
RECOMMENDATIONS



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The Advisory Group's recommendations for U.S.-Russia policy proceed from ten principles:

- Russia's immense economic potential as a trading partner, its ability to influence Europe, the Middle East, South and Central Asia, and the Far East, its military importance as a friend rather than a foe, and the fundamental commonality of Russian and American interests make the U.S.-Russia relationship of continued central importance in U.S. foreign policy. Russia's importance in the world is multidimensional, and is not confined to its current or potential military power.
- The United States, our friends and allies, and the world are more threatened today by Russian economic, political, and social weaknesses than by Russian strength. Virtually every major problem in U.S.-Russia relations is directly or indirectly traceable to Russia's failure to complete a successful transition from Communism to free enterprise, and from a Soviet police state to a stable, securely democratic, and free society. U.S. policy should never seek to prolong or exploit Russia's weakness, but should seek to empower Russia to build upon her strengths.
- The unprecedented, across-the-board deterioration in Russian perceptions of the United States and of democracy and free enterprise during the past eight years represents a United States foreign policy disaster of the first magnitude. Unmitigated, the implications could be comparable to the collapse of democratic values in interwar Germany, or the early and mid-20th century triumph of Communist dictatorships in Russia, China, and Central Europe.
- It is a vital interest of the United States to revive the strong relationship with the newly-independent Russian Federation that existed in 1992. Despite the extent of the damage U.S.-Russia relations have suffered during the intervening years, the United States must not perceive this damage as irreversible, nor that the current impasse in relations with Russia is intractable, nor that Russia's negative perceptions of the United States, democracy, and free enterprise are immutable.
- A stable, secure, democratic, and prosperous Russia is a vital American interest. Therefore, essential elements of rebuilding the U.S. relationship with Russia are an immediate focus upon the creation of the legal foundation for a free enterprise economy premised upon private economic decision making and the creation of intermediary financial institutions that serve the people of Russia rather than a corrupt elite. The counterproductive nature of American economic advice and aid in the past—in particular, support for massive, virtually unconditional subsidies to the Russian central government—should cause the United States to rethink the economic strategies it has promoted, *not* to abandon efforts to help Russia build a strong and free economy. These efforts must, however, be pursued in a different spirit. The Clinton administration's attempts to macromanage Russia's economy have harmed Russia and U.S.-Russia relations, just as Russian maintenance of Soviet-era controls on the economy have done. American policy must proceed from the premise that individual Russians—not the Russian government, *or* the U.S. government—must create their own economic future.
- U.S. friendship with Russia requires a clear articulation of American interests, values, and policies. It requires that the U.S. government speak frankly when and if Russia engages in activities harmful to America's national interests. This does not require hectoring or seeking unilateral advantage, and does not preclude acceptable compromises of honest differences. It *does* preclude the Clinton administration's lack of directness concerning such serious bilateral disputes as weapons proliferation to Iran, a U.S. defense against ballistic missiles, the war in Kosovo, the war in Chechnya, or NATO enlargement. By protracting negotiations over such fundamental issues and by failing to proceed with the execution of American priorities (as, for example, in its dragging out of NATO enlargement over more than the entirety of two presidential terms), the Clinton administration raised false hopes in Moscow, damaged American credibility, and significantly strengthened Russian hostility. An honest acceptance of such differences would have





been healthier for U.S.-Russian relations. Honesty and forthrightness are far better long-term guarantees of friendship than disingenuous temporizing.

- It is vital that the U.S. government avoid exaggeration of success and concealment of failure in U.S.-Russia relations. Such practices have been a hallmark of U.S. Russia policy during the 1990s. Misleading the American people—for example, about the empty “detargeting” agreement that President Clinton and Vice President Gore trumpeted to the public—ultimately engenders cynicism and undermines the necessary base of American public support for stronger U.S.-Russian relations.
- Building a successful Russia policy requires the full attention and active direction of the President of the United States. President Clinton failed to make the reconstruction of Russia at the end of the Cold War *his* priority. He failed to devote sufficient time and sustained attention to formulating a Russia policy. He failed to promote the Russia policy of his subordinates to the Congress, to the American people, and to others within his own executive branch. Each failure made the U.S. policy-making process less disciplined and less focused. These failures contributed directly to economic and foreign policy debacles in Russia. The President must lead.
- The United States must build a broad base for its policy in Russia, extending beyond relationships among a handful of executive branch officials to a broad spectrum of government officials, factions of the State Duma, regional governors, legislators and political leaders, and, most importantly, Russian private citizens and private-sector organizations interested in developing not oligarchy but free enterprise.
- The United States and Russia share equal responsibility for our future relations. The Russian government should be expected to forthrightly advance the Russian national interest. But as we seek close relations with Russia we must do so on the basis of American values and international norms such as respect for sovereignty and the inviolability of national borders. A willingness to accept America’s legitimate interests as a basis for a bilateral relationship based on mutual advantage remains an essential ingredient of successful U.S.-Russian relations.

With these principles in mind, the Advisory Group recommends:

1. Engage Russians across the political spectrum.

During the Clinton administration, a small group of American and Russian executive branch officials dominated the U.S.-Russia relationship. The Advisory Group recommends that the next administration undertake a much broader engagement across the Russian political spectrum and institutions of government. This engagement would extend to the full range of relevant executive branch decision makers and the main factions in the Duma, and also include the regional governors, regional legislatures, mayors, and other local government officials. The range of American interlocutors for Russia should also be expanded beyond the U.S. executive branch. The Advisory Group recommends the creation of institutional relationships and opportunities for increased communication and cooperation at all levels of government. The existing Duma-Congress Study Group is a model for creating institutional relationships between American and Russian governors, mayors, and legislators.

Of even greater importance, however, is an expansion of the U.S. government’s engagement beyond the political sphere to the private sector, including the business community, non-governmental organizations, the academy, think tanks, the clergy, and rural and agricultural sectors in all regions of the Russian Federation.

The broader and deeper engagement these initiatives would promote is a prerequisite for U.S. policy makers to maintain perspective on events in Russia, and will give a wider range of Russians a direct account of U.S. policy and motivations.



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2. Give priority to private, not government, solutions.

The most basic failing of U.S. policy during the Clinton and Yeltsin administrations was the emphasis on strengthening the Russian central government, instead of focusing on the essential task of limiting the role of the state in Russia and constructing the basis for a free enterprise system in which private individuals order economic affairs. The United States should redirect its efforts into assisting Russia to identify laws and regulations that continue to place the state in a central economic role in Russia, and to replace them with laws to fully legalize: private property; limited-liability private partnerships and corporations for the pursuit of commercial and agricultural enterprises of all types; private insurance; private intellectual property; private commercial, investment, and merchant banks; and private capital markets. This project should be undertaken in cooperation with the Duma, the executive branch, and regional executive and legislative branches—and should be pursued with more urgency than has thus far been the case.

Russia's private sector will not flourish, and foreign money will not be invested in sufficient quantity, until a world-class banking system, which pays and charges free-market interest rates and otherwise conforms to international norms of commercial behavior, is established, and until domestic and foreign investors enjoy reliable legal protections. The United States should stand ready to assist in the creation of such banking legislation to the extent requested by Russia or Russians.

The United States should assist in the further development of a uniform commercial code in the Russian parliament and each of Russia's 89 regional legislatures. Such a code remains necessary to provide a basic set of rules that can be relied upon by any person who wishes to participate in the Russian marketplace.

3. Engage the Russian people, not just the Russian government.

U.S. relations with Russia should be more broadly based than institutional relations among governmental bodies. The Advisory Group endorses expansion of existing people-to-people exchange programs such as the Library of Congress' Russian Leadership Program and the Center for Citizen Initiatives program, as well as programs run by the State Department such as the Fulbright Program, the Internet Access and Training Program, the Russian-U.S. Young Leadership Program, and the International Visitors Program. Such programs give individual Russians the opportunity to observe American democracy and the market economy, while helping Americans better understand the opportunities and challenges in Russia, and allowing both host and guest to share experience and expertise. Such programs are particularly valuable to the extent that they promote contacts with Russians living outside of the capital. The Advisory Group particularly endorses an expansion of the number of Russian exchange students at American universities, especially where the exchange programs assist students studying economics, business, marketing, and agriculture.

4. Enlist the support of the U.S. private sector for the establishment of a cooperative surveying and titling project in each of Russia's 89 regions on a far more urgent basis than has thus far been undertaken.

The enactment of sturdy legal protections for private property, privately-made contracts, and commercial transactions is a fundamental prerequisite to the development of free enterprise in Russia. Entrepreneurial activity and the growth of competitors to the "privatized" monopolies will be severely stunted without the capital that private property rights will make available to the Russian economy.

The availability of marketable title to privately-owned real estate is an essential—and still missing—ingredient of the free enterprise system that Russia seeks to develop. Russia's land is a source of enormous potential wealth, both as security for commercial lending and as a valuable asset in its own right for the development of Russian housing, agriculture, commerce, and recreation. To permit Russia's citizenry to tap this existing source of wealth, a nationwide effort must be undertaken to precisely describe the boundaries and ownership history of all potentially marketable state-owned and privately-owned land in Russia—and to do so on a far more accelerated basis than has been considered feasible in recent years.





The legal descriptions of surveyed property and the complete record of its ownership, including all legally valid claims, liens, and rights of others besides the recorded landowner, should be published on the Internet, as well as stored in publicly-accessible land title registries within each region. The project should draw upon the expertise of American surveyors, cartographers, abstracters, title insurers, and other real estate, civil engineering, and land title professionals, and should have as its objective the establishment of the basis for a flourishing competitive market in private title insurance and real estate services throughout Russia by 2005.

5. Make U.S.-Russia relations a presidential responsibility of first importance.

The Advisory Group recommends that the next president and secretary of state take direct responsibility for U.S. relations with Russia, instead of diminishing their importance by delegating plenary responsibility to subordinates. The Advisory Group further recommends that the focus on summits be replaced with regular and frequent interactions similar to the relationships the U.S. maintains with its G-7 partners. This will broaden the scope of U.S.-Russia relations beyond the obvious issues where the two countries have diverging views, as well as promoting reasonable compromises that serve American interests on such issues.

6. Place greater reliance on available sources of U.S. intelligence and analytic capability regarding Russia.

During the Clinton administration, information developed by the U.S. government, either by the intelligence community or by the American Embassy in Moscow, was routinely disregarded if it clashed with the administration's policy views or political interests. The Advisory Group recommends that the next administration not only give more attention to reporting on the effects of its policies, but also strengthen intelligence and analytic capabilities. The deconstruction of a large part of the intelligence community's analysis and collection capability on Russia has proven to be a serious mistake. Russia's enormous strategic importance requires that it receive the most thorough attention and analysis. Congress should direct, through the intelligence oversight committees of the House and Senate, additional resources to rebuild our Russia-related intelligence capabilities—not to Cold War levels, but to levels reflecting Russia's relative importance.

The United States government should also give appropriate weight to the observations of Americans in Russia—including U.S. Embassy personnel, members of the intelligence community, U.S. correspondents writing from Russia, and private individuals—to provide for more thoughtful analysis of facts, trends, political developments, and financial, academic, and social information concerning Russia.

7. Consolidate U.S. assistance programs.

The Advisory Group, recognizing that the Clinton administration's macroeconomic assistance for Russia has failed, recommends the consolidation of U.S. assistance into a few core projects that will accelerate Russia's transition to free enterprise, including exchanges, training and compensation for judicial branch officials, enactment of legislation to establish enforceable property rights and a commercial code, and privately-owned housing, and building on regional initiatives started under the Freedom Support Act. Such aid should be properly directed whenever possible toward the regions, rather than Moscow, and should be focused on the creation of a broad-based Russian middle class.

8. Improve humanitarian assistance for Russia's health problems.

In light of the deepening health challenges following Russia's 1998 economic collapse, the Advisory Group recommends that the United States consider ways to improve the effectiveness of the pharmaceutical, medical, and health-care assistance provided to Russia, taking particular care to do no further harm to the only long-term solution to such challenges—the inclusion of these sectors in a growing market economy.



9. Protect the Russian people from further governmental abuse of IMF lending.

The Russian government's dangerous accumulation of debt via the International Monetary Fund and other international lenders, and the misapplication of that money through corruption within and without the Russian government, contributed to the total collapse of Russia's economy in 1998. It has also created a heavy burden of debt. The Advisory Group notes that for these reasons many reform-minded Russian officials have strongly advocated an end to further borrowing from the IMF.

The Advisory Group recommends that the United States condition any further support in the IMF of new Russian sovereign borrowing, and through its participation in the IMF Board of Governors work to condition any such lending to Russia (whether for refinancing of existing Russian debt or the extension of any new credit), on the enactment of legal reforms needed to establish a free enterprise economy in Russia, and to stem capital flight and money laundering. Among the other conditions that should be sought are an end to Russian barriers to international trade and cooperation with U.S. and other law enforcement authorities in combatting money laundering.

In addition, in evaluating its support for lending by the IMF and other international financial institutions, the U.S. should insist on Russian cooperation in efforts to curtail the use of off-shore havens for "hot-money" transfers, and to identify and prosecute money laundering schemes. Such cooperation in rooting out money laundering would do much to reduce capital flight and instill foreign and domestic confidence in Russian financial institutions.

Any such lending agreement should itemize with specificity the proposed use of any loan proceeds, which should not include the financing of operating deficits of the Russian central government, subsidization of state-owned or private industry, or investment in state-owned or commercial projects. It should also include effective accounting and monitoring controls.

Finally, in considering whether to support such further lending the United States should assess Russia's progress towards seeking a political solution to the war in Chechnya, an end to Russian subsidies and loans to Serbia, Belarus, and Cuba, and the cessation of exports of potentially destabilizing weapons to countries of concern.

10. Consider only conditional rescheduling of Russia's inherited Soviet-era debt.

The Advisory Group recommends, in light of Russia's existing foreign reserves, that the United States oppose outright debt forgiveness for Russia, but offer support for conditionally rescheduling that portion of Russia's external debt incurred by the Soviet Union before 1992. Because the bulk of Russia's debt is owed to governments other than the United States, the Advisory Group specifically recommends that the United States not exert pressure upon other allied governments to agree to debt rescheduling, and further recommends that to the extent rescheduling is considered, the United States suggest meaningful and enforceable conditions, which should include a political solution to the war in Chechnya; an end to Russian subsidies and loans to Serbia, Belarus, and Cuba; the cessation of exports of potentially destabilizing weapons to countries of concern; an end to Russian barriers to international trade; and cooperation with U.S. and other law enforcement authorities in combatting money laundering.

11. Work to combat the spread of Russian crime abroad, and its influx into the United States.

The Clinton administration has failed to adequately respond to requests for assistance from international prosecutions of money laundering activities connected to Russia. The Advisory Group recommends that to combat the spread of crime from Russia the U.S. government improve cooperation with honest foreign law enforcement.

12. Repeal Cold War-era laws that impede relations with Russia.

The Advisory Group recommends that the committees of jurisdiction in the U.S. Congress carefully examine all aspects of the current statutory framework governing U.S. relations with Russia with the intention of removing outdated Cold War-era restrictions on full and normal U.S.-Russian relations. Much work in this area was



accomplished by the 1993 Friendship Act, which sought to remove many of the legal impediments to normal relations with Russia. Congress should complete the process by re-examining remaining provisions imposed during the Cold War.

13. Promote Russia's integration into the world economy.

The Advisory Group recommends that the United States promote Russia's integration into the world economy. Today, many Russian policies directly or indirectly discourage foreign investment and international trade. The United States should encourage Russia to adopt and enforce laws and policies that will allow Russia to enjoy the benefits of participation in the international marketplace. The United States should work with Russia for the adoption and enforcement of laws and policies that would enable Russia to accede to the World Trade Organization under appropriate commercial terms.

