet Mr. Gorbachev promised something of that sort.

Party members—only 20 million strong in a nation of 280 million with a massive and intricate complex of submerged grievances, ethnic rivalries, cultural conflicts and linguistic barriers—are clearly uneasy about Mr. Gorbachev's reforms. Notes smuggled out of a June 18 special plenum of the Latvian Communist Party central committee have found their way to us. Some local bosses, they reveal, are near a state of panic. Boris Pugo, first secretary of the Latvian party, fulminated against a Latvian TV commentator who had veered out of control and blasted Latvia's Russian masters. A recent, huge anti-party demonstration in Riga had been cause for further fright. Mr. Pugo feared that "power is sliding out of our grasp." The local KGB head, Stanislavs Zukulis, complained about a lack of "concrete orders," obviously longing for the good old days when Moscow would have ordered the smashing of a few heads.

Russia has had other revolutions from the throne, including one by the prince who came to be known as Ivan the Terrible. Mr. Gorbachev no doubt hopes that things will turn out better this time. But the West would do well to weigh his words yesterday with some care before assuming that a new age of enlightenment has dawned in the East.

Prudence and the Law

No less a body of devotees to the role of law than the Supreme Court has now recognized the dangers of blindly allowing the law to lord it over ever greater areas of American life. In a rational society, prudence and judgment also count for something. This will come as big news to plaintiff tort lawyers, not to mention Robocop prosecutors who think foreign policy is mainly a matter of law enforcement.

The lesson of Monday's *Boyle v. United Technologies Corp.* decision

some day soon the courts will recognize the social utility of vaccines, playgrounds and ladders to defeat frivolous lawsuits.

The current impulse to apply domestic law to all manner of national security and foreign policy issues is a troubling innovation. One of the largest defects of the Iran-Contra affair is that it criminalized policy differences, oblivious to the deadening effect this would have on intelligence and military officers, who now watch some of their best and brightest face possible

By MICHAEL S. GREVE

The Supreme Court's 5-4 decision to reconsider the 1976 case of *Runyon v. McCrary* has unleashed a storm of protest. More than 100 civil-rights organizations, along with 171 congressmen and senators and 47 state attorneys general, have filed briefs urging the court to uphold its earlier decision and the "substantial protections" it affords minorities. Solicitor General Charles Fried has decided to stay out of this hurricane, and last week announced he would not file a brief in the case.

Amid all the clamor and the debate about the solicitor general's peculiar decision to remain on the sidelines, it is worth noting that *Runyon* is one of the most ill-considered civil-rights cases on the books. The decision is clearly wrong. Moreover, it is not the cornerstone of racial equality its supporters make it out to be. The case law that has developed under *Runyon* raises concerns that ought to be aired and addressed in Congress.

In *Runyon*, the court was asked to determine the scope of a civil-rights statute passed after the Civil War. The pertinent clause of the law, now codified as Section 1981 of Volume 42 of the U.S. Code, provides that "all persons within the jurisdiction of the United States shall have the same right to make and enforce contracts, to sue, to be sued, and to give evidence, as the white race citizens of the United States shall have."

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ity is or can be a party.

Realizing this, some lower courts have balked at *Runyon* and its extensions. For example, the Fifth Circuit Court of Appeals last October expressed its dissatisfaction with the case in the course of rejecting an alien's discrimination suit for damages against a bank that had turned down his credit-card application.

It isn't just the expansion of *Runyon* that seems to trouble the current Supreme Court; it is the case itself. Stripped of all rhetoric, *Runyon* entitles blacks and members of other minorities to force private parties into contractual agreements. This

Final

By JOHN E. SILVIA

Financial fashions come and go. The idea that has been in vogue for several years now is that the U.S. is "dangerously in hock," and that the quantity of corporate debt is "dangerously high" while the quality is "dangerously low." But as these gloomy commentators focus on such microeconomic factors, they do not appreciate that it is macroeconomic instability caused by such factors as tax-law changes and liquidity constraints that represents the real threat.

