

**July 28, 1989**  
**USSR: Baltic Republics Move toward Economic  
Autonomy**

**Citation:**

"USSR: Baltic Republics Move toward Economic Autonomy", July 28, 1989, Wilson Center Digital Archive, Approved for Release by the Central Intelligence Agency, October 29, 2019.

<https://wilson-center-digital-archive.dvincitest.com/document/209451>

**Summary:**

An analysis of reforms for economic autonomy in the Baltics.

**Original Language:**

English

**Contents:**

Original Scan

3393

~~Top Secret~~

6.2(d)

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**USSR: Baltic Republics Move Toward Economic Autonomy**

The Supreme Soviet yesterday gave the Baltic republics the green light to shift to self-financing in January, ahead of other regions. It also endorsed in principle the Lithuanian and Estonian draft laws on economic autonomy and set up a commission to prepare revised versions by October. The debate was sharp, and some top leaders—including Politburo member Vorotnikov and State Planning Committee head Maslyukov—raised numerous objections to the laws, proposing that their approval be delayed. The Latvian legislature yesterday joined Lithuania and Estonia in approving an economic autonomy plan. Russian workers in Estonia have staged brief strikes this week to protest proposed electoral laws that would take the vote away from recent immigrants and soldiers.

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**Comment:** The vote is a major victory for Baltic nationalists, who regard republic economic autonomy as a key step toward achieving independence from Moscow. It also significantly advances President Gorbachev's campaign to decentralize economic decision making. Nevertheless, many issues—including ownership of land and resources, local currency, and control over republic budgets—remain unresolved, and opposition from the Moscow bureaucracy to the Baltics' initiatives is likely to remain strong. Many Russians in the Baltics favor economic reform, but they are concerned that local nationalists would use republic economic autonomy to close enterprises traditionally dominated by Russians and redistribute housing and other amenities.

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~~Top Secret~~  
TCS 2874/89  
28 July 1989