14. Review the status of human rights in Russia.

The Advisory Group recommends in light of developments in Chechnya, as well as questions concerning the state of press, political, and religious freedoms in Russia, that Congress and the executive branch conduct a comprehensive review of the status of human rights and democracy in Russia (including in particular the treatment of minorities and religious freedom), building on the work of the U.S. Commission on International Religious Freedom, the Advisory Committee on Religious Freedom Abroad, the Annual Report on International Religious Freedom called for by the International Religious Freedom Act of 1998, and the State Department's annual country report on human rights.

15. Forthrightly defend America's interests.

The Clinton administration has delayed and undercut vital national security initiatives, including a U.S. national missile defense, in a failed attempt to palliate the Russian government's opposition. These efforts have damaged America's national interest without diminishing—indeed, while actually increasing—Russian opposition. The next President should seek to negotiate a new security framework with Russia that allows the United States to defend itself effectively against the threat of ballistic missile attack. Previous agreements with the Soviet Union during the Cold War were negotiated in a bipolar strategic environment that no longer exists. The global proliferation of ballistic missiles and weapons of mass destruction necessitates a rethinking of this Cold War security paradigm. The United States should take all necessary actions to ensure that Americans and our allies and friends around the world are defended against this real and growing ballistic missile threat. To the maximum extent possible, this should be done cooperatively with Russia, in a way that makes clear that such defenses are not intended to secure unilateral advantage or to threaten Russia. However, U.S. policy should be clear and clearly articulated: the United States will not allow its people to be held hostage to the threat of ballistic missile attack.

The United States should forthrightly support continued enlargement of NATO, and should not mislead the Russian government through repetition of the Clinton administration's disingenuous promises of either an explicit or tacit veto over any nation's accession to the alliance, or of alliance activities. NATO and NATO enlargement promote stability and democracy, strengthen international peace, and do not threaten the legitimate interests of Russia or any other country. The United States should also strongly support the independence of the Baltic states, Ukraine, and the other nations that became independent at the fall of the Soviet Union. Their continued full independence and sovereignty are vital to international peace and security and a key goal of the United States.



Chapter 1

- 1 Craig Whitney, "Gorbachev Predicts an Accord on Budget," N.Y. TIMES, Jan. 4, 1991, p. A6.
- 2 Andrei Orlov, "Soviet Parliament Discusses Federal Budget," TASS, January 11, 1991.
- 3 Andrew Katell, "Yeltsin Calls for Ligachev's Resignation," Associated Press, May 30, 1988.
- 4 BORIS YELTSIN, THE STRUGGLE FOR RUSSIA (New York: Random House, 1994), p. 36.
- 5 In January 1990, to check the growing nationalist movement in Azerbaijan, Gorbachev sent a large contingent of Soviet troops to Baku. The Soviet Army killed 134 people and wounded more than 600. Today, the people of Azerbaijan remember this as "Black January."
- 6 In Tbilisi, on April 10, 1989, Soviet troops killed 20 Georgians, and injured more than 200, as they attempted to disperse thousands of nationalist demonstrators. These events are remembered today in Georgia as the "Tbilisi Massacre."
- 7 DAVID REMNICK, LENIN'S TOMB (New York: Vintage, 1994), p. 388.
- 8 *Id.* at p. 389. Remnick reported that word of Bloody Sunday got back to Moscow not via the primary Moscow media outlets, but through Radio Liberty and the BBC. See also Cathy Young, "Soviet Democrats Aren't Backing Down," NEWSDAY, Feb. 5, 1991, p. 37.
- 9 JUDY SHELTON, THE COMING SOVIET COLLAPSE (New York: Free Press, 1989).
- 10 See Sergei Roy, "The Economics of Suicide," MOSCOW NEWS, Sept. 22, 1999, p. 36.
- 11 Associated Press, Feb. 9, 1991.
- 12 *Id.*
- 13 John-Thor Dahlburg, "West is also Likely to Ignore Lithuania Vote," L.A. TIMES, Feb. 11, 1991, p. A4.
- 14 Chairman of the Council of Nationalities of the U.S.S.R. Supreme Soviet Rafik Nishanov explained the referendum this way in an interview a few days before the vote: "The main purpose of the forthcoming Referendum is to give every Soviet man and woman a chance to express his attitude to the Union of Soviet Socialist Republics, to say 'yes' or 'no' to our new homeland—the renovated federation of equal sovereign republics, where the rights and freedoms of all nationalities will be fully guaranteed." Official Kremlin International News Broadcast/PRAVDA, Mar. 13, 1991, via Federal Information Systems Corp./NEXIS.
- 15 Esther B. Fein, "Russians' Big Worry: New Sales Tax," N.Y. TIMES, Mar. 18, 1991, p. A10.
- 16 *Id.*
- 17 Associated Press, Apr. 29, 1991.
- 18 Elizabeth Shogren, "Soviet Georgia Declares its Independence," L.A. TIMES, Apr. 10, 1991, p. A8.
- 19 *Id.*
- 20 *Id.* See also "Statement by Georgian Commission on Deaths in Tbilisi Rally," in which the commission concluded that the massacre "was a punitive operation amounting to well organized slaughter of innocent people. It was carried out with particular brutality and involved the use of banned chemicals. It bore the hallmarks of an international crime and, specifically, of a crime against humanity."
- 21 Elizabeth Shogren, "Soviet Georgia Declares its Independence," L.A. TIMES, Apr. 10, 1991, p. A8. A year earlier, on April 3, 1990, Gorbachev had nullified Article 72 of the 1977 "Brezhnev" constitution, which purported to grant the republics the right freely to secede from the Soviet Union. See text of 2,700-word law in PRAVDA, Apr. 7, 1990; see Brian Crozier, "Soviet constitution," Letter to the Editor, THE TIMES (LONDON), Mar. 15, 1993. Instead, Gorbachev set out an impossibly bureaucratic procedure for secession—a process so tortuous it was never commenced by any of the seceding republics except Armenia.
- 22 Francis X. Clines, "Ukrainians Declare Republic Sovereign Inside Soviet System," N.Y. TIMES, July 17, 1990, p. A1.
- 23 Serge Schmemann, "Gorbachev Agrees, Sort of, to Negotiate the State of the Union," N.Y. TIMES, Apr. 28, 1991, p. A6.
- 24 "The Soviet Economy on the Brink," ECONOMIST, Mar. 16, 1991, p. 72.
- 25 *Id.*
- 26 Patricia Lee Dorff, ed., "Chronology 1991: The Soviet Union and Eastern Europe," FOREIGN AFFAIRS, 1991/1992 AMERICA AND THE WORLD.
- 27 Stephen Sestanovich, "Fiddler on the Roof: Gorbachev's Balancing Act," NEW REPUBLIC, May 27, 1991, p. 19.
- 28 Thom Shanker, "Soviets to Send Some Supplies to Lithuania," CHI. TRIB., June 14, 1990, p. A1.
- 29 Ann Imse, "Gorbachev Proposes Union of Sovereign States," Associated Press, June 13, 1990.
- 30 IZVESTIYA, Aug. 13, 1990.
- 31 Editorial, "Baltic Breakthrough," ORANGE COUNTY REGISTER, June 14, 1990, p. B10.
- 32 Alison Mitchell, "Yeltsin's Sweeping Victory; City Voters Stick it to 'Leningrad,'" NEWSDAY, June 14, 1991, p. 7.
- 33 Thom Shanker, "Old Russian City Switches Heroes and Its Name," CHI. TRIB., June 14, 1991, p. 24.
- 34 Patricia Lee Dorff, ed., "Chronology 1991: The Soviet Union and Eastern Europe," FOREIGN AFFAIRS, 1991/1992 AMERICA AND THE WORLD.
- 35 Carey Goldberg, "Soviet Officials Accused of Capitalizing on Bargain Country Homes," L.A. TIMES, July 15, 1991, p. 4.
- 36 *Id.*
- 37 Amy Borrus and Rose Brady, "The Soviets are Looking to Swap Reforms for Aid. Again," BUS. WEEK, June 3, 1991, p. 30.
- 38 John Lloyd and Lionel Barber, "The Moscow Summit: Bush Stresses need to Unleash Business Spirit," FINANCIAL TIMES (London), July 31, 1991, p. 13.
- 39 *Id.*
- 40 IZVESTIYA, July 11, 1991 (BBC translation).
- 41 *Id.*
- 42 See *infra* Chapter 3.
- 43 Andrew Rosenthal, "The Soviet Crisis, Bush Gamble: Coup Can Be Reversed," N.Y. TIMES, Aug. 21, 1991, p. A11.
- 44 MIKHAIL GORBACHEV, MEMOIRS (New York: Doubleday, 1995), p. 656.
- 45 Of course, such a step would also make the post of union president obsolete, completing the political destruction of Gorbachev.
- 46 Alison Mitchell, "Yeltsin Abandons Union: Russian leader proposes commonwealth, undercuts Gorbachev," N.Y. TIMES, Dec. 8, 1991, p. A7.
- 47 The Commonwealth of Independent States was created by the leaders of the three Slavic Republics (President Boris Yeltsin, Ukrainian President Leonid Kravchuk, and Byelorussian Parliamentary Speaker Stanislav Shuskevitch) in Viskuoi, a hunting lodge near the Polish-Belarus border. The joint communiqué committed the leaders to "unified control over the Soviet Union's 27,000 nuclear warheads."
- 48 The Intelligence Community, and particularly the CIA, have been unfairly criticized for allegedly failing to predict the fall of the Soviet Empire and the rise of Russia. In fact, a 1985 National Intelligence Estimate stated:

The U.S.S.R. is afflicted with a complex of domestic maladies that seriously worsened in the late 1970s and early 1980s. Their alleviation is one of the most significant and difficult challenges facing the Gorbachev regime. ...
Over the next five years, and for the foreseeable future, the troubles of the society will not present a challenge to the system of political control that guarantees Kremlin rule, nor will they threaten the economy with collapse. But, during the rest of the 1980s and well beyond, the domestic affairs of the U.S.S.R. will be dominated by the efforts of the regime to grapple with these manifold problems. ...
The underlying cause of most of these problems is the repressive nature of a political system that discourages initiative throughout the society on which economic and social progress depend, and that limits the private freedom Soviet citizens desire. ...
Gorbachev has achieved an upswing in the mood of the Soviet elite and populace. But the prospects for his strategy over the next five years are mixed at best. ...

Bruce D. Berkowitz and Jeffrey T. Richelson, "The CIA Vindicated: The Soviet Collapse was Predicted," NAT'L INTEREST, Fall 1995. As the collapse approached, the CIA assessment became so grave that in





September 1989 the Bush administration appointed a secret contingency planning group chaired by director of Soviet Affairs Condoleezza Rice to deal with the failure of Gorbachev's government. Cf. Vice President Al Gore's reaction to intelligence data, Chapter 6, *infra*.

- 49 President Reagan always considered the triumph of freedom to be inevitable:

I have discussed on other occasions the elements of Western policies toward the Soviet Union to safeguard our interests and protect the peace. What I am describing now is a plea and a hope for the long term—the march of freedom and democracy which will leave Marxism-Leninism on the ash heap of history as it has left other tyrannies which stifle the freedom and muzzle the self-expression of the people.

Address to the Members of Parliament, London, June 8, 1982.

In a speech that today reads as prophetic, President Reagan also emphasized the economic problems faced by the Soviet Union and what he viewed as a mission “to preserve freedom as well as peace.”

- 50 See, e.g., Strobe Talbott, “Rethinking The Red Menace,” *TIME*, Jan. 1, 1990, p.66 (“The doves in the Great Debate of the past 40 years were right all along”); Talbott, “Brezhnev’s Legacy,” *TIME*, Nov. 22, 1982, p. 31. In the same article Talbott derided at length a whole succession of American administrations of both parties for attempting to influence the composition and attitudes of the leadership in Moscow—an ironic criticism in light of Talbott’s unprecedented involvement in Russian internal politics during the Clinton administration.

Chapter 2

- 1 Within the flourishing Soviet black market, American-made jeans, cigarettes, and other Western products commanded the highest prices on the streets of Moscow and other Soviet cities. By the end of the 1980s, the Soviet Union was quietly—and illegally—undergoing a consumer revolution as the demand for and acquisition of Western products became widespread.
- 2 The widespread need to commit “economic crimes”—offenses that would *not* be crimes in a market economy—had the unfortunate effect of diminishing respect for the rule of legitimate law even after Russia abandoned Communism.
- 3 NICOLAI N. PETRO, *RUSSIAN FOREIGN POLICY* (New York: Longman, 1997) p. 131.
- 4 European Bank for Reconstruction and Development, *Transition Report Update*, p. 75.
- 5 In fact, the use of the ruble by several of the new nations of the former Soviet Union left Russia with little practical control over its money supply. It was not until November 1992 that Ukraine introduced its own currency. Other nations followed suit over the next few months, but the damage was done.
- 6 YEGOR GAIDAR, *DAYS OF DEFEAT AND VICTORY* (Seattle: Univ. Wash. Press, 1999).
- 7 ROSE BRADY, *KAPITALIZM* (New Haven: Yale Univ. Press, 1999), pp. 29-30, 36-37.
- 8 In January 1991, the Russian Supreme Soviet proposed a question on a national referendum for a directly elected presidency. In March, Russians voted for constitutional reform, and on April 24 the Russian Supreme Soviet approved a new law on the Presidency. Yeltsin was subsequently elected President.
- 9 Mary Dejevsky, “Yeltsin Gets Free Hand for Reforms,” *THE TIMES* (London), Nov. 2, 1991. Yeltsin was given additional power to appoint governors in the oblasts and issue decrees that could override existing laws and reorganize the government without going through parliament.
- 10 See Thomas Ginsberg, “New Russian Prime Minister Will Soften Reforms,” Associated Press, Dec. 14, 1992; *WHO’S WHO IN RUSSIA AND THE CIS REPUBLICS*, Vladimir Morozov, ed. (New York: Henry Holt and Co., 1995), p. 54. The centrist Civic Union faction, composed of Arkadii Volsky’s Union of Industrialists and Entrepreneurs, Vice President Alexander Rutskoi’s People’s Party of Free Russia, and Nikolai Travkin’s Democratic Party of Russia, played a key role in Chernomyrdin’s appointment.