First, consider the quantity of corporate debt. The counsels of despair shout that U.S. corporate debt, as a percentage of gross national product, is dangerously high. But data from the Bank for International Settlements reveal that both the level and volatility of corporate debt (as a percentage of GNP) is greater in Japan, West Germany and Britain than it is here. If the U.S. is really at the edge of the Black Hole, then other nations are deeply

1988

CUP

Europe's press finds Gorbachev hold inadequate

AP/WIDEWORLD NEWS AGENCY

LONDON — Mikhail Gorbachev's vision of the future Soviet Union may not be powerful enough to overcome the vested interests with most opposed to reform, European newspapers said yesterday.

In London, The Times said the Kremlin leader did not yet have enough support to implement proposals for "full-blooded democracy" which he outlined Tuesday at a special Communist Party conference in Moscow.

To call for such fundamental changes by next spring suggests a very real sense of urgency — more urgency of the last-chance gambler than the confident bureaucrat," said in an editorial.

The right-of-center mass daily De Telegraaf in the Netherlands said the conference would follow Mr. Gorbachev's reform drive in principle but said divisions in Soviet society could reduce the extent and speed of changes.

"Party officials and civil servants do not want to lose their hard-won positions," said De Telegraaf. "The population is hardly motivated to work harder. Far-reaching changes are necessary if the Soviet Union is not to decay.

"The Soviet Union needs more democracy and more capitalism. It can only get out of the slump if the party leadership can achieve that, and it seems far from certain that it can."

In West Germany, the conserva-

tive Die Welt called Mr. Gorbachev's opening speech disappointing but said conflict within the party meant he had to proceed cautiously.

According to Sweden's conservative daily Svenska Dagbladet, Mr. Gorbachev's reform package was "halfhearted."

"Party supremacy remains intact, despite all the talk of democracy and increased freedom for ordinary people," it said. "In the Soviet leader's eyes, democracy is an instrument which can be used to improve efficiency in society — nothing more."

Italy's La Stampa hailed Mr. Gorbachev's speech as "strong, convincing and even dramatic, though inevitably peppered with caution."

The influential Turin daily said

the speech posed the twin questions of how to reconcile reform with Leninist orthodoxy and what to do about opposition to change.

"If reform opens a Pandora's box and pushes out in various directions, as has already to some degree been the case, will not the coalition of threatened interests and guardians of the system be too strong for it?" La Stampa asked.

In France, Le Monde praised Mr. Gorbachev for delivering "another blow to the totalitarian single-party machine." The left-wing Liberation said Mr. Gorbachev was "a past master in the art of springing surprises" and "did not disappoint."

The East German Communist

Party newspaper Neues Deutschland carried the full text of Mr. Gorbachev's speech on its inside pages and East German television broadcast his address live.

Western diplomats said that coverage was strictly factual with no commentary.

East German leader Erich Honecker is opposed to Soviet-style perestroika, the term for political and economic reform.

The Frankfurter Allgemeine said the Kremlin leader's proposal to create a People's Congress with 2,500 members meeting once a year made no sense. "The size alone of such an assembly guarantees its impotence," it said in an editorial.

USSR - sun



Militiamen patrol Red Square, which has been cordoned off during the Party conference this week.

KGB gets remedies into print

FROM COMBINED DISPATCHES

MOSCOW — A list of political and social reforms proposed by KGB members appeared in a Soviet newspaper yesterday, as a leading Soviet historian talked to Western newsmen about the unprecedented biography of Josef Stalin he is preparing.

The six proposals in the weekly Moscow News included making officials criminally responsible for decisions that had had bad economic or ecological effects, an apparent reference to a scrapped plan to reverse rivers' flow for irrigation purposes.

