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TEXT

TAGS: PREL, PGOV, ETRD, PINR, EUN, NATO, LH
COMBINE: COMPLETE

SUBJECT: SCENESETTER FOR VICE PRESIDENT GORE'S MEETING
WITH LITHUANIAN PRIME MINISTER VAGNORIUS NOVEMBER 19

REF: VILNIUS 2909

CLASSIFIED BY AMBASSADOR KEITH SMITH. REASONS 1.5 B AND D.

SUMMARY AND ACTION REQUEST

~~Declassified and Approved for Release~~
by the Central Intelligence Agency

NAZI WAR CRIMES DISCLOSURE ACT

Date: 2003 2005

FOR COORDINATION WITH

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1. (C) AMBASSADOR MET NOVEMBER 10 WITH PRIME MINISTER VAGNORIUS TO DISCUSS HIS NOVEMBER 19 MEETING WITH VICE PRESIDENT GORE. VAGNORIUS EXPECTS TO DISCUSS NATO AND EU ENLARGEMENT ISSUES, AND WILL ALMOST CERTAINLY MAKE A PLEA FOR U.S. INTERVENTION ON LITHUANIA'S BEHALF WITH THE BRITISH AND GERMAN GOVERNMENTS REGARDING THE EU SUMMIT. THE PRIME MINISTER HAS BEEN CRUCIAL TO MAKING SUCCESSFUL OPPORTUNITIES FOR U.S. BUSINESS, WITH THE LANDMARK INVESTMENT OF THE WILLIAMS COMPANY SETTING THE STAGE FOR FURTHER SUCH OPPORTUNITIES. GIVEN THESE FACTS, WE ASK THE WHITE HOUSE TO RELEASE AN APPROPRIATE SUPPORTIVE STATEMENT ON THE DAY OF THE MEETING (SEE PARA 15 FOR DRAFT STATEMENT).

2. (C) HE HAS SUPPORTED U.S. INVOLVEMENT IN THE FACE OF HARSH CRITICISM FROM EU GOVERNMENTS AND OF THE LEFTIST WING IN PARLIAMENT. WHILE WANTING TO SEE IT CLOSED, VAGNORIUS IS ALSO CONCERNED THAT THE ISSUE OF LITHUANIA'S NUCLEAR POWER PLANT BE CONSIDERED IN A TECHNICAL RATHER THAN POLITICIZED PERSPECTIVE AND MAY SEEK THE VICE PRESIDENT'S THOUGHTS ON THE ISSUE. VAGNORIUS IS WELL PLACED TO DISCUSS SOME ISSUES OF CONCERN TO THE JEWISH COMMUNITY, AND CAN OFFER CANDID AND DIRECT ASSESSMENT TO CONDITIONS IN RUSSIA. END SUMMARY.

INTRODUCTION

3. (C) GEDIMINAS VAGNORIUS, LITHUANIA'S 41-YEAR OLD PRIME MINISTER, IS THE PRIME MOVER BEHIND HIS GOVERNMENT'S EFFORTS TO EMULATE WESTERN VALUES AND STANDARDS. FOCUSING GENERALLY ON ECONOMIC AND COMMERCIAL MATTERS, HE IS A RESOUNDING AND CONSISTENT PROPONENT OF U.S. BUSINESS. VAGNORIUS HAS MADE A COMMITMENT TO INCREASE STRATEGIC INVESTMENT AND TRADE SPECIFICALLY WITH THE U.S., WHILE REMAINING DEEPLY INTERESTED IN POLITICAL AND STRATEGIC ISSUES SUCH AS NATO ENLARGEMENT AND LITHUANIA'S REGIONAL RELATIONSHIPS. HE CAN TAKE FULL CREDIT FOR THE SUCCESSFUL CAMPAIGN TO BRING THE WILLIAMS COMPANY OF TULSA, OKLAHOMA - - TOGETHER WITH A USD 300 MILLION INVESTMENT -- INTO LITHUANIA'S OIL SECTOR. IN ADDITION, HE WAS THE KEY SUPPORTER OF THE MULTI-MILLION DOLLAR "POWERBRIDGE" ENERGY TRANSMISSION PROJECT WON BY A U.S. CONSORTIUM.