- 11 BORIS YELTSIN, *THE STRUGGLE FOR RUSSIA*, Catherine A. Fitzpatrick, trans. (New York: Times Books, 1994), pp. 197-201. “Gaidar had no chance of being approved by the Congress, so, given the reality of the situation, I settled on Viktor Chernomyrdin. Once again, he seemed to be a compromise figure ... I was dictated—let’s face it—by regrettable necessity.” *Id.* at 200.
- 12 See *infra*, Chapter 5.
- 13 See Thomas Ginsberg, “New Russian Prime Minister Will Soften Reforms,” Associated Press, December 14, 1992; *WHO’S WHO IN RUSSIA AND THE CIS REPUBLICS*, Vladimir Morozov, ed. (New York: Henry Holt and Co., 1995), p. 54; APS Review Oil Market Trends, “From Privatisation to Restructuring the Petroleum Sector to Gazprom,” Aug. 7, 2000 (available on NEXIS).
- 14 *Id.*
- 15 Karen LaFollette, “Soft Assistance for Russian Hard Reform,” *The Institute for Political Economy*, 1993.
- 16 Alexander Rahr, “The First Year of Russian Independence,” RFE/RL Research Report, Jan. 1, 1993, p. 54.
- 17 *HUMAN RIGHTS COUNTRY PRACTICES* (Washington, DC: Department of State, Jan. 1993), p. 884.
- 18 *FREEDOM IN THE WORLD—1992-1993* (New York: Freedom House, 1993), p. 428.
- 19 *HUMAN RIGHTS COUNTRY PRACTICES*, pp. 889, 890.
- 20 *Id.*, p. 888.
- 21 *FREEDOM IN THE WORLD—1992-1993*, p. 428.
- 22 *HUMAN RIGHTS COUNTRY PRACTICES*, p. 885.
- 23 *FREEDOM IN THE WORLD—1992-1993*, p. 428. Ironically, the fact that the Russian Federation permits complete freedom of emigration has never been recognized in U.S. law. The 1974 Jackson-Vanik amendment, which imposed special scrutiny on Soviet emigration policy, still applies to Russia.
- 24 Rahr, *Id.*, p. 51.
- 25 Testimony of Boris Fyodorov, Joint Meeting of the Speaker’s Advisory Group on Russia and the House Policy Committee, July 12, 2000. To prevent gaps in legal regulation during the transition period, Russia relies on Soviet-era legislation. Soviet laws and regulations are applicable when Russian domestic law is silent and Soviet law does not conflict with other existing Russian law. These Soviet acts are considered transitional and are in force only until the Russian Parliament enacts replacement legislation. The application of Soviet legislation on Russian territory is governed by the 1990 Law on the Application of Acts and Organs of the U.S.S.R. on the Territory of the R.S.F.S.R. (Russian Soviet Federal Socialist Republic) and the Supreme Soviet’s decree ratifying the Agreement on the Creation of the Commonwealth of Independent States. According to these enactments, Soviet laws apply only if they do not contradict the legislative acts of the Russian Federation adopted after June 12, 1990, when Russia proclaimed its independence. The 1993 Constitution adopted the same approach. In the area of land use alone, several Soviet-era laws are partially or fully enforced.
- 26 James Billington’s works on Russia include: *THE FACE OF RUSSIA: ANGUISH, ASPIRATION, AND ACHIEVEMENT IN RUSSIAN CULTURE* (1998); *RUSSIA TRANSFORMED: BREAKTHROUGH TO HOPE: MOSCOW, AUGUST 1991* (1992); and *THE ICON AND THE AXE: AN INTERPRETIVE HISTORY OF RUSSIA* (1970).
- 27 James Billington, Remarks to the Speaker’s Advisory Group on Russia in Executive Session, June 14, 2000.
- 28 See, e.g., Larry Rickman, “Russia Plans to Remove Remaining Price Subsidies,” Associated Press, Feb. 27, 1992; Howard Witt, “New Face of Russia: A Year after Coup, Ordinary Citizens Adapt to Change,” *CHI. TRIB.*, Aug. 16, 1992, p. C1.
- 29 For example, in the poll reported in *Itar-TASS News Digest*, July 24, 1992, good relations with the United States. were second only to Russian ties with other countries of the former U.S.S.R., where some 25 million ethnic Russians resided.
- 30 “‘Santa Barbara’ Receives Rave Reviews in Russia,” *PR Newswire*, Feb. 21, 1992.
- 31 “Moscow Days and Nights; Clash of Cultures,” *MACLEAN’S*, Feb. 15, 1993, p. 28.
- 32 See, e.g., DAVID REMNICK, *RESURRECTION: THE STRUGGLE FOR A NEW RUSSIA* (New York: Random House, 1997), pp. 44-45.



- 33 “Summit at the U.N.; Excerpts from Speeches by Leaders of Permanent Members of U.N. Council,” N.Y. TIMES, Feb. 1, 1992, p. A5.
- 34 Although President Bush signed the START II treaty less than one month before the inauguration of President-elect Clinton, Gov. Clinton was fully briefed on the agreement and “encouraged” the Bush administration to sign the treaty. Gov. Clinton also said that he was “fully supportive” of efforts to sign the agreement before he entered office. See Elaine Sciolino, “U.S. and Russia Agree on Atomic Arms Pact Slashing Arsenals and the Risk of Attack,” N.Y. TIMES, Dec. 30, 1992, p. A1. President Clinton’s efforts to reach arms control agreements lacking such broad bipartisan support before he leaves office are described in Chapter 10 *infra*.
- 35 Serge Schmemmann, “Summit in Moscow,” N.Y. TIMES, Jan. 4, 1993, p. A1.
- 36 Michael Dobbs and Don Oberdorfer, “Yeltsin Appeals for American Aid,” WASH. POST, June 18, 1992, p. A1.
- 37 “Russian Federation President Boris Yeltsin Addresses Joint Meeting of U.S. Congress,” Federal News Service, June 17, 1992.
- 38 This important Russian-American initiative’s promising beginnings, and the Clinton administration’s subsequent unilateral decision to cancel it, are described in Chapter 10 *infra*.
- 39 “Russian Military Drastically Gearing Down,” CNN, June 17, 1992.
- 40 *Id.*
- 41 See Stuart Goldman, “Russian Conventional Armed Forces: On the Verge of Collapse?,” CRS Report for Congress, Sept. 4, 1997, p.11.
- 42 Roman Zadunayskiy, “Parliament Adopts Law on Defense,” Itar-TASS, June 26, 1992.
- 43 Captain O. Odnokolenko, “Parliamentary Hearing on Draft Law on Defense,” KRASNAYA ZVEZDA, May 14, 1992.
- 44 Guy Chazan, “Russian defense conversion program hits snags,” UPI, Feb. 6, 1992.
- 45 Gennady Talalayev, “President Yeltsin Meets Managers of Defense Enterprises,” Itar-TASS, May 13, 1992.
- 46 “Russian Defense Ministry to Sell Off Unwanted Military Property,” Itar-TASS, Nov. 30, 1992.
- 47 S. Ostanin, “Russian Defense Collegium Discusses Military Procurement Problems,” Itar-TASS, Aug. 1, 1992.
- 48 Vladlas Burbulis, “Russian Troop Withdrawal from Lithuania as Scheduled,” Itar-TASS, Oct. 13, 1992. Western assistance, in particular a large German aid program, was launched to assist the repatriation of Russian troops.
- 49 Andrei Naryshkin, “Yeltsin Meets Top Military Brass,” Itar-TASS, Nov. 23, 1992.
- 50 See *infra* Chapters 9-11.
- 51 U.S. Policy Towards Russia, Part I: Warnings and Dissent: Hearing Before the House Committee on International Relations, 106th Cong. (1999).
- 52 As the most prominent reformer of the time, Yegor Gaidar, himself acknowledged: “The initial response of Western political and financial elites toward Russian economic reform was very wary and cool. ... [A]s far as the reforms already begun were concerned, Western thought was that over the past few years there had already been a great deal of talk, and a dozen or so official programs, so how did they know that this wasn’t just more of the same? Better to wait and see.” DAYS OF DEFEAT AND VICTORY, pp. 141-42.
- 53 “Address to the Nation on Reducing United States and Soviet Nuclear Weapons,” Bush Presidential Library online collection, <http://www.bushlibrary.tamu.edu/papers/1991/91092704.html>.
- 54 Freedom for Russia and Emerging Democracies and Open Markets Support Act of 1992, P.L. 102-511, Oct. 24, 1992.
- 55 U.S. Policy Towards Russia, Part I: Warnings and Dissent: Hearing Before the House Committee on International Relations, 106th Cong. (1999), p. 60.
- 56 The Clinton administration has not lived up to this example of bipartisanship and willingness to engage Congress. Notwithstanding the fact that this examination of U.S.-Russia policy was commissioned by the Speaker of the House of Representatives—the third-ranking constitutional officer—and performed by the Chairmen of five standing committees of the Congress, Strobe Talbott, the administration “coordinator” for Russia policy, has refused even to respond to invitations to dis-

uss the policy informally with the House leadership. To his credit, Secretary of the Treasury Lawrence Summers did meet with the Speaker’s Advisory Group.

- 57 Curt Tamoff, “U.S. Assistance to the Soviet Union and Its Successor States 1991-1998: A History of Administration and Congressional Action,” CRS Report for Congress, Apr. 16, 1999.
- 58 P.L. 102-511, Secs. 101, 102.

Chapter 3

- 1 See generally STÉPHANE CORTOIS, NICOLAS WERTH, JEAN-LOUIS PANNÉ, ANDRZEJ PACZKOWSKI, KAREL BARTOSEK, JEAN-LOUIS MARGOLIN, THE BLACK BOOK OF COMMUNISM, trans. Jonathan Murphy and Mark Kramer (Cambridge: Harvard Univ. Press, 1999), p. 4.
- 2 MICHAEL BERSTAN & MICHAEL RABUSHKA, FIXING RUSSIA’S BANKS: A PROPOSAL FOR GROWTH (Stanford: Hoover Institution Press, 1998), p. 7.
- 3 Nina L. Khrushcheva, “Cultural Contradicts of Post-Communism: Why Liberal Reforms Did Not Succeed in Russia,” paper prepared for the Council on Foreign Relations, Working Group on Development, Trade and International Finance.
- 4 YEGOR GAIDAR, DAYS OF DEFEAT AND VICTORY (Seattle: Univ. Wash. Press, 1999), p. 273.
- 5 Merton J. Peck & Thomas J. Richardson, eds., WHAT IS TO BE DONE? PROPOSALS FOR THE SOVIET TRANSITION TO THE MARKET (New Haven: Yale University Press, 1991), p. 152.
- 6 European Bank for Reconstruction and Development, Transition Report 1999: Tens years of Transition, p. 110.
- 7 Letter Report from the General Accounting Office, 803-95, GAO-NSIAD-95-156. This is from an assessment of the Urban Institute’s efforts to promote housing policy reform in Russia.
- 8 *Id.*
- 9 Paul H. Rubin, “Growing a Legal System in the Post-Communist Economies,” CORNELL INTERNATIONAL LAW JOURNAL, Winter 1994.
- 10 “Built on Sand,” THE ECONOMIST, June 3, 2000, p. 19.
- 11 Louis Uchitelle, “The Art of a Russian Deal: Ad-Libbing Contract Law,” N.Y. TIMES, Jan. 17, 1992, p. A1.
- 12 Lyudmila Yermakova, “Market Economy Cannot Develop Without Court of Arbitration,” Itar-TASS, Dec. 29, 1992.
- 13 John I. Huhs and Ramaz A. Beridze, “Dispute Resolution in Russia,” AMERICAN LAWYER, Nov. 1992.
- 14 *Id.*
- 15 Louis Uchitelle, “The Art of a Russian Deal: Ad-Libbing Contract Law,” N.Y. TIMES, Jan. 17, 1992, p. A1.
- 16 Paul Klebnikov, “A Market Grows in Russia,” FORBES, June 8, 1992, p. 78.
- 17 Vladimir Gubarev, “How to get your money back from con men,” MOSCOW NEWS, Oct. 18, 1992. This article covers attempts by Russian businesses to reclaim funds lost to dishonest American and Western firms. See *infra* Chapter 7, for further discussion of Russian organized crime.
- 18 Duncan Robinson, “Weak Russian Contract Enforcement Takes Toll on Companies from US,” JOURNAL OF COMMERCE, July 31, 1992, p. 4A. At least one American law firm advised its clients that they would be “naked” in Russia’s legal system and should try to establish their own dispute resolution mechanisms.
- 19 In the last years of the Soviet Union, the monolithic Gosbank spawned a handful of specialized banks, including Pomstribank, Zhilstosbank, Agrobank, Vneshekombank, and Sberbank.
- 20 MICHAEL BERSTAN & MICHAEL RABUSHKA, FIXING RUSSIA’S BANKS: A PROPOSAL FOR GROWTH, (Stanford: Hoover Institution Press, 1998).
- 21 Elizabeth Neuffer, “Capitalism takes hold in Russia,” BOSTON GLOBE, Jan. 3, 1992, p. 1.
- 22 Jose Piñera, “Russia Unbound: A Report from Moscow,” May 2000.
- 23 Michael McFaul, “Russia Needs True Reform, Not Higher Taxes,” WALL ST. J., Aug. 4, 1998, p. A13.
- 24 “Presidential Decree on Bankruptcy,” BBC Summary of World Broadcasts, June 29, 1992.
- 25 “Yeltsin Issues Various Decrees, on Bankrupt Enterprises and Other Issues,” RUSSIA AND COMMONWEALTH BUSINESS LAW REPORT., Vol. 3,





- No. 5, June 26, 1992.
- 26 "Two Steps from Bankruptcy," OFFICIAL KREMLIN INTERNATIONAL NEWS BROADCAST, Federal Information Systems Corporation, Dec. 4, 1992. This admission was made by L. Paidiev, the chief of the Russian Economics Ministry department in charge of providing assistance (subsidies) to troubled enterprises.
- 27 *Id.*
- 28 Sen. Bob Packwood and James Carter, "Time is Ripe for US-Russia Free Trade," J. OF COM., Mar. 2, 1998, p. 7A.

