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and

SIC LITHUANIA SUMMARY

1. RYZHKOV CONFIRMS END OF ECONOMIC BLOCKADE AGAINST LITHUANIA AND SIGNALS MOSCOW'S READINESS TO BEGIN NEGOTIATIONS.

DETAIL

- 2. RYZKHOV, IN AN INTERVIEW GIVEN TO THE NEWS SERVICE INTERFAX AND REPRINTED IN IZVESTIA OF 2 JULY, SAID THAT THE SOVIET GOVERNMENT HAD LIFTED ALL ECONOMIC RESTRICITONS INTRODUCED AGAINST LITHUANIA. HE ALSO IMPLIED THAT THE LITHUANIAN PROPOSAL FOR A RENEWABLE 100 DAY MORATORIUM ON INDEPENDENCE HAD SATISFIED MOSCOW'S CONDITIONS FOR BEGINNING NEGOTIATIONS. HE SAID THAT BASIC SOLUTIONS TO THE PROBLEM WOULD HAVE TO BE SOLVED DURING THIS 100 DAYS PERIOD. HE NOTED THAT THE PERIOD COULD BE EXTENDED BYTHE LITHUANIANS IF IT PROVED INSUFFICIENT.
- 3. RYZHKOV SAID THAT MUCH WOULD DEPEND ON HOW THE LITHUANIANS APPROACHED THE NEGOTIAITONS. THE BALL WAS IN THEIR COURT. IF THEY CAME WITH A PROPOSAL FOR LITHUANIA TO HAVE A SPECIAL STATUS IN THE USSR THEN THIS WOULD BE ONE PROBLEM AND ONE PATH TO A SOLUTION. IF, ON THE OTHER HAND, THEY CAME WITH A PROPOSAL TO LEAVE THE USSR, THEN THE SCENARIO FOR THE TALKS AND THEIR CHARACTER WOULD BE DIFFERENT.

COMMENT

- 4. WE DO NOT KNOW EXACTLY WHAT HAS BEEN SAID TO THE LITHUANIANS.
 RYZHKOV'S COMMENTS WERE REPORTED BY A SEMI-OFFICIAL NEWS AGENCY.
 THEY APPEAR OT MARK A FURTHER STEP ON THE ROAD TO COMPROMISE. THEY
 SUGGEST THAT THE RUSSIANS WILL BE PREPARED TO GO TO THE NEGOTIATING
 TABLE EVEN IF THE LITHUANIANS INSIST THAT THE TALKS CAN ONLY BE ABOUT
 INDEPENDENCE AND NOT ABOUT A NEW STATUS WITHIN THE USSR.
- 5. THE LIFTING OF THE BLOCKADE WILL HAVE REDUCED THE TIME PRESSURE. BOTH SIDES MAY NOW WANT A PERIOD TO PREPARE THE GROUND CAREFULLY AND ENSURE THERTE ARE NO MISUNDERSTANDINGS WHICH COULD BRING NEGOTIAITONS

PAGE 1 RESTRICTED TO AN ABRUPT END. SOME LITHUANIANS - MOST RECENTLY SUPREME COUNCIL DEPUTY CHAIRMAN STANKAVICIUS - ARE SPEAKING OF THE NEED FOR PRENEGOTIATION DISCUSSIONS. THIS WOULD GIVE THE LITHUANIANS MORE FLEXIBILITY OVER SETTING THEIR 100 DAYS PERIOD, ALLOWING THE INDEPENDENCE DECLARAITON TO REMAIN IN PLACE UNTIL FORMAL NEGOTIAITONS BEGAN.

6. IN ANY CASE, GORBACHEV WILL HAVE LITTLE TIME TO DEVOTE TO THIS ISSUE UNTIL THE CPSU CONGRESS IS OVER

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