4. (C) VAGNORIUS' EFFORTS HAVE BEEN CHARACTERIZED AS MICROMANAGEMENT BY HIS OPPONENTS, AND IT MAY BE TRUE THAT HE IS PERSONALLY INVOLVED WITH MOST OF THE GOVERNMENT'S DECISIONS; HOWEVER, ON EVERY OCCASION WHEN WE HAVE DEALT WITH HIM, HIS JUDGMENT AND ABILITY TO DISCERN THE NATURE OF A PROBLEM HAVE BEEN EXCELLENT.

5. (C) WELL ESTABLISHED IN THE JOB, WHICH HE HAS HELD SINCE OCTOBER 1996, VAGNORIUS HAD ALSO BEEN PRIME MINISTER FROM 1991 TO 1992. HE HAS LEARNED FROM HIS EARLIER EXPERIENCES, WHEN HE WAS ROUNDLY CRITICIZED FOR PRESIDING OVER LIMITED FINANCIAL DEVELOPMENT AND A STUNTED

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PRIVATIZATION PROGRAM. A MEMBER OF THE CONSERVATIVE PARTY, HIS OUTLOOK IS FAR MORE FORWARD-LOOKING THAN THAT OF CONSERVATIVE PARTY CHAIRMAN (AND FREQUENT INTERNAL OPPONENT) VYTAUTAS LANDSBERGIS, NOW CHAIRMAN OF THE PARLIAMENT. NOTABLY, VAGNORIUS HAS STRENGTHENED HIS CREDIBILITY (AND EARNED LANDSBERGIS' DISDAIN) BY WORKING CLOSELY WITH PRESIDENT ADAMKUS SINCE THE LATTER'S INAUGURATION IN FEBRUARY 1998.

6. (C) VAGNORIUS' LEADERSHIP HAS BEEN CRUCIAL TO LITHUANIA'S ECONOMIC PROGRESS. CUMULATIVE FOREIGN DIRECT INVESTMENT FROM 1991 TO THE PRESENT HAS NEARLY DOUBLED (FROM USD 1 BILLION TO USD 2 BILLION) THIS YEAR ALONE; INFLATION IS LOW AND ECONOMIC GROWTH IS GOOD, WHILE FOREIGN RESERVES ARE OVER USD 1.5 BILLION.

SUPPORT FOR AMERICAN BUSINESS

7. (C) IN ADDITION TO THE WILLIAMS DEAL, VAGNORIUS HAS CONSISTENTLY PROVEN HIS SUPPORT FOR AMERICAN COMPANIES. WHERE U.S. FIRMS HAVE WON TENDERS AND BEEN CHALLENGED, HIS ADVOCACY -- DESPITE EUROPEAN PRESSURE; SEE PARA 5 BELOW -- HAS BEEN FIRM; WHEN U.S. COMPANIES HAVE RAISED SPECIFIC ISSUES, HE HAS FULLY ENGAGED HIS STAFF TO RESOLVE PROBLEMS AND EXPAND COMMERCIAL OPPORTUNITIES. HE STRONGLY DEFENDED THE INTERESTS OF U.S.-OWNED OMNITEL, THE MAJOR MOBILE PHONE PROVIDER LINKED TO MOTOROLA, WHEN TELECOM PRIVATIZATION THREATENED THEM. VAGNORIUS IS THE FIRST PRIME MINISTER TO MAKE A SERIOUS EFFORT TO ERODE THE SEDIMENTARY LAYERS OF BUREAUCRACY THAT REMAIN FROM THE DAYS OF SOVIET OCCUPATION. FOR THESE REASONS, WE BELIEVE THE VICE PRESIDENT SHOULD POSITIVELY ENDORSE VAGNORIUS' WORK ON BEHALF OF U.S. COMMERCIAL INTERESTS.

EUROPEAN UNION

8. (C) WHILE DISAPPOINTED TO HEAR THAT THE EU HAS DEFERRED ANY INVITATION TO LITHUANIA TO BEGIN NEGOTIATIONS FOR MEMBERSHIP, VAGNORIUS REMAINS ANXIOUS TO GET U.S. PROVIDE MORAL SUPPORT FOR LITHUANIAN EFFORTS TO ENTER THE EU, AND ENGAGE EU MEMBERS -- PARTICULARLY THE UK AND GERMANY -- ON LITHUANIA'S BEHALF WHERE POSSIBLE. WE HAVE CONSISTENTLY ARGUED THAT NOT BEING A MEMBER, WE CANNOT INFLUENCE THE EU'S ENLARGEMENT PROCESS, BUT ANY WORDS OF ENCOURAGEMENT THAT THE VICE PRESIDENT CAN OFFER WOULD BE GRATEFULLY RECEIVED. (NOTE: THE RECENT EU DECISION MAY CHANGE HIS THINKING SOMEWHAT, BUT THE VICE PRESIDENT SHOULD BE PREPARED TO RESPOND WHEN VAGNORIUS REQUESTS U.S. ADVOCACY FOR LITHUANIAN EU ACCESSION. END NOTE.)