One proposal called for the establishment of guarantees against any abuses of socialist pluralism, apparently a warning that Kremlin moves toward a pluralism of ideas should not be allowed to go too far.

The proposals did not mention reform of the KGB itself. They were presented to the Moscow City Communist Party for discussion at this week's extraordinary Soviet party conference.

Their publication coincided with calls for Soviet leader Mikhail Gorbachev's reform drive to extend to the KGB. It also followed an outburst of public anger at strongarm tactics used by the KGB to break up a street protest last week.

"I have not been able to find the proposals of the state security workers anywhere in the press," technical engineer E. Samsonov wrote to Moscow News, which has been at the forefront of Mr. Gorbachev's openness campaign. "I think that, especially today, it is important that Soviet citizens are familiar with the thoughts of the KGB communists."

In response, Moscow News listed proposals made by KGB members at meetings held to discuss suggestions for the agenda of the party conference.

Other proposals included defining Zionism and anti-Semitism as equally dangerous to socialism and removing obstacles to starting schools or clubs studying national languages in any part of the country.

Yuri Batyunin, a lawyer and a spokesman for reform, in the party newspaper Pravda this month called for the KGB's work to be supervised by a permanent commission of the Supreme Soviet, or parliament.

He called for "zones beyond the jurisdiction" of the Supreme Soviet to be eliminated. It is believed the KGB argues its work is so secret that even members of the Supreme Soviet should not have knowledge of its operations.

Mr. Gorbachev, watched from the stage by KGB Chairman Viktor Chebrikov, stopped short of naming the organization in his keynote speech to the party conference Tuesday. But he called for reform of Interior Ministry bodies including the militia, or uniformed police, which he said had committed major mistakes and abuses.

Last week the use of strongarm tactics at a street protest by advocates of an opposition party provoked a rare barrage of cries of "Down with the KGB" from hundreds of members of the public who saw plainclothesmen scuffle with protesters.

Moscow News also quoted the views of human rights campaigner Andrei Sakharov on the KGB, citing its "ruthless repression of people with different opinions" over the past two decades.

In another example of the growing openness of Soviet society, military historian Dmitri Volkogonov, a colonel-general, told The Associated Press yesterday his two-volume biography of Stalin to be published next year will give an unofficial estimate of the late dictator's victims, believed to number in the scores of millions.

Gen. Volkogonov is director of the Defense Ministry's Institute of Military History and former deputy chief of the Defense Ministry's political directorate. His own father disappeared — a victim of Stalin's purges — in 1937.

USSR

Soviet discord boils over at conference

By Anne Penketh
AGENCE FRANCE-PRESSE

MOSCOW — The ideological split between conservative and reform wings of the Communist Party over "glasnost" and "perestroika" burst into the open yesterday on the second day of the special Party conference.

The Kremlin's vast Palace of Congresses became a talking-shop as the 4,991 delegates to the first conference since 1941 erupted in heated discussion over Mikhail Gorbachev's policies of openness and economic restructuring, with Mr. Gorbachev just one of several debaters.

Yuri Sklyarov, head of the Central Committee's propaganda department, told a news conference "some delegates" had accused "some of the publications and Soviet newspapers" of not using "well-authenticated" material.

He admitted the pro-reform Ogonyok and its editor Vitaly Korotich had come under attack. Ogonyok has built a reputation for being the first to lift taboos on delicate subjects such as the war in Afghanistan, prostitution and forced collectivization under Stalin.

Flip Popov, first secretary of the Altai region, notably accused the weekly magazine of "destabilization."

At the same time, Mr. Sklyarov said, notoriously conservative journals such as Molodaya Gvardiya, Moskva and Nash Sovremennik also were criticized.

The growing nationalities crisis prompted dire warnings and frank talk.

European newspapers predict Gorbachev's vision may not be powerful enough to overcome vested interests. Page A10.

Reformers called for the creation of a ministry in Moscow to take care of nationalities problems, calling the situation in his southern republic "socially dangerous."

