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CONTROLS

C O N F I D E N T I A L VILNIUS 000149

E.O. 12958: 1/21/2021

TEXT

TAGS: PGOV, PINR, ECON, EFIN, LH
COMBINE: COMPLETE

SUBJECT: INTERIOR MINISTER REMOVED AS SCAPEGOAT;
OPPOSITION JOCKEYING FOR PARLIAMENTARY
ELECTIONS

REF: A) VILNIUS 129; B) VILNIUS 71

1. (U) CLASSIFIED BY AMBASSADOR JAMES W. SWIHART.
REASONS 1.6X6.

SUMMARY

2. (C) AS THE GOVERNMENT OF PRIME MINISTER SLEZEVICIUS
CONTINUES TO PROCLAIM THAT "ALL'S WELL" AND TO SEEK

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2003 2005

NAZI WAR CRIMES DISCLOSURE ACT

FOR COORDINATION WITH

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WESTERN FINANCIAL ADVICE TO SOLVE LITHUANIA'S BANKING CRISIS, INTERIOR MINISTER VAITEKUNAS WAS FINALLY SHOWN THE DOOR. IN THE MEANTIME, OPPOSITION POLITICIANS ARE STARTING TO PREPARE FOR THIS FALL'S PARLIAMENTARY ELECTIONS AND INEVITABLE POST-PARLIAMENTARY ELECTION COALITION-BUILDING, BUT HAVE GIVEN LITTLE THOUGHT TO POLICY ISSUES. END SUMMARY.

REMOVAL OF INTERIOR MINISTER

3. (U) AFTER A WEEK OF HESITATION, INTERIOR MINISTER VAITEKUNAS FINALLY RESIGNED LATE LAST WEEK, THE FIRST CASUALTY OF THE BANKING CRISIS. PRIME MINISTER SLEZEVICIUS RELUCTANTLY DECIDED TO GO ALONG WITH PRESIDENT BRAZAUSKAS' CALL FOR VAITEKUNAS' REMOVAL FROM OFFICE. THERE HAS BEEN NO CONCERTED EFFORT TO PLACE THE BANKING CRISIS ON VAITEKUNAS' SHOULDERS, BUT THE WEIGHT OF CRIME AND CORRUPTION WAS TOO MUCH. ONLY HIS INTERIOR MINISTRY CRONIES WILL MOURN HIM.

COALITION-BUILDING...

4. (U) RECENT POLLS INDICATE WIDESPREAD VOTER CYNICISM, DOUBT, AND APATHY OVER THE POLITICAL PROCESS. ASKED WHICH PARTY THEY WOULD VOTE FOR IF ELECTIONS WERE HELD NOW, THE LARGEST NUMBER, 25.9 PERCENT, SAID THEY DID NOT KNOW. THE SECOND LARGEST PERCENTAGE, 21.2 PERCENT, SAID THEY WOULD NOT VOTE AT ALL. THE HOMELAND UNION (LITHUANIAN CONSERVATIVES) WAS THE MOST POPULAR PARTY -- RECEIVING ABOUT 11.6 PERCENT OF RESPONDENTS' SUPPORT; THE CHRISTIAN DEMOCRATS FOLLOW WITH ABOUT 8.1 PERCENT AND THE RULING LITHUANIAN DEMOCRATIC LABOR PARTY (LDDP) HAS SLIPPED TO 7.1 PERCENT.

5. (C) WITH THE RULING LDDP IN DISARRAY, CONSERVATIVE PARTY MEMBERS ARE BEGINNING TO DISCUSS THE OPTIONS FOR FORMING A COALITION WITH LIKE-MINDED PARTIES AFTER THE PARLIAMENTARY ELECTIONS THIS FALL. ONE SCENARIO BEING DISCUSSED IS THAT FORMER HEAD OF STATE LANDSBERGIS (CONSERVATIVE) WOULD BE SPEAKER OF THE PARLIAMENT (SEIMAS) PENDING A POSSIBLE RUN FOR PRESIDENT OF LITHUANIA IN 1998. GEDIMINAS VAGNORIUS (CONSERVATIVE) AND ALGIRDAS SAUDARGAS (CHRISTIAN DEMOCRAT) WOULD RETURN TO THEIR PRE-1992 POSITIONS AS PRIME MINISTER AND FOREIGN MINISTER.

6. (C) THE CENTRISTS (ESSENTIALLY FORMER DEPUTY PRIME MINISTER ROMUALDAS OZOLAS AND BALTIC ASSEMBLY CHAIRMAN EGIDIJUS BICKAUSKAS, BOTH OF WHOM WOULD EXPECT SENIOR POSITIONS) WOULD ALSO BE WELCOMED BY THE CONSERVATIVES, WHO FEEL LESS ENTHUSIASTIC ABOUT JOINING WITH THE SOCIAL DEMOCRATS (LARGELY DUE TO PERSONALITY CONFLICTS). ALTHOUGH THE LDDP IS EXPECTED TO BE OUT OF THE RUNNING AS A POTENTIAL COALITION PARTNER, THE LARGE NUMBER OF OPPOSITION PARTIES WILL MAKE COALITION-BUILDING A

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DIFFICULT EXERCISE, AND THE CONSERVATIVES (IF THEY LEAD IT) WILL LIKELY HAVE TO CAST A WIDER NET.