9. (C) OF PARTICULAR CONCERN TO VAGNORIUS -- AND ESPECIALLY TO THIS EMBASSY -- IS THE EFFORT OF THE GERMANS HERE TO LINK BUSINESS OPPORTUNITIES TO EU MEMBERSHIP CHANCES (REFTEL). WE HAVE NOT SEEN EVIDENCE THAT OTHER

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EUROPEAN EMBASSIES ARE MAKING SIMILAR ARGUMENTS -- WHICH HAVE BEEN QUIETLY REPUDIATED BY THE EUROPEAN COMMISSION DELEGATION -- BUT ARE VERY UNHAPPY THAT VAGNORIUS' EFFORTS TO KEEP THE PLAYING FIELD LEVEL FOR U.S. BUSINESS HAVE LED TO "EUROPEAN" COMPLAINTS.

NATO

10. (C) WHILE COMPLETELY COMMITTED TO BRINGING LITHUANIA INTO THE ALLIANCE, VAGNORIUS IS NOT AN ORIGINAL THINKER ON NATO. THE LITHUANIANS UNDERSTAND THAT IT IS UNLIKELY THAT ANY NEW MEMBERS WILL BE INVITED AT THE APRIL 1999 SUMMIT, A FINDING WHICH THEY SUPPORT. AS NOTED IN THE OSD/EUCOM DEFENSE ASSESSMENT OF LITHUANIA, THEY HAVE MADE GREAT PROGRESS ON THE PATH TO MEMBERSHIP, MOVING CLOSELY TOWARDS A DEFENSE BUDGET AT TWO PERCENT OF GDP AND IN BUILDING THE BEST MILITARY IN THE BALTICS, BUT RECOGNIZE THAT THEY HAVE FAR TO GO. AND WHILE UNDERSTANDING THAT HIS INFLUENCE ON POLICY IS ONLY PERIPHERAL, LITHUANIA WAS FURTHER ENCOURAGED BY ZBIGNIEW BRZEZINSKI'S THESIS THAT LITHUANIA AND SLOVENIA SHOULD BE THE NEXT TWO NATO MEMBERS. STATING THE GOL POSITION, VAGNORIUS MAY MAKE A PLEA FOR SPECIFIC MENTION OF EACH OF THE BALTIC STATES IN THE SUMMIT COMMUNIQUE, AN IDEA WHICH BUILDS ON THE JULY 1997 MADRID SUMMIT COMMUNIQUE (WHICH MENTIONED ONLY "THE BALTIC STATES").

ISSUES OF CONCERN TO THE JEWISH COMMUNITY

11. (C) VAGNORIUS IS THE STRONGEST GOL SUPPORTER OF CONSERVATIVE PARTY COLLEAGUE EMANUELIS ZINGERIS, CHAIRMAN OF THE PARLIAMENT'S HUMAN RIGHTS COMMITTEE AND THE ONLY JEW IN THE SEIMAS. HE HAS BEEN OUR KEY GOL INTERLOCUTOR IN WORKING TO BRING ACCUSED WAR CRIMINAL **ALEKSANDRAS LILEIKIS** (WHO FINALLY APPEARED IN COURT NOVEMBER 5) TO TRIAL, AND HAS CONSISTENTLY DEMONSTRATED HIS WILLINGNESS TO REMOVE LEGAL OBSTACLES TO DOING SO. HE IS SYMPATHETIC TO CLAIMS FOR THE RESTITUTION OF PROPERTY AND HAS ENDORSED THE RETURN OF HUNDREDS OF TORAH SCROLLS IN THE POSSESSION OF THE NATIONAL LIBRARY TO THE JEWISH COMMUNITY.