In his view, the situation caused by unrest in the disputed territory of Nagorno Karabakh had deteriorated because of "anti-perestroika forces."

He said meetings in Azerbaijan had been attended not only by those seeking a solution for the Azerbaijani territory, which Armenians want transferred to Armenia, but also by "corrupt clans" and people from the "black economy."

Party Secretary Leonid Kachupa warned of the need to fight against "every manifestation of nationalism."

Taking their lead from the Soviet leader's 3½-hour keynote speech Tuesday, speakers clashed head-on as they tackled major issues facing Soviet society: the need for glasnost and perestroika, nationalism, economic performance, and length of party and state mandates.

Two speakers were subjected to slow hand-clapping, expressing delegates' criticism for statements extolling positive developments in their regions in accordance with the legacy of the "stagnation period" under Leonid Brezhnev, Mr. Sklyarov said.

The two were a Moscow party official and a party official from the U.S.S.R. Far East.

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SOVIET

From page A1

official forced from the platform Tuesday by the slow applause and a speaker yesterday from the Siberian town of Altai.

Mr. Sklyarov said that 24 speakers had taken the floor since Mr. Gorbachev made his long speech Tuesday. "There was a lot of applause of approval" for speakers who criticized the economic situation, central ministries and the mass media, he said.

Foreign journalists — from East and West — were excluded from the debate.

If there were near unanimity on the dangers of allowing nationalist sentiment to develop, the same was not true on the economy and the question of mandates.

Academician Georgy Arbatov, a specialist on North American affairs, said he was "in total disagreement" with economics specialist Leonid Albakin, who claimed that nothing had been achieved in the economic sphere during the three years of perestroika.

Mr. Albakin took issue Tuesday with Mr. Gorbachev's proposal that regional party leaders should also chair the local soviet (council or legislature), from village level right up to the U.S.S.R. Supreme Soviet (parliament).

Mr. Arbatov called for a limit of two five-year mandates for state and party officials, with no loophole al-



Politburo member Yegor Ligachev listens as Soviet leader Mikhail Gorbachev makes a point during the Communist Party general conference in Moscow yesterday. At center is Politburo member Alexander N. Yakovlev.

lowing for a third term as had been included in the pre-conference "theses" passed by the Party Central Committee.

Actor Mikhail Ulyanov, president of the theater-workers' union and a personal friend of Mr. Gorbachev, intervened to demand even tighter restrictions: a single five-year term, with a second term allowed only with a 75 percent score in a secret ballot.

Mr. Ulyanov said an exception should be made for Mr. Gorbachev

"because he has our confidence."

A discussion between Mr. Ulyanov and Mr. Gorbachev on glasnost ensued, with the Soviet leader insisting on the importance of popular participation.

The party first secretary of the Volgograd region intervened to ask that Central Committee members be better informed. "We're only learning now what happened 70 years ago," he said. "We don't want today's

discussions to be reported to our grandchildren only in the year 2050."

The conference decided to elect six committees to prepare resolutions to be adopted: one on implementation of decisions taken at the 27th Party Congress in February 1986 and the development of perestroika, and others on democratization and political reform, the campaign against bureaucracy, ethnic [national] relations, glasnost and legal reform.

USSR-gov.

'A New Role Of Public Opinion'

Associated Press

MOSCOW, June 28—Here are ~~excerpts~~ from Soviet leader Mikhail Gorbachev's address today to the Communist Party conference, as translated by the Soviet government:

On Farming:

"Some advances are on hand. But they cannot satisfy us. In substance, the increase we have achieved in food output has largely been used to cover the demand connected with the growth of the population. And that, comrades, means that we need other, still higher rates of building up food resources. We have neither the moral nor the political right to tolerate the delay in resolving the food problem. . . .