...IN A POLICY VACUUM

7. (C) WHILE IT IS BEGINNING TO CONSIDER THE POLITICS OF THE ELECTION, THE OPPOSITION HAS NOT SPENT MUCH TIME ON LOOKING AT POLICY. HOT-BUTTON ISSUES LIKE JEWISH PROPERTY RESTITUTION AND THE PROSECUTION OF ALLEGED WAR CRIMINAL **ALEKSANDRAS LILEIKIS** HAVE BARELY CROSSED THEIR SCREENS. LARGER QUESTIONS LIKE NATO AND EU MEMBERSHIP ARE EQUALLY OPAQUE; WHILE MOST OPPOSITION MEMBERS SUPPORT BOTH IN PRINCIPLE, MANY MAINTAIN A XENOPHOBIC AND CAUTIOUS APPROACH TO FOLLOWING THROUGH ON THE NECESSARY LEGISLATION (E.G., AMENDING ARTICLE 47 TO ALLOW FOREIGN OWNERSHIP OF LAND) AND REORGANIZATION. THE OPPOSITIONS' PROGRAM: ATTACK THE IMF

B. (U) THE OPPOSITION'S UNPREPAREDNESS FOR GOVERNING WAS ON DISPLAY AT A JANUARY 19 MEETING OF THE SEIMAS FOREIGN RELATIONS COMMITTEE. TWO IMF REPRESENTATIVES WERE TREATED TO A VARIETY OF ACCUSATIONS BY COMMITTEE CHAIRMAN BOBELIS, LANDSBERGIS AND ALGIRDAS GRICIUS (WHO RECENTLY SUSPENDED HIS LDDP MEMBERSHIP). NONE OF THE QUESTIONS WERE GERMANE TO POLICY ISSUES. INSTEAD BOBELIS AND LANDSBERGIS ALL BUT ACCUSED THE IMF OF CONSPIRING WITH SLEZEVICIUS TO UNDERMINE THE BANKING SYSTEM. THE IMF REPS RESPONDED THAT "WE'RE WORKING WITH THIS (SLEZEVICIUS') GOVERNMENT, WE WORKED WITH YOUR (LANDSBERGIS') GOVERNMENT, AND WE'LL WORK WITH THE NEXT GOVERNMENT."

9. (U) BOBELIS TRIED TO PIN THE BLAME ON THE CENTRAL BANK, WHICH THE IMF REPS REJECTED. THEY SAW MORE FAULT IN THE CONDUCT AND MANAGEMENT OF THE TWO CLOSED BANKS, INNOVATION AND LITIMPEKS. LANDSBERGIS, VOICING THE CONSERVATIVES' DESIRE TO DELINK THE LITAS FROM THE DOLLAR (CURRENTLY 4:1), DECRIED THE "RATE OF THE LITAS TO BREAD". PICKING UP ON LANDSBERGIS' QUESTION, FELLOW CONSERVATIVE EMANUEL ZINGERIS AND SOCIAL DEMOCRAT PLECKAITIS ASKED ABOUT THE CONSEQUENCES OF DELINKING THE LITAS. THE IMF REPS SUGGESTED THAT IT WOULD MAKE NO FISCAL SENSE IN THE ABSENCE OF A BALANCED BUDGET OR A BUDGET SURPLUS.

POSSIBLE OPPOSITION ROLE FOR DEFENSE MINISTER?

10. (C) DEFENSE MINISTER LINKEVICIUS -- THE MOST LIKELY TO FOLLOW THROUGH ON HIS OFFERED RESIGNATION (REF B) -- IS THE ONLY CABINET MEMBER WHO HAS BEEN CONSISTENTLY SUPPORTED BY THE OPPOSITION. IT IS NOT CLEAR WHAT POLITICAL AMBITIONS THE 35-YEAR OLD MINISTER MAY HAVE, BUT AT LEAST THE CONSERVATIVES MIGHT BE INTERESTED IN

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SEEING HIM JOIN THEIR RANKS (HE HAS NOT SPOKEN TO THEM AS YET).

COMMENT

11. (C) WHILE THE OPPOSITION UNQUESTIONINGLY HAS THE MORAL UPPER HAND IN LITHUANIA, THEY ARE FAR FROM PREPARED TO GOVERN. THEIR APPROACH IS MORALISTIC AND POLITICAL -- JABBING THE LDDP WHENEVER POSSIBLE, BUT SHOWING LITTLE INCLINATION TO COORDINATE SERIOUS POSITIONS ON MAJOR ISSUES, ESPECIALLY THE ECONOMY AND MONETARY SYSTEM. (NOTE THE LACK OF UNDERSTANDING EVEN WITHIN THE CONSERVATIVE PARTY ITSELF FOR LINKING THE LITAS TO A WESTERN CURRENCY -- THE VERY BEDROCK OF THE RELATIVE STABILITY ACHIEVED IN THE LAST THREE YEARS). THE CHRISTIAN DEMOCRATS, AND ESPECIALLY THE CONSERVATIVES, HARBOR SUSPICIONS OF THE OUTSIDE WORLD, INCLUDING WESTERN ADVISORS, WHICH ARE UNDERSTANDABLE IN THE LIGHT OF THEIR EXPERIENCE IN (AND RESISTANCE TO) THE SOVIET SYSTEM, BUT INAPPROPRIATE TO THE TASK OF MOVING LITHUANIA INTO THE MODERN WORLD.

SWIHART

ADMIN
END OF MESSAGE

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