Chapter 4

- 1 Acceptance Speech, New York City, July 16, 1992.
- 2 Acceptance Speech, New York City, July 16, 1992.
- 3 "A New Covenant for American Security," remarks at Georgetown University, Washington, D.C., Dec. 12, 1991.
- 4 Robert Bartley, "How Gore Lost Russia," WALL ST. J., Aug. 21, 2000, A19.
- 5 Bruce W. Nelan, "The No-Guts, No-Glory Guys," TIME, Nov. 22, 1993, p. 48.
- 6 See text box, *infra*.
- 7 Elaine Sciolino, "Who'll Win Russia?," N.Y. TIMES, May 19, 1996, p. 1.
- 8 Thomas L. Friedman and Elaine Sciolino, "Clinton and Foreign Issues: Spasms of Attention," N.Y. TIMES, Mar. 22, 1993, p. A3.
- 9 Ann Devroy and Ruth Marcus, "President Clinton's First 100 Days; Ambitious Agenda and Interruptions Frustrate Efforts to Maintain Focus," WASH. POST, Apr. 29, 1993, p. A1.
- 10 President Clinton in a June 5, 2000, speech to the Russian Duma cited the fact that he has visited Russia during his two terms more frequently than any other president as evidence of his personal commitment to Russia policy making—an example of the substitution of form for substance that typified the administration's entire approach to Russia. In similar fashion, the Gore-Chernomyrdin Commission—to which the president handed over so much responsibility—produced a vast bureaucracy and voluminous reports, but little in the way of substantive results.
- 11 See *infra* Chapter 5.
- 12 According to legend, Prince Potemkin, the favorite of Catherine the Great, had sham villages erected along the route of one of her journeys to give the Czarina a delusive impression of the prosperity of her realm. It has been proverbial for more than two centuries.
- 13 Ceci Connolly, "Gore Labels GOP Drug Plan a Facade," WASH. POST, July 4, 2000, p. A6.
- 14 Bill Sammon, "Occidental Deal Benefits Gores; Sale of Federal Oil Field Boosts Family Fortune," WASH. TIMES, June 26, 2000, p. A1; "Gore, Hitting Bush for Oil Ties, is Knee Deep in His Own Crude; OWNS \$500,000 of Occidental," WASH. TIMES, June 23, 2000, p. A1; Patrick Cockburn, "Al Gore's Family Linked to Corrupt Oilman; Why the Vice President Knows So Much About Russia: Tycoon Armand Hammer Had the Politician's Father 'In His Back Pocket,'" THE INDEPENDENT (London), May 21, 2000, p. 21 ("The American press missed the point over the Gore-Chernomyrdin scandal," a diplomat in Moscow said last week. "Gore had access to the Soviet and then the Russian leadership long before he met Chernomyrdin because of his father's links to Hammer and Hammer's high-level contacts in the Soviet Union."); Alexander Cockburn, "Al Gore's Teapot Dome: Occidental Petroleum acquires large portion of Elk Hills," THE NATION, July 17, 2000, p. 10 ("Normally, the Department of Energy would have been responsible for examining whether the sale of this important national asset was in the best interests of the country. But the DOE was absolved from this task. Instead, Gore arranged for the consulting firm ICF Kaiser International to assess the sale. The chairman of ICF Kaiser was none other than master-fixer Tony Coelho, friend of Al and for a time overseer of the Gore presidential campaign. ICF Kaiser duly delivered a wholehearted and unqualified certification of the deal.");
- 15 Bruce Stokes, "Treasury Undersecretary Lawrence Summers on ..." NAT'L J., Feb. 26, 1994, p. 470.
- 16 Ambassador-at-Large, Special Adviser to the Secretary of State for the New Independent States.
- 17 Thomas L. Friedman and Elaine Sciolino, "Clinton and Foreign Issues: Spasms of Attention," N.Y. TIMES, Mar. 22, 1993, p. A3.
- 18 Talbott has been described in the press as "chronically disorganized." Steven Erlanger, "Russia Vote Is a Testing Time for a Key Friend of Clinton's," N.Y. TIMES, June 8, 1996, p. A1. See also Margaret Carlson, CNN's *Capital Gang*, Jan. 1, 1994.
- 19 Strobe Talbott, Hearing of the Senate Foreign Relations Committee on the Nomination of Strobe Talbott to be Ambassador-at-Large and Special Adviser to the Secretary of State on the Commonwealth of Independent States, Mar. 23, 1993.
- 20 See *infra* Chapter 5.
- 21 As Russia scholar Dimitri Simes told the *New York Times* in 1996, "I think [Talbott's] self-confidence was a little misplaced ... And the combination of his know-it-all phenomenon and his closeness to the President and his bureaucratic skills undermined the normal analytic process of policy making." Steven Erlanger, "Russia Vote Is a Testing Time for a Key Friend of Clinton's," N.Y. TIMES, June 8, 1996, p. A1. See also testimony of David H. Swartz, former Ambassador to Belarus under the Bush and Clinton administrations, before the House International Relations Committee, "U.S. Policy Towards Russia, Part I: Warnings and Dissent," Oct. 6, 1999, pp. 63-64 ("In my experience, Talbott always knew best ... refuting, rebutting, rejecting, or simply ignoring advice from his ambassadors in the field and other assistants.");
- 22 Meeting between Summers and the Speaker's Advisory Group, June 28, 2000.
- 23 Statement to the Speaker's Advisory Group on Russia by Thomas Graham, June 7, 2000. On Summers and Chubais, see also JANINE WEDEL, COLLISION AND COLLUSION: THE STRANGE CASE OF WESTERN AID TO EASTERN EUROPE 1989-1998 (New York: St. Martin's Press, 1998), pp. 124-127.
- 24 Peter Reddaway, "Questions about Russia's 'Dream Team'," CSIS POST-SOVIET PROSPECTS, Vol. V, No. 5, Sept. 1997.
- 25 General Accounting Office, "Harvard Institute for International Development's Work in Russia and Ukraine," GAO/NSIAD-97-27, Nov. 27, 1997, p. 4.
- 26 JANINE WEDEL, COLLISION AND COLLUSION: THE STRANGE CASE OF WESTERN AID TO EASTERN EUROPE 1989-1998 (New York: St. Martin's Press, 1998), pp. 127-128. See also Michael Dobbs and Paul Blustein, "Lost Illusions About Russia; U.S. Backers of Ill-Fated Reforms Now Portrayed as Naïve," WASH. POST, Sept. 12, 1999, p. A1; "Tainted Transactions: An Exchange," NAT'L INTEREST, Summer 2000 (comments by Jeffrey Sachs, Anders Åslund, Marek Dabrowski, Peter Reddaway, Igor Aristov, Wayne Merry, Michael Hudson, David Ellerman, Steven Rosefelde, and Janine Wedel).
- 27 Remarks by Deputy Treasury Secretary Lawrence Summers at the U.S.-Russia Business Council Conference, Federal News Service, Apr. 1, 1997.
- 28 Michael Dobbs and Paul Blustein, "Lost Illusions about Russia; U.S. Backers of Ill-Fated Reforms Now Portrayed as Naïve," WASH. POST, Sept. 12, 1999, p. A1.
- 29 See, e.g., Peter Baker, "Clinton Treads Careful Path Through Unsettled Moscow," WASH. POST, Sept. 2, 1998, p. A27; John M. Broder, "Summit in Moscow: The Overview; Clinton Tells Moscow Crowd That Future Won't Be Easy," N.Y. TIMES, Sept. 2, 1998, p. A1.

Chechnya Section

- 1 Maureen Greenwood, Amnesty International USA, "Increased Level of Torture in the Russian Republic of Chechnya," testimony before the Commission on Security and Cooperation in Europe, June 21, 2000.
- 2 Jim Nichol, "Chechnya Conflict: Recent Developments," CRS Report for Congress, May 3, 2000.
- 3 Steven Erlanger, "Christopher, Visiting Russia Hints at Support for Yeltsin," N.Y. TIMES, Mar. 23, 1996, p. A4; Michael S. Lelyveld, "U.S. Downplays Russia's Misdeeds, Experts Say," J. OF COM., Mar. 28, 1996, p. A1 ("In an hour long meeting with Mr. Yeltsin this morning, Mr. Christopher stressed the positive, workmanlike, constructive side of the United States-Russian relationship, his aides say, and touched not at all on major sore points, like ... the ongoing warfare in Chechnya.");



- 4 David Hoffman, "Clinton, Yeltsin Gloss Over Chechen War; Russian Leaders Denies Fighting Continues Despite Rising Death Toll," WASH. POST, Apr. 22, 1996, p. A1.
 - 5 Elaine Sciolino, "Who'll Win Russia? For America, Uncertainty Drops the Riddle," N.Y. TIMES, May 19, 1996, p. 1.
 - 6 See generally Rajan Menon and Graham Fuller, "Russia's Ruinous Chechen War," FOREIGN AFFAIRS, March/April 2000, pp. 32-44.
 - 7 David Hoffman, "Russian Premier Pins Bombing on Chechens," WASH. POST., Sept. 16, 1999, p. A26.
 - 8 Yabloko originally supported the war but called for negotiations—on tough terms—shortly before the election. Clinton administration troika ally Anatoly Chubais called Yavlinsky a traitor for suggesting the time had come for talks. Yabloko lost a number of seats in the new Duma because of its "soft" stance on the Russian intervention.
 - 9 Dmitri Trenin, "Chechnya: Effects of the War and Prospects for Peace," Carnegie Moscow Center.
 - 10 Testimony before the European Affairs Subcommittee of the Senate Foreign Relations Committee, Apr. 12, 2000.
 - 11 Bill Clinton, "Remembering Yeltsin," TIME, Jan. 1, 2000.
 - 12 Testimony before the European Affairs Subcommittee of the Senate Foreign Relations Committee, Apr. 12, 2000.
 - 13 TIME (int'l ed.), Jan. 17, 2000.
 - 14 Testimony before the European Affairs Subcommittee of the Senate Foreign Relations Committee, Apr. 12, 2000.
 - 15 Gore has made at least one incoherent statement Moscow could interpret as approval for a wider war, applying the term "rogue state," which has since been banished from the Clinton administration's lexicon, to the region surrounding Chechnya: "I took on the task of leading our effort to work with Russia—not because it was politically popular, but because it was right for America's security, and right for the spread of democracy around the world." Vice President Al Gore, Boston, Mass., Apr. 30, 2000. "And in the talks that we have been having with them, there are signs of an increasing recognition within Russia that the threats that they face on their southern border from extremist groups, from the potential emergence of rogue states in the area to their south they have all the conflict they're trying to deal with in the region now that's produced a new awareness on their part that they might have something to gain from allowing a limited system." LATE EDITION WITH WOLF BLITZER, CNN, Apr. 30, 2000.
- Chapter 4 continued**
- 30 Testimony of Dimitri Simes, President of the Nixon Center, before the Speaker's Advisory Group on Russia, Apr. 13, 2000.
 - 31 Testimony of Strobe Talbott before the House Appropriations Committee, Apr. 19, 1993.
 - 32 Testimony of Strobe Talbott before the House Foreign Affairs Committee, Oct. 6, 1993.
 - 33 BORIS YELTSIN, THE STRUGGLE FOR RUSSIA (New York: Random House, 1994), p. 255 ("Formally, the president was violating the Constitution, going the route of antidemocratic measures, and dispersing the parliament—all for the sake of establishing democracy and the rule of law in the country. The parliament was defending the Constitution—in order to overthrow the lawfully elected president and establish total Soviet rule."). See also *id.*, p. 242.
 - 34 "Brief on Upcoming Exchange Conference to Promote Trade between the U.S. and the Newly Independent States," Federal News Service, Oct. 13, 1993 (emphasis added).
 - 35 Dimitri K. Simes and Paul J. Saunders, "The Icon and the Hacks," NAT'L REVIEW, Oct. 12, 1998, p. 44.
 - 36 Indeed, administration favorite Anatoly Chubais branded Yavlinsky a "traitor" in the fall of 1999 for suggesting that negotiations with Chechen leaders could be appropriate.
 - 37 See, e.g., Natalia Dinello, "Bankers' Wars in Russia: Trophies and Wounds," POST-SOVIET PROSPECTS, Vol. VI, No. 1, Feb. 1998, p. 3.
 - 38 *Id.*, p. 4.
 - 39 Leonid Bershidsky, "Loans for Shares Unraveling," MOSCOW TIMES, Feb. 3, 1996. See also Stephanie Simon, "Russia's Lofty Plan to Privatize State Companies is Near Collapse; Auctions: Some Firms Have Been Sold, But Critics Say Politics, Ineptitude Have Kept Many Choice Holdings Off the Block," L.A. TIMES, Dec. 8, 1995, p. D1.
 - 40 Matt Bivens, "Laundering Yeltsin: How US Hypocrisy Feeds Russian Corruption," THE NATION, vol. 269, no. 10, Oct. 4, 1999, p. 11.
 - 41 Lee S. Wolosky, "Putin's Plutocrat Problem," FOREIGN AFFAIRS, vol. 79, no. 2, p. 21.
 - 42 *Id.*, p. 20.
 - 43 Jonas Bernstein, "Loans-for-Shares Nets \$1 Billion," MOSCOW TIMES, Dec. 30, 1995.
 - 44 FRONTLINE, Public Broadcasting Service, May 9, 2000.
 - 45 *Id.*
 - 46 Lee S. Wolosky, "Putin's Plutocrat Problem," FOREIGN AFFAIRS, vol. 79, no. 2, p. 20. In one case, for example, Menatep Bank reportedly received a "strange deposit" of \$50 million from Russia's Finance Ministry that was essential to its bid to acquire Sibneft. See Jonas Bernstein, "Loans-for-Shares Nets \$1 Billion," MOSCOW TIMES, Dec. 30, 1995.
 - 47 Although the system of "authorized banks" was eventually scrapped, it had a profound impact on the structure of Russia's banking system.
 - 48 FRONTLINE, Public Broadcasting Service, May 9, 2000.
 - 49 Testimony of Secretary Summers before the Speaker's Advisory Group on Russia, June 28, 2000.
 - 50 See, e.g., Lee S. Wolosky, "Putin's Plutocrat Problem," FOREIGN AFFAIRS, vol. 79, no. 2, pp. 22-24.
 - 51 DIMITRI K. SIMES, AFTER THE COLLAPSE: RUSSIA SEEKS ITS PLACE AS A GREAT POWER (New York: Simon & Schuster, 1999), pp. 171-72; John Lloyd, "The Russian Devolution," N.Y. TIMES, Aug. 15, 1999.
 - 52 FRONTLINE, Public Broadcasting Service, May 9, 2000.
 - 53 Lee Hockstader and David Hoffman, "Yeltsin Campaign Rose From Tears to Triumph; Money, Advertising Turned Fortunes Around," WASH. POST, July 7, 1996, p. A1.
 - 54 David Hoffman, "Yeltsin Dismisses 3 Hard-Line Aides From Key Positions," WASH. POST, June 21, 1996, p. A1.
 - 55 STEPHEN WHITE, RUSSIA'S NEW POLITICS: THE MANAGEMENT OF A POSTCOMMUNIST SOCIETY (New York: Cambridge University Press, 2000) p. 97; "International Observer Mission: Election of President of the Russian Federation 16th June 1996 and 3rd July 1996 Report on the Election," OSCE/ODIHR.
 - 56 In addition to the suspected use of IMF funds as a piggy bank for the Yeltsin campaign, the OSCE documented several examples of election irregularities, including Yeltsin supporters accosting citizens as they entered the voting booths and sometimes even entering the voting booths and emerging with multiple ballots. "Final Statement of the OSCE/ODIHR Observer Mission—First Round of Voting," Organization for Security and Cooperation in Europe, June 18, 1996.
 - 57 This ostrich-like approach to inconvenient possibilities often went to remarkable lengths. In January 1996, when observers in Congress and the executive branch were deeply concerned about the possibility of a Communist victory in the upcoming Russian presidential elections, "Deputy Secretary of State Strobe Talbott's first draft of a major analysis of Russia policy last January omitted any discussion of what to expect if the Communists won. Only after colleagues drew the omission to Mr. Talbott's attention did he insert a 'what if' section in the final version." Elaine Sciolino, "Who'll Win Russia? For America, Uncertainty Drops the Riddle," N.Y. TIMES MAGAZINE, May 19, 1996, p. 4. The point, of course, is not that the Clinton administration should have been indifferent to the outcome once the election became a choice between Yeltsin and the Communists, but that the administration habitually failed to consider negative contingencies in Russia—some of which failed to arise, like a Communist victory in 1996, while others, like dishonesty among the administration's Russian "partners," came to haunt U.S.-Russian relations.
 - 58 Janine R. Wedel, "Tainted Transactions: Harvard, the Chubais Clan and Russia's Ruin," NAT'L INTEREST, Spring 2000.
 - 59 Even now, the Clinton administration continues to promote the number of privatizations rather than the results: "Tens of thousands of state-owned enterprises have been privatized and more than 900,000 small businesses have been established, contributing to Russia's recent economic rebound." Leon Fuerth, "Russia's Future: Progress, Prospects, and U.S. Policy," remarks to the Woodrow Wilson International Center for Scholars, July 25, 2000. The issue is not that enterprises were transferred from the state—it is to whom and into what conditions they were transferred—and the effect those transfers had on future economic growth. With respect to small business, many are of course formed by entrepreneurial Russians who have been thrown out of





- work, and 900,000 in a nation of 146 million is not particularly impressive. Finally, the primary cause of recent economic good news in Russia is higher oil prices. Russia's much more valuable human resources remain sadly underutilized.
- 60 Testimony of Lawrence Summers before the Senate Banking, Housing, and Urban Affairs Committee, Feb. 8, 1994.
 - 61 Fiscal Year 1995, "USAID/Russia: An Overview of Program and Objectives."
 - 62 Testimony of Strobe Talbott before the Senate Foreign Relations Committee, Mar. 23, 1994.
 - 63 Boris Fyodorov, "Killing with Kindness: No More 'Help' for Russia, Please," *EUROPEAN WALL ST. J.*, June 8, 2000.