"We must restore the economic balance between town and countryside, and release to the utmost the potential of collective and state farms by promoting diverse contractual and lease arrangements. We must overcome the estrangement between farmer and soil. We must make the farmer sovereign master, protect him against command methods and cardinally change the conditions of life in villages. That is the only way to rapidly brighten the efficiency of the agro-industrial sector and to secure a radical improvement in food supplies across the country."

On Price Increases:

"The pricing reform cannot fail to affect retail prices as well, because they are closely connected with the system of prices as a whole. Today, the retail price of many food products, notably that of meat and milk, is considerably lower than the actual cost of producing them, lower than the state's procurement price.

"The state is compelled to cover this difference in the form of a subsidy to the consumer. That is not a normal situation. It undermines the incentives for producing these products and gives rise to a wasteful attitude, especially toward bread."

On Human Rights:

"I would like to dwell particularly on the political freedoms that enable a person to express his opinion on any matter. The implementation of these freedoms is a real guarantee that any problem of public interest will be discussed from every angle, and all the pros and cons will be weighed, and that this will help to find optimal solu-

tions with due consideration for all the diverse opinions and actually possibilities.

"In short, comrades, what we are talking about is a new role of public opinion in the country. And there is no need to fear the novel, unconventional character of some opinions, there is no need to overreact and lapse into extremes at every turn of the debates.

"I also want to touch upon such a fundamental matter as freedom of conscience, which is very much in the public eye just now in connection with the millennium of the introduction of Christianity in Russia. We do not conceal our attitude to the religious outlook as being non-materialistic and unscientific. But this is no reason for a disrespectful attitude to the spiritual-mindedness of the believer, still less for applying any administrative pressure to assert materialistic views.

"Lenin's decree on the separation of the church from the state and schools from the church, adopted 70 years ago, provided a new basis for the relations between them. It is known that these relations have not always developed normally. . . .

"All believers, irrespective of the religion they profess, are full-fledged citizens of the U.S.S.R. . . .

"Our entire legal system is designed to guarantee strict observance of the rights of citizens to the inviolability of their private life, home, the secrecy of telephone communication, postal and telegraph correspondence. The law must reliably protect a person's dignity. . . .

"As you know, we have lately more than once encountered attempts to use democratic rights for undemocratic purposes. There are some who think that in this way any problems can be solved—from re-drawing boundaries to setting up opposition parties. The [party] Central Committee considers that such abuses of democratization are fundamentally at variance with the aims of *perestroika* and run counter to the people's interests."

On Government:

"We should organize state power and government so that the people would always have the final say and the processes of self-regulation and self-government would be given the widest possible scope. Of fundamental importance here is the proper distribution of authority, of powers between the principal elements of our political system, first and foremost between the party and the state. . . .

"It is also time we introduced a number of democratic restrictions on the duration of service in elective offices. Our past record shows that the absence of these restrictions was a prime cause of abuses of power, both centrally and locally."

USSR-gen

Gorbachev Proposes Presidential System

Applause Sparse as Party Conference Opens

By David Remnick
Washington Post Foreign Service

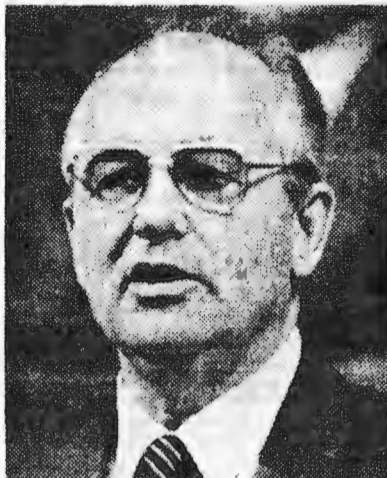
MOSCOW, June 28—Soviet leader Mikhail Gorbachev described his plans for a "fundamentally new state" today, calling on delegates to a historic Communist Party conference to support the creation of a presidential system of government.

