Ri Norto

Jp 0991

MR POWELL

c Sir Robin Butler

13/3 GBO

## Lithuania

m

On 11 March Lithuania became the first Soviet republic to declare its independence. The new Lithuanian parliament, meeting in haste to pre-empt decisions by the Soviet Congress of People's Deputies (and with 8 parliamentary seats still unfilled) voted 124 in favour and none against, with 6 abstaining and 3 deputies absent. The parliament also:

Elected a new non-Communist President of the republic: Landsbergis, the head of Sajudis. The popular leader of the break-away Lithuanian Communist Party, Brazauskas, secured less than half as many votes: some of his own party must have voted for Landsbergis.

Accepted the resignation of the old Lithuanian government and elected a leading Sajudis member as Prime Minister.

Rescinded the operation of the Soviet and Lithuanian constitutions, establishing the Lithuanian constitution of 1938 as the provisional constitutional foundation for the republic.

Reconstituted itself as a "Supreme Council" (rather than Supreme Soviet), dropped the words "Soviet Socialist" from the republic's name, and reverted to its pre-1940 coat of arms.

Agreed to send a delegation to Moscow to inform the Congress of People's Deputies, but not to participate

in its work (since that would imply continued membership of the Soviet Union).

### Reactions

2. Speaking to the Congress on 12 March Gorbachev described developments in Lithuania as "illegitimate and invalid". But his response has been to recommend that the Supreme Soviet in Moscow should begin "immediate studies to assess and take decisions" on Lithuania's moves, thus steering Moscow's reaction down measured parliamentary channels. In Poland, the Government deferred reaction until developments could be considered in full Cabinet.

Mainline Solidarity reaction, however, has strongly supported Lithuania's move. In Washington, the White House press spokesman avoided an explicit welcome, urging Moscow to "respect the will of the citizens of Lithuania" and urging it to enter "immediate, constructive negotiations" with Lithuania's new government.

## Impact

Lithuania's move will encourage radical nationalists in other republics. The impact will be felt most directly in Estonia and Latvia, whose first round elections to their respective republican parliaments are on 18 March. It is even possible that these elections could produce the necessary two-thirds majorities in the two parliaments to amend their constitutions and declare independence. But because of their much larger Russian minorities, the Estonian and Latvian nationalist movements are taking a somewhat different route from Sajudis. Instead of reconstituting the existing Soviet parliamentary structure as a national one, as the Lithuanians have done, the Estonians and Latvians are building parallel Citizens' Congresses, elected from among the ethnic population. These are designed in due course to supplant the existing Supreme Soviets as constituent assemblies for independent

republics. The Estonian Congress began its first meeting on 11 March by calling on the USSR Supreme Soviet to restore Estonia's independence. The Latvian People's Congress is due to meet in May after elections in April (although this timetable could be advanced).

Not only the Balts will be influenced by Lithuania's example. A strong pro-independence current is now running in Georgia, where elections to the republican parliament are on 25 March. At the weekend the Georgian Supreme Soviet passed a resolution on protecting the republics's sovereignty, and called upon Georgian deputies at the Congress of People's Deputies to oppose greater presidential powers for Gorbachev. In the Ukraine, the nationalist movement Rukh is inclining towards calling for outright independence, encouraged by its performance in the 4 March elections which, after the second round (probably on 18 March), should give it at least 25 per cent of the republic's parliament. And the drive for independence by the Baltic republics will also complicate the efforts of Moldavia's skilful new Party First Secretary to keep the nationalist movement there on the track of greater independence within, rather than outside, a renewed Soviet Federation.

# Prospects

the use of force (although the Soviet military's frustration over developments in the Baltic republics must be intense). Ligachev, for example, on 12 March said "we will not use force ... tanks will not help." But Gorbachev will be acutely conscious of the precedents that will be set in his dealings with Lithuania. Rather than begin talks about separation, which would ipso facto concede the principle of Lithuanian independence, he may let Lithuanian negotiators cool their heels, possibly arguing that they must wait until the USSR Supreme Soviet

#### CONFIDENTIAL

passes the new legislation on the modalities of secession.

(The Lithuanians will reject this since they no longer recognise the applicability of Soviet law.) He said on 13 March that there could be no question of talks: "we hold talks only with foreign states".

- 6. But in practice a kind of negotiation has already begun. An undeclared economic squeeze of Lithuania started last month. Speaking to Brazauskas last week, Gorbachev suggested that future trade would have to be in hard currency (of which Lithuania has little) and that a Lithuanian deficit with the rest of the Soviet Union, allegedly of more than 3 billion roubles, would have to be repaid. Politburo member Maslyukov on 9 March implied that Lithuania might owe 50 billion roubles for Soviet capital investment and 5.5 billion roubles for Soviet infrastructure in the republic, and that questions of the Soviet Union's defence, military presence in the republic and Warsaw Pact obligations would also be involved. The Lithuanians seem bound to respond with even more inflated counter-claims for human rights reparations, distortion of the republic's economy and damage to its environment. A struggle is already under way in Lithuania (as in the other two Baltic republics) over whether the local forces of law and order, including the KGB, answer to the republic or to Moscow. Preliminary reports are ambiguous on how far the Lithuanian parliament will accept a continued Soviet military presence. On 12 March they annulled the conscription law requiring service in the Soviet armed forces.
- 7. Although there is probably a majority in the Supreme Soviet opposed to Lithuanian independence, this is by no means clear-cut, and Gorbachev will not want to align himself with the intransigent conservative hard-core. He probably has little choice but to slip tacitly into dealings with the Lithuanians. Both sides' approaches, however, will be very tough. There is a corresponding risk

## CONFIDENTIAL

that escalatory measures by one side or the other could be miscalculated and cause events to run out of control.

2

PERCY CRADOCK

13 March 1990