Financial Aid Chart

- 1 This is the amount of cumulative expenditures for activities carried out by the Departments of Defense (\$790 million), Agriculture (\$2.42 billion), and Energy (\$584 million), and other smaller agencies. The amount budgeted for non-FREEDOM Support Act activities for Russia is \$5.17 billion, and the amount obligated is \$4.54 billion.
- 2 The United States contributes 18.25% of the IMF's total quotas (about \$35 billion), the largest contribution of any country.
- 3 Includes FREEDOM Support Act funds only. This is the amount of cumulative expenditures for Freedom Support Act Funds. The amount budgeted for Russia is \$2.49 billion, and the amount obligated is \$2.44 billion.
- 4 Includes lending through July 1999, done through the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA), both part of the World Bank. More than \$11 billion has been approved but only \$6.6 billion has been disbursed—\$2 billion for investment loans and \$4.6 billion for adjustment loans. Calculated based on a U.S. share of 16%.
- 5 The U.S. has a 10% share in the European Bank for Reconstruction and Development and is the largest single shareholder.

Chapter 4 continued

- 64 YEGOR GAIDAR, *DAYS OF DEFEAT AND VICTORY*, (Seattle, Wash.: Univ. Wash. Press: 1999), p. 143.
- 65 See *supra* Chapter 3.
- 66 Joseph Stiglitz, "The Insider," *NEW REPUBLIC*, Apr. 17, 2000, p. 56.

Chapter 5

- 1 Joint Statement by President Clinton and President Yeltsin at the Vancouver Summit, Apr. 4, 1993.
- 2 *Id.*
- 3 Remarks by Leon Fuerth at the Foreign Press Center, Dec. 22, 1993.
- 4 The White House, "Facts on the U.S.-Russia Joint Commission on Economic and Technological Cooperation," July 27, 1999.
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I think that in his dealings with our country, he proved to be a person whose word was worthy of respect, and we accomplished a great deal with Chernomyrdin. In fact, right here at the Naval Observatory, I talked with him personally and worked out the provisions by which the war in Kosovo was ended, and he played a major role in that. And you know, Russia is now—for all of its many problems, the question there is not whether or not to return to communism, the question on the table in Russia is: How fast are they going to move forward with the reforms? They now have a privatized market. They have more private ownership in their economy than many countries in Western Europe. They have a democracy. ...

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Chapter 9

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Chapter 10

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- 18 Yevgeny Bazhanov, “Russian Perspectives on China’s Foreign Policy and Military Development,” IN CHINA’S SHADOW: REGIONAL PERSPECTIVES ON CHINESE FOREIGN POLICY AND MILITARY DEVELOPMENT, Jonathan Pollack and Richard Yang, eds., (Santa Monica, Cal.: RAND, 1998) p. 78 (“Since Russia cannot compete as before on equal terms with the USA for world supremacy, it promotes multipolarity in international relations. This policy for its part requires a balanced approach to various blocs and countries, disregarding their ideological colors, unlike in 1991-92 when Moscow tried to join the West in spreading the democratic gospel around the globe. Helping to move the world toward multipolarity constitutes the essence of current Russian strategy in the world. The Russian ruling elite believes that international relations will be much smoother and satisfactory if instead of American hegemony calling the shots, a number of power centers assert their power and influence.”).
- 19 Statement of Peter W. Rodman, Director of National Security Programs at the Nixon Center for Peace and Freedom, before the House International Relations Committee, Hearing on “The U.S. and Russia: Assessing the Relationship,” July 16, 1998 (citing Primakov’s September 1996 address to the U.N. General Assembly deploring “tendency to establish a unipolar world” as “unacceptable to the overwhelming majority of the international community.”).
- 20 “Russian Military at a Loss for Friends But Old Standbys Tend to Remain Foes,” Office of Research, Department of State, Aug. 2, 2000. (“Among foreign threats, the United States is preeminent. Not only is the U.S. seen as harboring hegemonistic ambitions but - as the driving force behind NATO and its eastward expansion - the Americans [are believed to] pose a more concrete problem practically on the Russian’ doorstep.” See also Prof. Stephen Blank, U.S. Army War College, “The State of Russian Foreign Policy and U.S. Policy Towards Russia,” The Heritage Lectures, Apr. 6, 1998 (“Russian military thinking has retained the Soviet ‘us vs. them’ approach and the most sterile forms of correlation-of-forces theory . . . The failure to demilitarize the political process and the environment within which security policy is formulated and executed has had a decisive and lasting significance for foreign policy.”). Military attitudes at lower levels of the officer corps are less problematic. Stuart Goldman, “Russian Conventional Armed Forces: On the Verge of Collapse?,” CRS Report for Congress, Sept. 4, 1997 pp. 29-30 (survey results reflect majority support for democracy, non-support for authoritarianism and forcible restoration of the U.S.S.R.). See also Leon Aron, “Russia’s New Foreign Policy,” American Enterprise Institute, Spring 1998, p. 9 (“[T]he Ministry of Foreign Affairs and the Russian diplomatic corps [are] perhaps the most authentic and recalcitrant relic of the Soviet past among Russian institutions, a class whose fall from the pinnacle of Soviet society in terms of material stature and prestige can be compared only with that of the military.”); Paula Dobriansky, “Russian Foreign Policy: Promise or Peril?,” WASHINGTON QUARTERLY, Winter 2000, p. 138 (“While foreign policy-related concerns are limited to a fairly small segment of the Russian elite, these individuals appear to exhibit a growing sense of anti-Western and anti-American sentiments. Even a casual perusal of the Russian media illustrates a profoundly disturbing phenomenon: Russian commentators, both pro-Communist and pro-government, are hostile to U.S. goals and policies.”); Ariel Cohen, “What Kind of Relationship? What Kind of Russia?,” “The State of Russian Foreign Policy and U.S. Policy Toward Russia,” the Heritage Foundation, April 6, 1998 (“[T]he Defense Ministry, the military, the security services, and the foreign policy apparatus remain untouched, almost pristine in their Soviet mindset.”). The Russian military has also become increasingly politicized over the last decade. Stuart Goldman, “Russian Conventional Armed Forces: On the Verge of Collapse?,” CRS Report for Congress, Sept. 4, 1997, p. 27. Examples include refusals to obey presidential directives in the first Chechen conflict and possibly the seizure of Pristina airport during the Kosovo conflict, which some observers believe occurred without Yeltsin’s involvement.
- 21 Lev Volkov, “Critical decisions: The START II and START III Treaties Do Not Resolve Problems of Strategic Stability,” NEZAVISIMOYE VOYENNOYE OBOZRENIYE, Oct. 1, 1999
- 22 Alexei Arbatov, “Arbatov on U.S.-Russian Arms Reduction,” Carnegie Endowment Non-Proliferation Project, May 18, 2000.
- 23 Bruce G. Blair, Senior Fellow, Brookings Institution, testimony before the House National Security Committee’s military research and development subcommittee on Russian Missile Detargeting and Nuclear Doctrine, March 12, 1997.
- 24 PETER V. PRY, WAR SCARE: RUSSIA AND AMERICA ON THE NUCLEAR BRINK (Westport, Conn.: Praeger 1999). For more on Russian military views of American aggressiveness, see also Maj. Gen. (ret.) V.A. Ryaboshapko, “Nuclear Conditions: Conditions of Possible Resort to





- Nuclear Weapons” (East View) p. 11 (“In light of the latest events in the Balkans, it is growing more and more evident that the U.S. and NATO military and political leaders rely on solving international problems by force. Talk about necessity of solving these problems by peaceful methods is only a cover, and the diplomats’ work becomes only a deceptive maneuver. And as today negative global public attitude to the Serbs and Serbia has been formed, tomorrow the same can be done to Russia, in case it will take an active stance in defending its interests.”). Gen. Ryaboshapko outlined a variety of factors that, at least until 2005, “create a need for substantially wider range of factors that lead to use of NW [nuclear weapons],” including NATO enlargement, weaker Russian conventional forces, and weaker Russian capability to detect aggressive preparations. *Id.* at 12. He emphasized the hair-trigger nature of nuclear decision making that Russian strategists believe they now confront: “[I]t is necessary to draft a well-founded decision [on using nuclear weapons] beforehand, so that it could be realized in most short time and could not be discovered by technical intelligence.” *Id.*
- 25 Although the United States has allowed senior Russian officers and officials access to such sensitive facilities as NORAD headquarters at Cheyenne Mountain and STRATCOM headquarters in Omaha, the Russian government has refused repeated requests to provide access to Yamantau Mountain, including a Sense of Congress resolution that the House of Representatives unanimously passed in 1998 and a reported inquiry from the President at the April 1996 Moscow summit. See David Hoffman and John F. Harris, “Clinton, Yeltsin Gloss over Chechen War,” WASH. POST, Apr. 22, 1996. See also Michael R. Gordon, “Despite Cold War’s End, Russia Keeps Building a Secret Complex,” N.Y. TIMES, Apr. 16, 1996 (American officials say facility “involves a major investment of resources” and “is as big as the Washington area inside the Beltway”); John Omicinski, “Underground Bunker in Russia Called Concern by U.S. General,” Gannett News Service, Mar. 31, 1998 (STRATCOM commander Habiger says 20,000 workers involved in construction at Yamantau). Other command-and-control facilities built or upgraded include bunkers for Russian leaders at Voronovo and Sharapovo, both near Moscow, the latter connected to Moscow by a special subway route. See Bill Gertz, “Moscow builds bunkers against nuclear attack,” WASH. TIMES, Apr. 1, 1997.
 - 26 By contrast, the ballistic missile defenses advocated by the United States are not prompted by a fear of intentional Russian attack and are incapable of protecting against it.
 - 27 Statement of Hon. Curt Weldon, Chairman, Research and Development Subcommittee, House Armed Services Committee, before the Conference on Assured Strategic Command and Control, National Defense University, Apr. 7-8, 1998. The combination of this extraordinary level of suspicion with Russia’s new strategic doctrine of greater reliance on nuclear forces, including possible first use; the “disorganization and poor morale . . . endemic to much of the [Russian] armed forces, [which] has to some degree reached the Strategic Rocket Forces;” and “the gaps in early warning that the Russians now have” produce in combination incalculable risks for the United States. “It is very troubling to contemplate what might happen if some combination of factors produced a belief on the part of senior Russian leaders that they were under attack.” Testimony of R. James Woolsey, former Director of Central Intelligence, before the House Armed Services Committee, hearing on “Threats to United States National Security,” Feb. 12, 1998, p. 53.
 - 28 “Conceptual Provisions of a Strategy for Countering the Main External Threats to Russian Federation National Unity” INOBIS (Moscow: Institute of Defense Studies, 1995) p. 2. The study attributed to the “West” an “attempt to cut Russia off from the Transcaucasus by encouraging separatism in the North Caucasus, above all in Chechnya.” *Id.* at 6. NATO enlargement “is seen as an attempt to isolate Russia and ultimately oust it from Europe . . . [W]e are dealing with a resumption of German expansion in the eastern and southeastern directions twice interrupted in this century . . .” *Id.* According to this study, a disparity between Russian and American nuclear forces anticipated under START II “will be perceived in the West as grounds to regard Russia as a second-rate nuclear power, which the only remaining nuclear superpower, the United States, will be able to subject to nuclear blackmail for purposes of dictating its will.” *Id.* at 8. The study also advocated Russian military occupation of the Baltic republics in the event of their accession to NATO, a course that it deemed safe because “no one in the West plans to fight Russia over the Baltic”—an argument that casts an interesting light on claims that Baltic accession to NATO threatens Russian national security. *Id.* at 11-13. A further INOBIS study, “Army Reform and Security,” published in February 1996 and translated by the Heritage Foundation, explicitly rejects the 1993 military doctrine’s thesis that Russia had no external enemies, adding: “Currently, Russia’s basic probable enemies remain the United States and the NATO countries. . . . [American] orientation toward a [nuclear] first strike not only has not disappeared but has actually increased.” By contrast, “it is not practical to view Iran and Russia as probable enemies of Russia, at least in the near future, because there are no objective causes for confrontation between the Russian Federation and those countries.” The document notes the “increased demands for combat readiness in the strategic nuclear forces.” See Valery Dementyev and Anton Surikov, “Army Reform and Security,” Institute for Defense Research (INOBIS), Moscow, February 1996, translated in Ariel Cohen, “Russian Hardliners’ Military Doctrine: In Their Own Words,” Heritage Foundation, May 30, 1996, pp. 3, 4, 7.
 - 29 Even in 1993, these included “efforts by right-wing conservative circles in the United States to ensure for themselves unilateral advantages in the process of disarmament, and to achieve a review of the ABM Treaty on their conditions,” and the possibility that the U.S. would, “under the guise of mediation and peacemaking efforts . . . take Russia’s place in the countries of its traditional influence. . . .” 1993 FOREIGN POLICY CONCEPT OF THE RUSSIAN FEDERATION, Jan. 25, 1993, pp. 8-9.
 - 30 *Id.* at 5 (emphasis added).
 - 31 *Id.* (“Of course, there are forces in the United States that skeptically evaluate the possibility of a Russian-American partnership. However, the prevailing tendency, which rests on the two-party principle [i.e., enjoys bipartisan support], is the line towards increased cooperation with Russia.”) See also *id.* at 6-7 (references to “increasing mutual understanding, trust, and partnership with the leading countries of the world, including interaction with the Western defense structures;” dialogue on military doctrine with Russia’s “main partners, primarily the United States, based on the task of consolidating on a functional level the attained understanding that they no longer view each other as military enemies;” and “coordinating and realizing plans of cooperation . . . with NATO and the North Atlantic Cooperation Council, increasing contacts on a bilateral and multilateral basis, interacting with NATO agencies on matters of strengthening peace and security by means of developing political contacts, military ties, exchange visits, conducting joint maneuvers, exchange of experience, and interaction in the settling of crisis situations.”)
 - 32 2000 FOREIGN POLICY CONCEPT OF THE RUSSIAN FEDERATION, June 28, 2000 (emphasis added).
 - 33 *Id.*
 - 34 *Id.* “Relations with European states is [sic] Russia’s traditional foreign policy priority. . . . an important resource for Russia’s defense of its national interests in European and world affairs. And for the stabilization and growth of the Russian economy.”
 - 35 *Id.* “Asia enjoys a steadily growing importance in the context of the entire foreign policy of the Russian Federation, something which is due to Russia’s direct affinity with this dynamically developing region and the need for an economic upturn in Siberia and the Far East.”
 - 36 *Id.*
 - 37 The 1997 document was itself a revision of a provisional 1993 military doctrine, which also concluded that the threat of direct foreign military aggression against Russia was slight. (Stuart Goldman, “Russian Conventional Armed Forces: On the Verge of Collapse?,” CRS Report for Congress, Sept. 4, 1997, p. 45.)
 - 38 “Russian Federation National Security Blueprint,” ROSSIYSKAYA GAZETA, Dec. 26, 1997.
 - 39 *Id.*
 - 40 “National Security Concept”, NEZAVISIMOYE VOYENNOYE OBOZRENIYE, Nov. 26, 1999 (Downgrading the United Nations; weakening Russia’s influence in the world; “a strengthening of military-political blocs and alliances, and above all NATO eastward expansion



