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THEME PAPER: THE BALTICS

BACKGROUND

The confrontation in the Baltics continues to deepen. Not just Lithuania, but Estonia and Latvia are increasingly involved. Although there are signs of movement on both sides, as yet there is no reason for confidence that the sides will move far enough to begin a dialogue -- or fast enough to preempt Moscow from ratcheting up pressure further.

The crisis began on March 11, when the newly-elected Lithuanian parliament formally declared its independence. Moscow denounced that move as illegal, but the Lithuanians persevered by enacting a series of subsequent laws that directly challenged Moscow's authority. (Probably the most threatening move was to end compulsory Soviet military service for Lithuanians.) Moscow responded with a series of military maneuvers, building seizures, expulsions of foreigners and border closures. Those actions appeared designed to underscore Moscow's de facto control of territories and borders which, perhaps not coincidentally, is one USG criterion for granting diplomatic recognition. Finally, on April 18, Moscow cut sharply supplies of fuel and other goods tradable for hard currency; although not officially embargoed, other supplies were reduced as well. Vilnius has tried to circumvent the blockade, but its effects have steadily grown with unemployment in early May exceeding 23,000 and growing, according to Embassy Moscow.

Estonia and Latvia proceeded at a slower pace, partly chastened by Lithuania's example, partly because of a more complex demographic situation (i.e., a larger presence of Russians and other minorities). Newly-elected parliaments in both states have declared the start of a transition process toward full restoration of independence, rather than going all the way at once. Like Lithuania, both Latvia and Estonia have enacted laws at odds with Moscow's authority, but they have taken more care to be less confrontational toward Moscow in the way the laws are formulated. However, the basic direction has been the same, and in the last two weeks, tensions have risen there as well. Moscow is taking the same declaratory approach it took toward Lithuania. Russians and other minorities have taken to the streets in protest (almost surely with some direction from Moscow), further heightening the atmosphere of tension.

Moscow's line has fluctuated on some points, while remaining consistent on the essential issue of sovereignty. Moscow has not ruled out full independence for the Baltics, but has shown no sympathy for that option. It has chosen instead to emphasize the possibilities of a reformed federation and even special status for the Baltic states within that federation.

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Moscow has also shown flexibility on details (e.g., talking of suspension -- rather than revocation -- of the declaration of independence and subsequent "unconstitutional" laws). Nevertheless, signs are that Moscow's position has hardened recently. There is no ambiguity, however, on one fundamental point: Moscow will not negotiate with the Baltics as "independent" states. In Moscow's view, they have to come back, one way or another, "under the Soviet constitution" before there can be a dialogue.

As the confrontation has grown, the U.S. has become increasingly concerned and has sought ways to impress on both sides the need for peaceful settlement through dialogue. Our position has stressed no wavering in our longstanding, bipartisan policy of non-recognition of the forcible incorporation of the Baltic states into the USSR or in our support for Baltic self-determination. But we do understand that 50 years have created ties with the Soviet Union and interests that cannot be cut immediately; we recognize that the potential for revolts elsewhere requires Gorbachev to devise a process which he can claim credibly to control, and in which all-union interests are not ignored.

Thus, in a number of communications to Baltic leaders, the Secretary and the President have emphasized the need for realism and practical steps that would lead to talks, e.g., possibly a referendum and voluntary suspension of offending laws. To the Soviets, the U.S. has emphasized the need to reassure the Balts that moves on their part will elicit a due response from Moscow; that resort to violence will have a sharply negative impact on our bilateral relations; and that, in the long run, this issue will remain an irritant in U.S.-Soviet relations so long as the Balts are denied their right to self-determination.

The Secretary's recent meetings in Moscow provided an opportunity to make these points more explicitly than before -- and directly with people who really count. In addition, Gorbachev was warned of summit complications (including demonstrations) and the fact that his Lithuanian policy was beginning to sow doubts about the Soviet leader's commitment to democratization, as well as the chances of perestroyka succeeding.

Gorbachev told the Secretary (as he had told Lithuanian Prime Minister Prunskiene) that, as soon as the independence declaration was suspended, a full range of talks could commence, including special commissions for military-security and economic issues. But Gorbachev remained non-committal as to whether Moscow would accept independence. Prunskiene replied that she was willing to support suspension of the offending laws, but she resisted the idea of suspending the March 11 declaration itself. (The Lithuanian parliament refused to do so on May 19.)

POINTS TO MAKE

- o You know that we have struggled to maintain a restrained position on Lithuania, even after your economic blockade.
- o You also know that we have gone out of our way to support a dialogue and to get you and the Lithuanians to talk to one another.
 - We have taken some political risks in urging the Lithuanians privately to take practical steps that could lead to a dialogue -- not just offer to suspend their independence laws, but actually to do it.
- o But I'm running out of room. The criticism and pressure on me have been growing, especially in Congress.
- o Frankly, I'm worried. We have a lot at stake in our relationship, and I've tried hard to convince the American people that we have to maintain our perspective and a balanced view of things.
- o But you're not helping me.
- o You're dug in on the question of law and your constitution -- which I can understand, up to a point.
- o Now what we see is not only a crisis in Lithuania, but one in Latvia and Estonia too.
- o Your policy isn't working.
- o I know you see Lithuania, Latvia and Estonia in the same way as Georgia, Moldavia or the Ukraine.
- o As you know, we don't. We have consistently refused to recognize the legality of the incorporation of the Baltic states into the Soviet Union in 1940, and are firm in our support for the Baltic peoples' right to self-determination.
 - Therefore, it is hard for us to recommend to the Lithuanians that they suspend their Declaration of Independence. They claim that this would amount to voluntary incorporation into the Soviet Union.
- o Therefore, I would hope that some way around the legal dispute could be found that could get a dialogue going.
- o I have to tell you that your policy is beginning to raise doubts here in the United States about you and about perestroika.

- The longer this crisis has gone on, the more Americans have wondered whether you're really serious about democratization.
- And the more people have begun to wonder whether you're going to be able to allow democratic expression of national aspirations, or whether this is going to be the Achilles Heel of perestroyka.
- o One thing you must understand is that Americans really love and believe in democracy.
- Nothing in your program has had more impact on Americans than glasnost, the freedom that more and more independent political groups enjoy, and your free elections.
- o Because of this -- and because of the changes they've been able to see with their own eyes -- most Americans have been very understanding of your position, of the difficulties you face.
- And for the most part, they've been willing to give you the benefit of the doubt on Lithuania.
- o But that could change quickly, for public opinion here is volatile.
- o If the hardship Lithuanians are feeling grows worse, or if you use force to impose your will on them, it will be very hard for most Americans to understand how this can be reconciled with democracy and perestroyka.
- o So, I'll say again: it's important that a real dialogue with the Lithuanians get started -- and with the Estonians and Latvians, too.
- o It's not for me to say how you should do this.
- I still believe it's possible that the Kohl-Mitterrand formula could provide a way out.
- o I know you have rejected Prunskiene's approach. Frankly, I think the Lithuanians have gone about as far as they can.
- o Their offer to suspend legislation of concern to you appears sincere and offers an opening to get a real dialogue going.
- o But unless you find a way to resolve this peacefully and to let the Baltic peoples enjoy their right to self-determination, this is going to be a continuing source of irritation between us that, sooner or later, is bound to become more serious than it already is.

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