NUCLEAR POWER

12. (C) LITHUANIA IS THE MOST DEPENDENT ON NUCLEAR POWER OF ANY COUNTRY IN THE WORLD. DECOMMISSIONING THE RBMK-TYPE IGNALINA NUCLEAR POWER PLANT HAS BEEN INCREASINGLY RAISED AS A POLITICAL ISSUE RELEVANT TO LITHUANIA'S EU MEMBERSHIP ASPIRATIONS; VAGNORIUS TOLD THE AMBASSADOR NOVEMBER 10 THAT A RECENT LETTER FROM VAN DEN BROEK WAS AT ODDS WITH EARLIER PLANS (WORKED OUT WITH JACQUES SANTER) TO CONVENE A GROUP OF INTERNATIONAL EXPERTS TO DISCUSS CLOSING IGNALINA DOWN. WE SHARE VAGNORIUS' CONCERN THAT THE ISSUE OF CLOSING DOWN AN INHERENTLY UNSAFE PLANT SHOULD BE A QUESTION FOR EXPERTS

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RATHER THAN POLITICIANS.

WTO

13. (C) WITH LATVIA JOINING THE WORLD TRADE ORGANIZATION RECENTLY, LITHUANIA'S INTEREST IN MEMBERSHIP HAS RAISED SOMEWHAT. STILL BURDENED WITH A PROTECTIONIST AGRICULTURAL SECTOR, WHERE TARIFFS ON SUCH COMMODITIES AS GRAIN, DAIRY PRODUCTS AND SUGAR HAVE BECOME INSTITUTIONALIZED, IT WILL TAKE A COMMITMENT FROM VAGNORIUS TO MOVE LITHUANIA FORWARD. WE WOULD ENCOURAGE THE VICE PRESIDENT TO IMPART TO VAGNORIUS THAT WHILE THE U.S. WILL DO EVERYTHING IT CAN TO SUPPORT LITHUANIAN MEMBERSHIP IN THE WTO, LITHUANIA ITSELF MUST WORK TO IMPROVE ITS CHANCES.

GENERAL FOREIGN POLICY

14. (C) ON DIRECT FOREIGN POLICY MATTERS, VAGNORIUS GENERALLY DEFERS TO FOREIGN MINISTER SAUDARGAS AND HIS MINISTRY. NEVERTHELESS, HE IS WELL AWARE OF SUCH ISSUES AND HAS PROFESSIONALLY ENGAGED MANY OF HIS COUNTERPARTS IN EUROPE, INCLUDING PRIMAKOV (WHO HAD VISITED AS FOREIGN MINISTER EARLIER THIS YEAR). HE WOULD BE VERY PLEASED TO OFFER THE VICE PRESIDENT HIS INSIGHTS INTO RELATIONS WITH RUSSIA.

ACTION REQUEST: PUBLIC STATEMENT

15. (C) GIVEN THE SIGNIFICANCE OF THE PRIME MINISTER'S MEETING WITH THE VICE PRESIDENT AND VAGNORIUS' CRITICAL ROLE IN SUPPORT OF U.S. BUSINESS IN THE FACE OF STRONG DOMESTIC AND EU CRITICISM, POST ASKS THAT THE FOLLOWING STATEMENT -- THE DRAFT BELOW HAS NOT BEEN SHARED OUTSIDE THE EMBASSY -- BE RELEASED BY THE WHITE HOUSE ON THE OCCASION OF THE MEETING NOVEMBER 19:

"THE VICE PRESIDENT WILL MEET/MET TODAY WITH LITHUANIAN PRIME MINISTER GEDIMINAS VAGNORIUS. THE UNITED STATES IS GRATEFUL FOR THE DISTINGUISHED WORK OF THE PRIME MINISTER, WHO HAS CONSISTENTLY WORKED TO REFORM LITHUANIA'S ECONOMY AND CREATE AND IMPROVE OPPORTUNITIES FOR AMERICAN BUSINESS INTERESTS IN HIS COUNTRY. WHILE OUR NATIONS REMAIN CLOSE, THE ROLE OF THE PRIME MINISTER AND HIS GOVERNMENT HAS BEEN PARTICULARLY CRITICAL TO RESTORING LITHUANIA'S ECONOMIC PROSPERITY AND CONFIRMING ITS COMMITMENT TO HIGH STANDARDS OF FREEDOM AND JUSTICE."

END TEXT OF DRAFT STATEMENT. SMITH

ADMIN

END OF MESSAGE

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