- sion”; the possibility of foreign military bases or forces in immediate proximity to Russia’s borders; and a strengthening of centrifugal forces in the CIS.)
- 41 See, e.g., G.D. Bakshi, “The War in Chechnya,” *STRATEGIC ANALYSIS*, August 2000, Vol. XXIV, No. 5.
 - 42 For example, polling conducted by USIA’s Office of Research and Media Reaction in the Spring of 1996 in four key Russian regions—the Moscow, St. Petersburg, Ekaterinburg, and Vladivostok metropolitan areas—revealed that NATO enlargement was essentially irrelevant to the Russian general public: “Half the people in Ekaterinburg, and one-third in each of the other regions, say they know *nothing* about proposals to expand NATO eastward. Those who do know something are more inclined not to worry, or to favor some compromise, than to support creation of a military counter-bloc.” And “in April 1996 many more said that Russia’s participation in the [NATO] Partnership [for Peace] strengthened the country’s security than said that it weakened it (42% to 9%). . . . Among the elite, the pattern was similar: 45% thought that Russia’s participation in the Partnership enhanced Russia’s security, while 12% thought that it weakened its security.” See Richard B. Dobson, “Is Russia Turning the Corner?: Changing Russian Public Opinion, 1991-1996 (USIA Office of Research and Media Reaction September 1996) p. 23. More recent polling after Kosovo shows that the elite in Russia consider NATO a tool of U.S. foreign policy (92%), leading 50% to see NATO as a threat. “Russian Elite Aware of Kosovo Complexities, But Still Vexed by U.S./NATO Intervention,” Office of Research, Department of State, Nov. 18, 1999. While an August 2000 poll shows NATO enlargement and “U.S. geopolitical ambitions” top the list of foreign threats perceived by both the Russian military and the Russian elite (“Russian Military at a Loss for Friends But Old Standbys Tend to Remain Foes,” Office of Research, Department of State, Aug. 2, 2000.), for the general public 35-40% continue to have no knowledge or opinion on NATO enlargement. This lack of broad public interest led the State Department to drop the question from its polling.
 - 43 GERALD B. SOLOMON, *CSIS: THE NATO ENLARGEMENT DEBATE, 1990-1997*, (Westport, Conn.: Praeger, 1998), pp. 23-24.
 - 44 Strobe Talbott, “Rethinking the Red Menace,” *TIME*, Jan. 1, 1990 (in an article naming Gorbachev “Man of the Decade”).
 - 45 Like the 1997 Founding Act, the Partnership for Peace, at least as conceived by the Clinton administration, was a compromise designed to delay the resolution of conflicting Russian and Western views of NATO and the future of Central Europe. See, e.g., Henry Kissinger, “Be realistic about Russia,” *WASH. POST*, Jan. 25, 1994 (“[I]f the Partnership for Peace is designed to propitiate Russia, it cannot also serve as a way station into NATO, especially as the administration has embraced the proposition rejected by all its predecessors over the last 40 years—that NATO is a potential threat to Russia.”); see also Sen. Richard Lugar, “European Security Revisited,” *Washington D.C. June 28, 1994*, quoted in GERALD B. SOLOMON, *CSIS: THE NATO ENLARGEMENT DEBATE, 1990-1997* (Westport, Conn.: Praeger, 1998), p. 49 (calling PFP a “policy for postponement”). The Clinton administration, reportedly at the behest of Strobe Talbott, see *id.* at pp. 28-29, 33, preferred to elaborate the “Partnership for Peace” program as a means to defer the question of NATO enlargement and preserve the primacy of Russia in administration policy.
 - 46 “NATO: Congress Addresses Expansion of the Alliance,” *CRS Report for Congress*, May 24, 1999, p. 3.
 - 47 “United States Security Strategy for Europe and NATO,” Office of International Security Affairs, U.S. Department of Defense, June 1995.
 - 48 Founding Act on Mutual Relations, Cooperation, and Security between NATO and the Russian Federation, May 27, 1997.
 - 49 Richard C. Paddock, John-Thor Dahlburg, “NATO, Russia OK Pact Creating Joint Council; Diplomacy: Accord Would Smooth Alliance’s Planned Eastward Expansion. Interpretations of Agreement Conflict,” *L.A. TIMES*, May 15, 1997, p. A1.
 - 50 Letter of President Clinton to Chairman Floyd Spence, July 3, 1997 (“The Founding Act contained language explicitly underscoring NATO’s right to act independently—in any way, on any issue. . . . We also made clear to the Russians throughout the negotiating process that nothing in the Founding Act would provide them a means to influence in any manner NATO’s internal decisions—including those the Alliance is preparing to make regarding enlargement.”) The Senate was sufficiently concerned to attach to the resolution consenting to the admission to NATO of the Czech Republic, Hungary, and Poland the requirement that the President certify that the Founding Act does not, *inter alia*, give Russia a veto over NATO decision making. Former Secretary of State Kissinger, in a vehement attack on the Founding Act written shortly after it was signed, noted that it had already occasioned disputes with Russia over whether it was binding and whether it gave Russia a veto, and concluded that “Yeltsin’s interpretation appears accurate;” he dismissed the argument that the Founding Act was non-binding as one that “may carry weight in law schools [but is] irrelevant to the diplomacy that will result from an instrument signed by 17 heads of state and ratified by the Russian Duma.” Henry Kissinger, “The Dilution of NATO,” *WASH. POST*, June 8, 1997.
 - 51 Dimitri K. Simes, “Western Policies: What Went Right, What Went Wrong, What Could Have Been Done Differently,” conference paper, Jamestown Foundation, June 1999.
 - 52 Robert Zoellick, testimony before the Senate Foreign Relations Committee, Apr. 27, 1995.
 - 53 Among these bills are:
 - Rep. Ben Gilman’s NATO Expansion Act of 1994, which authorized transition assistance to facilitate the integration into NATO of the Czech Republic, Hungary, Poland, and Slovakia and other candidates for membership.
 - Rep. Henry Hyde’s NATO Revitalization Act of 1994, calling on NATO to establish benchmarks and a timetable for admission to the Atlantic Alliance.
 - The NATO Participation Act of 1994, sponsored by Rep. Ben Gilman, Republican Sen. Hank Brown, and Democratic Sen. Paul Simon, authorizing transfer of defense equipment to the Czech Republic, Hungary, and Poland.
 - The Contract With America’s NATO Expansion Act, which endorsed NATO enlargement in Central Europe by no later than 1999.
 - The NATO Enlargement Facilitation Act of 1996, providing \$60 million in assistance to facilitate integration of the Czech Republic, Hungary, Poland, and Slovenia into NATO, and authorizing the President to designate other countries for assistance.
 - The European Security Act of 1997, affirming that NATO enlargement would confer equal rights on new members, that non-members could not veto or delay membership decisions.
 - The Senate’s 1998 Resolution of Ratification approving accession of the Czech Republic, Hungary, and Poland to NATO, which reiterates that the North Atlantic Council is the “supreme decision-making body of NATO,” and that its decisions are not subject to review by the NATO-Russian Permanent Joint Council or any other non-member state or organization. (The Resolution also included an amendment by Republican Sen. John Kyl calling on the administration to negotiate a NATO Strategic Concept and citing as a threat to NATO, *inter alia*, a revived “hegemonic power” and rogue nations seeking weapons of mass destruction.)
 - 54 Russia’s longstanding and increasing pressure on the states on its periphery provides further justification for NATO enlargement.
 - 55 Significantly, as early as July 1990, in the London Summit Declaration, NATO declared that the then-Soviet Union was no longer an “enemy” of the Alliance and announced a new program for cooperation open to all former Warsaw Pact states. Consistent with this threat perception, U.S. conventional forces in Europe have declined by almost two-thirds since the Cold War, from over 300,000 to some 100,000—a decline more than matched by our European allies. In sum, from 1990-96, “NATO defense budgets collectively declined 15%, land forces 50%, naval forces 40%, and air forces 30%, prompting some observers to question whether NATO forces could defend Poland, Hungary, and the Czech Republic in the event of a conflict.” Paul Gallis, “NATO: Congress Addresses Expansion of the Alliance,” *CRS Report for Congress*, May 24, 1999, p. 8. The United States has only a few nuclear gravity bombs in Europe at this time. *Id.* p. 7. Significantly, Russian official opinion has been particularly opposed to the accession of the Baltic States to NATO, notwithstanding their precarious strategic position vis-a-vis Russia. See *id.* p. 9 (“The Baltic states, hinged against Russian territory, are in the view of many NATO military officials, in a starkly more disadvantageous strategic posi-





- tion.”)
- 56 The fact that the pledge is contained in a non-binding document and is couched in terms of NATO's unilateral intention does not diminish the political impact of the pledge, as Secretary Kissinger has pointed out. Henry Kissinger, “The Dilution of NATO,” WASH. POST, June 8, 1997.
 - 57 See *supra* Chapter 4.
 - 58 See *supra* Chapter 4.
 - 59 Russian military circles and the foreign policy establishment had long been concerned by NATO enlargement (a concern no doubt exacerbated by the grandiose 50th anniversary celebration held in Washington during Kosovo military operations on April 23-25, 1999), and had been increasingly outraged by Western intervention in Bosnia in 1995 and by Operation Desert Fox, the December 1998 air campaign waged against erstwhile Soviet client Saddam Hussein. In addition to seeking assurances that Washington was not planning on using nuclear weapons against Iraq as part of Operation Desert Fox, see text and note *supra*, General Kornukov, Commander-in-Chief of the strategic air force, put his nuclear bombers on alert during the operation against Iraq.
 - 60 Vladimir Brovkin, “Discourse on NATO in Russia during the Kosovo War,” DEMOKRATIZATSIYA, Fall 1999 (“What was most striking in spring 1999 was the unanimity with which Russians from various walks of life and political parties condemned the NATO bombing. . . . A great discovery for Western observers was that the Russian media, who were supposedly free and fair, were completely one-sided in coverage of Kosovo events. News media essentially reproduced Serbian propaganda and footage.”)
 - 61 Jim Nichol, “Kosovo Conflict: Russian Responses and Implications for the United States,” CRS Report, June 2, 1999; see also Paul E. Gallis, “Kosovo: Lessons Learned from Operation *Allied Force*,” CRS Report for Congress, Nov. 11, 1999, pp.12-13.
 - 62 Michael McFaul, “Russia’s Many Foreign Policies,” DEMOKRATIZATSIYA, Summer 1999, p. 405. (citation omitted). “Anti-American sentiment in Russia . . . is nothing new. What is new about this crisis, however, is both the degree of consensus and the new composition of the anti-American chorus. Traditionally, Russia’s foreign policy elite rant about U.S. hegemony, and Russian grandmothers show up at anti-American demonstrations. At the beginning of the Kosovo conflict, however, it was young people throwing beer bottles at the U.S. embassy in Moscow and organizing university teach-ins.” *Id.* p. 405.
 - 63 Subsequent polling, however, reinforces the view that the Russian general public’s harsh opinion of the United States traces back to American economic policy rather than Kosovo: in another survey Russians gave US economic assistance as the reason for a negative attitude towards the U.S. more than U.S. military action against Serbia. “Russians’ Mistrust of the U.S. At New High,” Office of Research, Department of State, Mar. 14, 2000.
 - 64 Marcus Warren, “Yeltsin outraged at air strikes,” ELECTRONIC TELEGRAPH, Mar. 25, 1999.
 - 65 Christopher Lockwood, Ben Aris, and Philip Smucker, “Don’t push us too far, says Yeltsin,” ELECTRONIC TELEGRAPH, Apr. 10, 1999.
 - 66 Viktor Chernomyrdin, “Impossible to talk peace with bombs falling,” WASH. POST, May 27, 1999, p. A39. Throughout this period, Clinton, Gore, and Talbot were meeting intensively with Chernomyrdin in Washington and Moscow. See Jim Nichol, “Kosovo Conflict: Russian Responses and Implications for the United States,” CRS Report for Congress, June 2, 1999, p. 5.
 - 67 Paul E. Gallis, “Kosovo: Lessons Learned from Operation *Allied Force*,” CRS Report for Congress, Nov. 11, 1999, p. 13. Russia ultimately proved willing to recede from its demand for a separate sector of occupation and accept a unified peacekeeping command in Kosovo. At a superficial level, differences with the West were patched up at the “G-8” summit in Cologne, where Yeltsin stated that he was “among friends” and that “we need to make up after a fight.” Yelena Tregubova, “Yeltsin Liked To Make Peace After Fight,” KOMMERSANT-DAILY, June 22, 1999, pp. 1-3.
 - 68 2000 FOREIGN POLICY CONCEPT OF THE RUSSIAN FEDERATION, June 28, 2000.
 - 69 Yeltsin and Lukashenka signed the “Charter of the Union of Belarus and Russia” on May 23, 1997. On December 25, 1998, Yeltsin and Lukashenka signed a further unification treaty on equal rights for citizens, equal conditions for economic entities, and a declaration that commits the two countries to further steps of unification, including supranational governing bodies, a single currency, and a unified budget.
 - 70 John B. Dunlop, “Reintegrating ‘Post-Soviet Space,’” JOURNAL OF DEMOCRACY, Vol. 11, No.3, July 2000
 - 71 Testimony of Ambassador David H. Swartz, Retired Senior Foreign Service Officer, “U.S. Policy Toward Russia,” before the House International Relations Committee, October 6, 1999.
 - 72 *Id.*
 - 73 *Id.* at 43-44.
 - 74 *Id.* at 40.
 - 75 Secretary of State Madeleine Albright, Director of Central Intelligence George Tenet, and FBI Director Louis Freeh all traveled separately to Central Asia in the spring of 2000.
 - 76 See, e.g., Grigory Nekhoroshev, “Russia, China and Central Asian Countries Continue to Draw Closer to Each Other,” NEZAVISIMAYA GAZETA, July 6, 2000.
 - 77 Testimony of Ambassador David H. Swartz, Retired Senior Foreign Service Officer, “U.S. Policy Toward Russia,” before the House International Relations Committee, October 6, 1999
 - 78 See “Islands of Excellence: The Paradox of Russia’s Military,” in Chapter 9 *supra*.
 - 79 Robert Legvold, testimony before the Senate Foreign Relations Committee on “Corruption in Russia,” Sept. 23, 1999.
 - 80 Lt. Gen. G.D. Ivanov, “Main Points of a Presentation . . . [on] Russia’s Nuclear Doctrine,” October 1994.
 - 81 See “Islands of Excellence: The Paradox of Russia’s Military,” in Chapter 9, *supra*.
 - 82 Bruce G. Blair, Senior Fellow, Brookings Institution, testimony before the House National Security Committee’s military research and development subcommittee on “Russian Missile Detargeting and Nuclear Doctrine,” March 12, 1997.
 - 83 Episodes like the 1995 “war scare” and the demarche during Operation Desert Fox, as well as the vast efforts underway to build facilities designed to survive nuclear war at sites like Yamantau and Kozvinsky Mountains, reflect this fact. This continuing distrust is reflected in the Russian Navy’s reaction to the loss of the *Kursk*, as well.
 - 84 Richard Staar, “A Tsar Is Born,” HOOVER DIGEST 2000 No. 3 (Current ratio of 80% of defense funds for strategic missile forces to drop to 30%, with balance for state-of-the-art conventional forces).
 - 85 President Bush, Address Before a Joint Session of the Congress on the State of the Union, January 29, 1991.
 - 86 H.R. 2100; 102nd Cong., 1st Sess. §1 (1991), pp. 30-34.
 - 87 Dr. Keith Payne and Dr. Andrei Kortunov, “The Character of the Problem,” “COLD PEACE” OR COOPERATION? THE POTENTIAL FOR U.S.-RUSSIAN ACCOMMODATION ON MISSILE DEFENSE AND THE ABM TREATY, National Institute for Public Policy, January 22, 1997, p. 26.
 - 88 *Id.*
 - 89 R. James Woolsey, “The Way to Missile Defense: Dealing with Russia and Ourselves,” NAT’L REVIEW, June 19, 2000. The Russian government has been using this formulation ever since. See, e.g., Igor Ivanov, Foreign Minister, Russian Federation, “The Missile Defense Mistake: Undermining Strategic Stability and the ABM Treaty,” FOREIGN AFFAIRS, Vol. 79, No. 5, Sept./Oct. 2000.
 - 90 Dr. Keith Payne and Dr. Andrei Kortunov, “The Character of the Problem,” “COLD PEACE” OR COOPERATION? THE POTENTIAL FOR U.S.-RUSSIAN ACCOMMODATION ON MISSILE DEFENSE AND THE ABM TREATY, National Institute for Public Policy, January 22, 1997, pp. 26-27; Dr. Keith Payne and Willis Stanley, “Alternative Futures,” *Id.* at 72-74; Dr. Andrei Kortunov and Dr. Andrei Shoumikhin, “Expanding the Potential for Russian-American Accommodation and Cooperation,” *Id.* at 86-87; testimony of Dr. Andrei Shoumikhin, Washington Director, Moscow Public Science Foundation, before the House Armed Services Committee, September 1996.
 - 91 Defense Secretary Aspin, Defense Department Briefing, Federal News Service, May 13, 1993.
 - 92 Testimony of Gen. Malcolm O’Neill, Acting Director of the SDIO, before the Senate Appropriations Committee Defense Subcommittee regarding FY 1994 SDIO programs, May 4, 1993.