Speaking in the Kremlin's Palace of Congresses, Gorbachev said that the Communist Party will continue as the country's ideological leader, but it should yield numerous functions, including the formulation of foreign and defense policy, to a powerful president. An expanded legislature, elected in multicandidate, secret-ballot elections, he said, should select the president.

Gorbachev's dramatic proposals went beyond those made earlier by the party's Central Committee, but he stopped short of saying whether he favors having the party's general secretary—his current post—also hold the office of president. He called this "a serious question" that should be debated at the four-day conference, which opened today.

In listing various arguments on the issue, however, Gorbachev mentioned that under the founder of the Soviet state, Vladimir Lenin, the leader of the party also led the government. In Gorbachev's political language, no endorsement could be greater than Lenin's.

In a 3½-hour speech that was broadcast live on television, Gorbachev described numerous "deformations" throughout Soviet history. In stark, sometimes angry language, he blamed the "personality cult" of Joseph Stalin and "stagnation" under Leonid Brezhnev for



MIKHAIL GORBACHEV

... "no right to let socialism founder"

creating an "ossified" political system that formulated economic, foreign, legal and cultural policy without any regard for the popular will.

Gorbachev's warning was clear: to oppose reform would mean a return to the past. "We have no right to let socialism founder on the rocks of dogmatism and conservatism," he said, adding that "the next few years will determine the fate" of the Soviet Union.

The occasionally uneasy interaction between Gorbachev and his audience of nearly 5,000 delegates was striking. More than half of the delegates come from the middle ranks of the party apparatus—a traditional bastion of conservatism—and they applauded only Gorbachev's most traditional sentiments. His harshest criticisms of the past and his most radical calls for accelerating the pace of change were met with an eerie silence.

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■ Gorbachev and conference delegates seek middle ground. Page A22

USSR-gen.

Gorbachev Opens Party Conference, Proposes Presidential Government

CONFERENCE, From A1

Gorbachev's closest adviser in the ruling Politburo, Alexander Yakovlev, said at a press conference later that while there are conservatives among the delegates, "even they don't believe there is an alternative to reform."

Diplomats here said that such a system of government would democratize the political system by shifting power from the party to locally elected administrative bodies called soviets, and reduce the party's rigid control of the stagnating economy and many aspects of daily life. Gorbachev would also succeed in expanding his own power if he were to add an expanded presidency to his party post. Because of the complexities of party rules, it is unclear when such a plan could be put in place.

At present, the general secretary of the party holds by far the most powerful position in the country. Within five years after the 1917 Bolshevik revolution, the local soviets lost nearly all their power to the party bureaucracy, and the presidency—now held by former foreign minister Andrei Gromyko—became a largely ceremonial post.

Although Gorbachev presented *glasnost*—the freedom to debate and discuss numerous issues—as the outstanding success of his 3½ years in office, he made clear that he would not tolerate the party's power.

Gorbachev's goal for the party conference is to deepen his political support, accelerate the pace of change and make reform an "irreversible" part of Soviet political life. But the reaction of his audience suggested that while he may face no clear opposition leader or platform, he has yet to win the hearts and minds of many in the party's rank and file.

In his speech, Gorbachev attacked the "disease" of bureaucracy and "abuses" in the country's planning ministries. He said that numerous conservative bureaucrats and ministers were responsible for "retarding" the pace of economic change and making "undisguised attempts at perverting the essence of reform."

He said that the food problem—which analysts say is in many ways worse than it was under Brezhnev—is "the most painful and acute problem in the life of our society." Speaking against the "command" style of centralized agricultural planning, Gorbachev said, "We must make the farmer a free man, allowing him the freedom to lease land from collectives and determine what to grow for his own good."

Gorbachev accused the state's industrial managers of making too many decisions "in the seclusion of their offices"—an administrative style, he said, that has "had its ill effects on the social mood of the people."