- 93 See, e.g., Igor Ivanov, Foreign Minister, Russian Federation, "The Missile Defense Mistake: Undermining Strategic Stability and the ABM Treaty," FOREIGN AFFAIRS, Vol. 79, No. 5, Sept./Oct. 2000 ("Is such a system worth serious deterioration in Russia-U.S. relations, global strategic stability, and, ultimately, U.S. security?").
- 94 Department of State Office of Research, Opinion Analysis: Russians' Mistrust of the U.S. At New High (March 14, 2000), p.4.
- 95 Bill Gertz, "Intelligence report warns of missile launches against U.S.," WASH. TIMES, May 14, 1996, p. A3.
- 96 "Foreign Missile Threats: Analytic Soundness of Certain National Intelligence Estimates," General Accounting Office, GAO/NSIAD-96-225, August 1996.
- 97 Report of the Commission to Assess the Ballistic Missile Threat to the United States, July 15, 1998.
- 98 R. James Woolsey, "The Way to Missile Defense: Dealing with Russia and Ourselves," NAT'L REVIEW, June 19, 2000.
- 99 Mary McGory, "Out to Lunch," WASH. POST, Mar. 30, 2000, p. A3.
- 100 R. James Woolsey, "The Way to Missile Defense: Dealing with Russia and Ourselves," NAT'L REVIEW, June 19, 2000.
- 101 At the most recent Shanghai Five summit in Dushanbe, Tajikistan, on July 5, 2000, the assembled heads of state noted that "the 1972 Anti-Ballistic Missile (ABM) Treaty must be unconditionally maintained and strictly respected," and that "the Asia-Pacific region will see its stability and security destroyed by an eventual deployment of the theater missile defense (TMD) system, which will lead to an escalation of the arms race." They explicitly opposed TMD for Taiwan. "Shanghai Five Nations Sign Joint Statement," PEOPLE'S DAILY, July 6, 2000. See also Sharon LaFraniere, "Missile Shield Under Attack," WASH. POST, July 6, 2000, p. A14.
- 102 Interview with Marshal Sergeyev in "Sergeyev Warns of Danger to Strategic Stability from U.S. NMD," NEZAVISIMAYA GAZETA, June 22, 2000, pp.1, 6. See also Judith Ingram, "Russia Rejects U.S. Missile Assurances," WASH. POST, June 23, 2000.
- 103 "[The two Presidents] agree that the international community faces a dangerous and growing threat of proliferation of weapons of mass destruction and their means of delivery, including missiles and missile technologies, and stress their desire to reverse that process. . . . They agree that this new threat represents a potentially significant change in the strategic situation and international security environment." Paras. 6 and 7, Joint Statement by the Presidents of the United States of America and the Russian Federation on Principles of Strategic Stability, June 4, 2000. In Para. 8, the Joint Statement refers to "this emerging threat to security." *Id.*
- 104 WELT AM SONNTAG, June 11, 2000, pp. 2-3.
- 105 "New Russia-U.S. Arms Talks Set for Saturday," RUSSIA TODAY, June 23, 2000. See also, "Russia: No Progress in ABM Talks," WASH. POST, June 14, 2000. (Quoting Gen. Leonid Ivashov, head of the Ministry of Defense Department of International Cooperation, as accusing the United States of "demoniz[ing]" North Korea and stating, "We evaluate the threats, the true missile threat, to the United States, as being nil.")
- 106 David Hoffman, "Russian Generals Diverge from Putin-Clinton Stance on Missile Threat," WASH. POST, June 30, 2000, A27. Gen. Ivashov attributed Iran's interest in acquiring missiles to "the wish to create a counterbalance to deployment of missiles by neighbors—Israel above all—and to the presence and constant involvement of American military personnel in the Persian Gulf." *Id.*
- 107 Igor Ivanov, Foreign Minister, Russian Federation, "The Missile Defense Mistake: Undermining Strategic Stability and the ABM Treaty," FOREIGN AFFAIRS, Vol. 79, No. 5, Sept./Oct. 2000.
- 108 2000 Foreign Policy Concept of the Russian Federation, July 28, 2000.
- 109 Joint Statement on the ABM Issue by the Presidents of the People's Republic of China and the Russian Federation, July 18, 2000.
- 110 *Id.*
- 111 "Democratic People's Republic of Korea-Russia Joint Declaration," P'yongyang Korean Central Broadcasting Station, July 20, 2000. On the issue of relations between the two Korean governments, Moscow and P'yongyang announced that they would not "permit outside interference in this process," i.e., possibly that the four-party negotiations involving both Koreas, the PRC, and the U.S. should be replaced by purely bilateral intra-Korean negotiations excluding the United States. The two governments promise full consultation in the event of threat of invasion or threats to peace and security. By jointly promising not "to participate in any kind of action, measure or alliance . . . opposed to the stability of the other's sovereignty, independence, and territory," Russia could possibly be promising not to participate in any multilateral sanctions against North Korea, no matter what the North Korean action that provoked them and notwithstanding the authority imposing them. Indeed, Russia may be committing to veto any action against North Korea by the U.N. Security Council, the only body that Russia deems competent to authorize such action. The summit was preceded in February 2000 by conclusion of a new Russian-North Korean Treaty of Friendship to replace the Soviet-era alliance scrapped by Yeltsin.
- 112 Cf. Michael Richardson, "Russia Assures U.S. on North Korea Missile Program," INTERNATIONAL HERALD TRIBUNE, July 28, 2000, with Doug Struck, "North Korean Missile Stance Unclear," WASH. POST, July 29, 2000 (North Korean Foreign Minister tells Secretary of State Albright in Bangkok that he "declined to provide further clarification."). As the House Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China documented in great detail in 1999, the process of integrating satellites and launch rockets provides extensive opportunities for transfer of militarily significant technical expertise.
- 113 For example, P'yongyang had already promised the United States at a September 1999 meeting in Berlin to impose a moratorium on launches as long as North Korea felt that bilateral negotiations over the launches were proceeding satisfactorily. Similarly, the Clinton administration initially claimed that the 1994 Agreed Framework froze the DPRK nuclear program in its entirety, only to subsequently discover that its incompetent negotiation had secured only a freeze on nuclear activities at two locations.
- 114 "Just Kidding in Korea," WASH. POST, Aug. 16, 2000.
- 115 Press Conference by President Clinton and President Yeltsin, Jan. 14, 1994.
- 116 Testimony of J. Michael Waller before the House Armed Services Committee Subcommittee on Military Research and Development, Mar. 13, 1997.
- 117 Remarks by the President to the People of the Toledo Area, Aug. 26, 1996. This statement and the many others like it by the Clinton administration fail to account for the missiles from the People's Republic of China that are still aimed at the United States. The PRC rejected a Clinton proposal for a similar missile detargeting agreement.
- 118 Testimony of Bruce G. Blair before the House Armed Services Committee Subcommittee on Military Research and Development, Mar. 13, 1997.
- 119 In a July 1, 1996, letter to the House National Security Committee, then-Secretary of Defense Perry wrote that, "There are no procedures to verify detargeting."
- 120 "Don't Count Them Out; Russia Continues to Prepare for War by Upgrading Missile Systems, as Does the United States," 60 Minutes, June 18, 1995.
- 121 Testimony of Bruce G. Blair before the House Armed Services Committee Subcommittee on Military Research and Development, Mar. 13, 1997.
- 122 *Id.*
- 123 "Russian Expert Comments on Retargeting Problem," Itar-TASS, March 10, 1995.
- 124 The administration's refusal to submit the Kyoto agreement to the Senate, its duplicitous concealment from Congress of the so-called "Iran-Bosnia affair," and its humiliating defeat in the Comprehensive Test Ban Treaty vote are all similar examples of a foreign policy process that is at once fundamentally dishonest and self-defeating.
- 125 Deputy Secretary Talbott failed to respond to repeated oral and written requests for testimony by the Speaker's Advisory Group, which comprises *inter alia* eight committee and subcommittee chairmen with jurisdiction over Russia policy.
- 126 Letter to President Clinton of Senate Majority Leader Trent Lott, Chairmen Jesse Helms, Senate Foreign Relations Committee, John Warner, Senate Armed Services Committee, and Mitch McConnell, Senate Appropriations Committee Foreign Operations Subcommittee, July 18, 2000.





- 127 Indeed, the Democratic Views in the International Relations Committee's report on the Iran Missile Proliferation Sanctions Act of 1997 criticized the administration's "weak" consultation process and unwillingness to provide detailed, timely information from the Executive branch . . ." "Iran Missile Proliferation Sanctions Act of 1997," Report of the Committee on International Relations, H.R. Rept. No. 105-375, 105th Cong., 1st Sess. Pg. 14 (1997).
- 128 Simon Saradzhyan, "U.S. NMD Effort Fueling Russia's New Missile Plan," DEFENSE NEWS, July 10, 2000.
- 129 Bill Gertz, "Russia sells missile technology to North Korea," WASH. TIMES, June 30, 2000, p. A1.
- 130 See Chapter 9 *supra*.
- 131 Russia recently announced that President Putin will visit Libya. Charles Clover, "Putin to visit Libya," FINANCIAL TIMES, July 31, 2000.

Chapter 11

- 1 HENRY KISSINGER, *DIPLOMACY* (New York: Simon and Schuster, 1994), p. 812. See also James Billington, "Russia: Between a Dream and a Nightmare," N.Y. TIMES, June 17, 1998, p. A31 ("America has fought five wars in this century—all basically to prevent authoritarian power from gaining control of Eurasia.").
- 2 More distantly, our policy represents a continuation of the historic Anglo-American opposition to hegemonic dominance by any great power—a policy dating back to British policy toward Louis XIV and Napoleon. At least since the era of the Napoleonic Wars, critics of this British or American policy have themselves denounced it as a screen for hegemonic ambitions. Current criticism of U.S. "hegemonism" faithfully echoes this argument.
- 3 As Kissinger wrote in describing the opening to China, "We did not consider our opening to China as inherently anti-Soviet. . . . We moved toward China . . . to shape a global equilibrium. It was not to collude against the Soviet Union but to give us a balancing position to use for constructive ends—to give each Communist power a stake in better relations with us. Such an equilibrium could assure stability among the major powers, and even eventual cooperation, in the Seventies and Eighties." HENRY KISSINGER, *WHITE HOUSE YEARS*, (Boston: Little, Brown and Company, 1979), pp. 191-192. "The prospect of military conflict along the Sino-Soviet border faced us with nightmarish choices." *Id.* at 693-94. "Triangular diplomacy . . . could not be a crude attempt to play off China against the Soviet Union. . . . To the extent that we tried to aggravate rivalry we would lose in other ways. . . . Any attempt to manipulate Peking might drive China into detaching itself from us, perhaps to re-examine its options with the Soviet Union, to gain control of its own destiny. Equally, any move by us to play the Chinese card might tempt the Soviets to end their nightmare of hostile powers on two fronts by striking out in one direction before it was too late. . . . Equilibrium was the name of the game." *Id.* at 763-64.
- 4 The most acute phase of Sino-Soviet military tension had ended by 1982, when the U.S.S.R. attempted a limited rapprochement with Beijing as its relations with NATO worsened.
- 5 Stuart D. Goldman and Robert Sutter, "Russian-Chinese Cooperation: Prospects and Implications", CRS Report for Congress, Jan. 27, 1997.
- 6 ALEXANDER A. SERGOUNIN, SERGEI V. SUBBOTIN, SIPRI RESEARCH REPORT NO. 15: RUSSIAN ARMS TRANSFERS TO EAST ASIA IN THE 1990S (Oxford: Oxford University Press, 1999), p. 71. Even that modest level, however, made Russia the PRC's leading arms supplier, reflecting the efficacy of Western nations' export controls and the PRC's tendency during this period not to use hard currency to purchase significant Western weapons systems.
- 7 Lena Sun, "Russia, China Set Closest Ties in Years," WASH. POST, Dec. 19, 1992, p. A1.
- 8 For a Chinese comparison of Russia's ties to the West and the PRC in this period, Li Jingie, "From Good Neighbors to Strategic Partners," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed., (Washington, D.C.: Carnegie Endowment for International Peace, 2000) p. 73 ("The great transformation in Eastern Europe, the one-by-one fall of communist parties, and the subsequent breakup of the Soviet Union did, in fact, interrupt relations with China. At first, the new Russian leadership ranked China behind Japan, India, and South Korea in its Asian foreign policy priorities. The democratic faction still rebuked China on human rights and democracy questions, from time to time. Under these circumstances, many Chinese political leaders and analysts estimated that the international situation had become extremely serious, worrying that a united West joined by the new Russia might be able to concentrate pressure on China as the only remaining socialist power.") Li is director of the Institute of East European, Russian, and Central Asian Studies of the Chinese Academy of Sciences.
- 9 As Dmitri Simes stated, "[I]n recent years we have seen Russia and China consistently maintain far closer relations than either of them has with the United States. This is the first time since thirty years ago, before the era of President Richard Nixon, that this could be said." Martin Sieff, "Russia-China summit aims at U.S. policy," UPI, August 24, 1999.
- 10 Michael Dobbs and Don Oberdorfer, "Yeltsin Appeals For American Aid; Reforms 'Must Succeed,' Hill Told," WASH. POST, June 18, 1992, p. A1.
- 11 Jim Hoagland, "'We Should Be Building Trust' With the New Russia," WASH. POST, June 29, 2000, p. A31.
- 12 Elaine Sciolino, "In Speech to Russian Duma, Clinton Urges Careful Policy Choices," N.Y. TIMES, June 2, 2000, p. A1.
- 13 Yeltsin continued:
It is a neighbor, with whom we share the longest border in the world and with whom we are destined to live and work side by side forever. On the success of our cooperation with China depends Russia's future. Relations with China are extremely important to us in global politics as well. If we can rely on the Chinese shoulder in our relations with the West, the West will be more considerate to Russia.
- Yevgeny Bazhanov, "Russian Perspectives on China's Foreign Policy and Military development," IN CHINA'S SHADOW: REGIONAL PERSPECTIVES ON CHINESE FOREIGN POLICY AND MILITARY DEVELOPMENT, Jonathan Pollack and Richard Yang, eds., (Santa Monica, Cal: RAND, 1998), p. 80 (footnote omitted).
- 14 Lena Sun, "Russia, China Set Closest Ties in Years," WASH. POST, Dec. 19, 1992, p. A1.
- 15 Yevgeny Bazhanov, "Russian Perspectives on China's Foreign Policy and Military Development," IN CHINA'S SHADOW: REGIONAL PERSPECTIVES ON CHINESE FOREIGN POLICY AND MILITARY DEVELOPMENT, Jonathan Pollack and Richard Yang, eds., (Santa Monica, Calif: RAND, 1998), pp. 70, 71-73. These generalizations are subject to numerous exceptions. "Westernizers" and "reformers" often proved to be enthusiastic proponents of "multipolarity," or at least opportunistic enough to truckle to anti-American opinion; some extreme nationalists were even more paranoid about a Chinese inundation of Siberia than they were about a NATO invasion of Russia.
- 16 In this regard, the failure of Russian reforms has had a highly-significant opportunity cost in the PRC, as well, by discrediting what the PRC leadership characterizes as the "Western model" of reform. The PRC leadership remains acutely aware that one of the key triggers for the Tiananmen demonstrations was the Chinese public's awareness of the reform process in the U.S.S.R., and in particular the visit of then-Soviet President Mikhail Gorbachev to Beijing. Had subsequent Russian reforms succeeded, they would have powerfully reinforced pro-reform opinion in the PRC.
- 17 Lena Sun, "Russia, China Set Closest Ties in Years," WASH. POST, Dec. 19, 1992, p. A1.
- 18 The number of individual actors involved and the weakness of central controls in Russia make it hazardous to assume a coherent policy making apparatus with a consistent policy. See Stephen Blank, "Russia's clearance sale," JANE'S INTELLIGENCE REVIEW, Nov. 1, 1997.
- 19 Jennifer Anderson, "The Limits of Sino-Russian Strategic Partnership," (Adelphi Paper 315), The International Institute for Strategic Studies 1997, p. 20 ("In late May 1994, Jiang informed Chernomyrdin that China was 'willing to join Russia in raising Sino-Russian relations to a new level,' and set the date for his first visit to Russia since the collapse of the Soviet Union.").
- 20 "Sino-Russian Joint Statement," Xinhua, Sept. 3, 1994; see also "Jiang, Yeltsin on Ties," Xinhua, May 8, 1995 (Remarks of President Jiang). At a time when Russian military doctrine was broadly lower-