"The economic reform would have made much better headway if

conservatism had not been so tenacious in the managerial apparatus," he said. "The methods of command and administrative fiat are hanging on doggedly." He accused planners of clinging to "hopelessly outdated" methods of organizing production by setting quotas rather than emphasizing quality and "concrete end results."

Gorbachev noted that the country had yet to change its way of thinking about wages, with many people still believing that paying individuals more money for harder work defies the principles of socialism. Of such thinking, he said, "We keep chasing it out the door, as the saying goes, but it climbs back through the window."

Gorbachev promised radical changes in the Soviet legal system, saying, "We should unswervingly observe the principle that everything not prohibited by law is allowed." He added that there should be "no departures" from the principle in court of "those who are proven guilty."

On the question of nationalistic conflicts within the Soviet Union, Gorbachev spoke against changing borders to resolve ethnic differences. The comment was clearly directed at the efforts of Armenian activists in the enclave of Nagorno-Karabakh, part of Azerbaijan, to put the region under Armenian administration.

He also appeared to reject the radical proposals of delegates from the Baltic states who have asked for varying degrees of autonomy. "Any obsession with national isolation," Gorbachev said, "can only lead to economic and cultural impoverishment."

Commenting on the relationship between church and state to delegates of the avowedly atheistic Communist Party, Gorbachev said, "We do not conceal our attitude to the religious outlook as being non-materialistic and unscientific. But this is no reason for a disrespectful attitude to the spiritual-mindedness of the believer, still less for applying any administrative pressure to assert materialistic views."

Gorbachev seemed to walk a fine line on the issue of individual rights. He criticized the police for past abuses and asserted the inviolability of citizens' private lives. He said that the people should be protected against their phones being

tapped or their mail being opened without their knowledge.

But he won applause only when he spoke in defense of the society's right to protect itself from "money-grubbers, scroungers, pilferers, hooligans, slanderers and bores" through "effective means."

"Democracy," he added, "is incompatible either with wantonness or with irresponsibility or with permissiveness."

Gorbachev, who has had to learn the art of political compromise as he tries to broaden his political base beyond the intelligentsia, even paid brief tribute to the "disease" he spent so much time attacking. "We cannot do without an apparatus of functionaries," he said, "and we must not look down on them."

In a signal that there would be no major personnel changes in the top echelons of the party, Gorbachev noted that party leaders "who had been regarded as dead wood are now trying to find their place in life."

Gorbachev's most radical proposals were institutional, not personal. "Today we must have the courage to admit that if the political system remains immobile and unchanged, we will not cope with the tasks of reform," he said.

Gorbachev proposed that the present 1,500-member rubber-stamp legislature—the Supreme Soviet—add 750 representatives elected by various civic organizations. The new body, the Congress of People's Deputies, would be responsible for electing both the president and a new Supreme Soviet with approximately 400 members.

Under Gorbachev's plan, the Congress of People's Deputies would meet annually to discuss major policy issues, while the smaller Supreme Soviet would stay in session throughout the year. The Supreme Soviet, Gorbachev said, "should do away with long-winded speeches" and attend to the real legislative work.

Gorbachev also proposed that the locally elected soviets be linked to the party. He said that the party's regional first secretaries should be chairmen of the local soviets. If members of the soviets decided to vote out the party secretary as chairman, however, the Communist Party, Gorbachev said, would "draw the appropriate conclusions."

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* Statistics hide poverty, Soviet economist says

MOSCOW — Poverty is a serious problem for many Soviet citizens, with the latest figures indicating one-third receive less than 100 rubles (\$166) a month in income, a Soviet economist was quoted yesterday as saying. Writing in the Soviet trade union newspaper Trud, A. Levin of the Academy of Sciences said national statistics on income were inadequate.

“Unfortunately even now the statistics, unlike those of other countries, do not fully disclose data on income per person. But it is known for sure that 35 percent of the entire population in 1986 had income of less than 100 rubles per month per person,” he said.