- ing the threshold for first use of nuclear forces, Russia and the PRC agreed to adopt a no-first-use nuclear doctrine and a detargeting agreement.
- 21 Henry Kissinger, "Moscow and Beijing: A Declaration of Independence," WASH. POST, May 14, 1996, p. A15.
 - 22 *Quoted in* Peter W. Rodman, testimony before the House International Relations Committee, Hearing on "The U.S. and Russia: Assessing the Relationship," July 16, 1998, p. 93 (footnote omitted).
 - 23 Li Jingjie, "From Good Neighbors to Strategic Partners," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed., (Washington DC: Carnegie Endowment for International Peace, 2000), p. 86. *See also* Jennifer Anderson, "The Limits of Sino-Russian Strategic Partnership," (Adelphi Paper 315), The International Institute for Strategic Studies 1997, p. 22 ("Under Primakov, the Russian Foreign Ministry officially claimed the priority status of the relationship with Beijing; Chernomyrdin promoted the interests of the industrial, energy and arms sectors trading with China.")
 - 24 *Id.* at 82. Similarly, whereas the Russian Foreign Ministry ranked the PRC sixth among Russian concerns in 1993 (after the CIS, arms control and international security, economic reform, and relations with the U.S. and Europe), by 1996 Foreign Minister Primakov ranked the PRC third, after the CIS and Eastern Europe. Alexander Lukin, "Russia's Image of China and Russian-Chinese Relations," EAST ASIA: AN INT'L QUARTERLY, vol. 17, no. 1, Spring 1999.
 - 25 Sino-Russian Joint Communique, signed in Beijing by Chinese President Jiang Zemin and Russian President Boris Yeltsin, April 25, 1996.
 - 26 Jennifer Anderson, "The Limits of Sino-Russian Strategic Partnership," (Adelphi Paper 315), The International Institute for Strategic Studies, 1997, p. 21 ("[J]ust 24 hours before the meeting, Yeltsin telephoned Jiang from his stop-over in Khabarovsk, formally proposing that the two establish a 'strategic partnership for the twenty-first century'. Jiang immediately accepted the proposal."); *see also* Li Jingjie, "From Good Neighbors to Strategic Partners," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed., (Washington DC: Carnegie Endowment for International Peace, 2000), p. 88; Stephen Blank, "Russia's clearance sale," JANE'S INTELLIGENCE REVIEW, Nov. 1, 1997.
 - 27 *Id.*
 - 28 Peter W. Rodman, testimony before the House International Relations Committee, hearing on "the U.S. and Russia: Assessing the Relationship," July 16, 1998, p. 95 (footnote omitted). During Yeltsin's April 1996 visit to the PRC he and President Jiang also met in Shanghai with the Presidents of three Central Asian republics, Kazakhstan, Kyrgyzstan, and Tajikistan, established the so-called "Shanghai-Five" group. Creation of this grouping, which agreed to conduct periodic summits, reflects common Sino-Russian concerns over the potential dangers of ethnically or religiously-based separatism across the expanse of central Eurasia, reflecting Beijing's concerns over Tibet and Xinjiang and Russia's concerns over unrest in the Caucasus and Central Asia. These concerns are shared to differing degrees by the Central Asian governments themselves. These concerns have intensified for all parties recently. The second Chechen conflict has heightened Russian and Central Asian sensitivity to perceived "Islamist" threats, and intensified Uighur separatist violence—not just in Xinjiang but in Beijing also. *See* Mark Bures, CHINESE POLICY TOWARD RUSSIA AND THE CENTRAL ASIAN REPUBLICS (Santa Monica, Calif.: RAND, 1999), pp. 9-10. At the most recent Shanghai Five summit in Dushanbe, Tajikistan on July 5, 2000, President Jiang called for the member-states to "cooperate in the security field at a deeper level and take joint actions to crack down on the activities of all brands of separatist, terrorist, and extremist forces." "Shanghai Five" Summit Successfully Ends in Dushanbe," Xinhua Domestic Service, July 5, 2000. In addition, the Shanghai Five signed Five-Party Military Agreements in 1996 and 1997 that significantly demilitarized the former Sino-Soviet border, and were complementary to the Sino-Russian border agreements.
 - 29 Joint Sino-Russian Communique issued during PRC premier Li Peng's visit to Moscow of late December 1996, Xinhua, Dec. 26-28, 1996 (FBIS-CHI-96-251).
 - 30 "Rodionov Identifies 'Sources of Military Danger,'" Interfax News Agency, Dec. 25, 1996.
 - 31 Peter W. Rodman, testimony before the House International Relations Committee, hearing on "The U.S. and Russia: Assessing the Relationship," July 16, 1998, pp. 96-97; Grigory Arslanov, "Russian Defense Minister Hails China Strategic Partnership," Itar-TASS, Apr. 15, 1997.
 - 32 By contrast, the much less elaborate Joint Statement issued by Presidents Jiang and Clinton during the October 29, 1997 summit in Beijing announced the two Presidents' "determin[ation] to build a constructive strategic partnership ... through increasing cooperation to meet international challenges and promote peace and development in the world."
 - 33 *See* Chapter 8 *supra*.
 - 34 *See* "Yeltsin, China's Jiang Call for a 'Multipolar' World," ROSSIISKIYE VESTI, April 25, 1997. The Joint Declaration stated that "[n]o one country should strive for hegemony, conduct a foreign policy from a position of strength, or monopolize international affairs;" it opposed "attempts to expand and strengthen military blocs, since this trend may pose a threat to the security of individual countries and cause tension on a regional and global scale"—a swipe at both NATO enlargement and the nexus of bilateral U.S. security ties in the Western Pacific. It espoused settlement of international differences "without using force or threatening to use it," and affirmed that the U.N.'s role "cannot be supplanted by any other international organization"—a pointed jibe at American military interventions in various contexts unsanctioned by U.N. mandates. It omits even pro-forma references to such U.S. desiderata as weapons proliferation or human rights. *Id.*
 - 35 *See, e.g.*, Joint Statement on Common Security Challenges at the Threshold of the Twenty-First Century, September 2, 1998; Kremlin press conference by President Clinton and President Yeltsin, Sept. 2, 1998.
 - 36 *Id.* (Yeltsin reference to disagreements over Iraq, Kosovo, NATO).
 - 37 Foreign Minister Ivanov called the NATO bombing the worst aggression in Europe since World War II, and called for war crimes trials for the NATO leaders who had instigated airstrike "genocide." *Id.* Senior Russian officers were less restrained, and did not confine themselves to rhetoric: General Kvashnin, the Chief of the Russian General Staff, publicly volunteered to lead a division, while General Kortunov, the commander-in-chief of the strategic air force, conducted an exercise simulating a nuclear war over the Balkans. Russia sent a naval presence to the area and provided intelligence support to Milosevic. The major Russian initiative in Yugoslavia itself—the surprise deployment of Russian paratroopers to Pristina airport—remains of uncertain provenance, although Yeltsin quickly disavowed it and abandoned the General Staff's related efforts to secure an independent Russian peace-keeping zone in Kosovo. *See* Michael McPaul, "Russia's Many Foreign Policies," DEMOKRATIZATSIYA, Summer 1999, pp. 406-7. (citation omitted); *see also* Paul E. Gallis, "Kosovo: Lessons Learned from Operation *Allied Force*," CRS Report for Congress, Nov. 11, 1999, p. 13.
 - 38 Yeltsin's political maneuvering during this period, which included appointing Viktor Chernomyrdin as special mediator in mid-April and replacing Primakov as prime minister in mid-May, have given rise to speculation concerning the extent to which he was leading, following, or attempting to undercut both popular and official Russian opposition to NATO's Kosovo operations.
 - 39 "Russian PM seeks closer strategic ties with China," Reuters, June 10, 1999.
 - 40 Mikhail Shevtsov, "China's general visits Russian missile division," Itar-TASS, June 12, 1999.
 - 41 "Chinese military official speaks of rapprochement with Russia," Interfax News Agency, June 13, 1999.
 - 42 There is some implication that his reference was both to the West and to "westernizers" within Russia.
 - 43 Ben Aris and David Rennie, "Yeltsin presses for anti-NATO alliance with the Chinese," Electronic Telegraph, Aug. 26, 1999. Foreign Minister Igor Ivanov elaborated on Yeltsin's comment: "You need to understand this as a fight for the future world order, but we are not indifferent to what happened in the Balkans and the Persian Gulf and other situations that threaten stability." "Russian, Chinese Presidents





- discuss 'strategic partnership,'" Agence France Presse, Aug. 25, 1999.
- 44 "Premier of State Council of China hails Russo-Chinese ties," *ITAR-TASS*, Aug. 24, 1999.
- 45 Michael Walker, "Russia, China plug a 'multipolar' world," *THE STRAITS TIMES*, Sept. 1, 1999.
- 46 Oliver August, "China increases nuclear threat," *LONDON TIMES*, Sept. 2, 1999; Simon Saradzhyan, "Russia ponders selling nuclear submarines to China," *DEFENSE NEWS*, Sept. 27, 1999 (reporting that Primakov approved *Akula* sale in April 1999, and that the submarines would be able to attack carrier battle groups in the open sea).
- 47 Michael Walker, "Russia, China plug a 'multipolar' world," *THE STRAITS TIMES*, Sept. 1, 1999; "China to get first SU-30MKKs," *JANE'S DEFENCE WEEKLY*, July 26, 2000.
- 48 Joint Communique, Dec. 10, 1999.
- 49 Bill Gertz and Rowan Scarborough, "Inside the Ring," *WASH. TIMES*, Sept. 3, 1999, p. A6.
- 50 "Sino-Russian summit begins," *FINANCIAL TIMES*, July 18, 2000. Apparently rumors that Moscow was considering curtailing transfers of military technology because of fears that they would undercut sales of off-the-shelf Russian weaponry are unfounded. See "Russia Rethinking Scope of Arms Sales to China?," *JAMESTOWN MONITOR*, Vol. 6, Issue 52, Mar. 14, 2000.
- 51 Beijing Declaration by the People's Republic of China and the Russian Federation, July 18, 2000. The Declaration reaffirms all previous Sino-Russian political documents and promises further preparations for a formal China-Russia treaty of friendship and cooperation. *Id.*
- 52 "Jiang Hails Summit with Putin," *SOUTH CHINA MORNING POST*, July 18, 2000.
- 53 "Russia Rethinking Scope of Arms Sales to China?," *JAMESTOWN MONITOR*, Vol. 6, Issue 52, Mar. 14, 2000.
- 54 FOREIGN POLICY CONCEPT OF THE RUSSIAN FEDERATION, Mar. 25, 1993. The 1993 *Concept* expressly disclaimed suspicion of Western designs on the CIS, stating that "[t]he leading democratic states of the world are interested in ensuring stability in the geopolitical space of the former U.S.S.R., and recognize the role of Russia and its policy in supporting such stability."
- 55 *Id.* at 13. The *Concept* noted that good relations with the PRC would facilitate implementation of internal reforms and ensure that "third countries are not tempted to use it against Russia, just as China is not tempted to play the 'Russian card' in its relations with other countries."
- 56 *Id.*
- 57 *Id.*
- 58 "China Issues Defense White Paper," Xinhua News Agency, July 27, 1998. The 1998 PRC *White Paper* nonetheless concluded that "[p]eace and development are the major themes of the present era" and "[i]n general the present international security situation has continued to trend toward relaxation." This note of somewhat forced optimism has largely vanished from the PRC's official formulations today. See *infra*.
- 59 Ministry of Foreign Affairs of the PRC, "China's View on the Development of Multi-polarity." This document concludes more optimistically that hegemonism "is against the tide of history and is doomed to failure." It too nevertheless concludes that "overall the general trend of the international situation [is] moving toward relaxation, and any attempt aimed at setting up a single pole in the world is doomed to failure." *Id.* The tension in these documents between acknowledging current and, on the evidence of Desert Fox and Kosovo, possibly growing American military power and predicting the coming demise of hegemonism reflects a continuing debate within the PRC's foreign policy establishment about the pace of the multipolar trend. See generally MICHAEL PILLSBURY, CHINA DEBATES THE FUTURE SECURITY ENVIRONMENT (Washington, D.C.: National Defense University Press, 2000) pp. 3-62.
- 60 Stephen J. Blank, U.S. Army War College, "New Strategic Trends in Russo-Chinese Relations," testimony before the House Armed Services Committee hearing on "Military Capabilities of the People's Republic of China," July 19, 2000, p. 6 ("Both partners embrace positions on major issues of today's national security agenda in direct opposition to the United States and its allies in the U.N. and are particularly active in doing so across Central, South, and East Asia. Their partnership comprises economic, political, ideological, and military dimensions, and in each of these dimensions of the partnership Beijing and Moscow are forming closer and deeper bonds despite difficulties, and ever more openly voice the partnership's overt anti-American character.")
- 61 John Pomfret, "Russians Help China Modernize its Arsenal; New Military Ties Raise U.S. Concerns," *WASH. POST*, Feb. 10, 2000, p. A17. See, e.g., Wen Jen, "China and Russia to Jointly Hold Military Exercises," *HONG KONG TAI YANG PAO*, Aug. 7, 2000 (asserting that Russia and the PRC had agreed during a July 27, 2000, hotline discussion to expedite conclusion of a treaty of friendship and cooperation, cooperate in developing a new generation of aircraft and high-technology weapons, expand military exchanges, conduct joint military exercises, and purchase \$15 billion in advanced military equipment).
- 62 Stephen J. Blank, U.S. Army War College, testimony before the House Armed Services Committee on "New Strategic Trends in Russo-Chinese Relations," July 19, 2000, pp. 4-6 and notes 11-18.
- 63 Blank testified:
At least since 1995 Russian leaders—Defense Minister Pavel Grachev in 1995, according to U.S. intelligence analysts, the Russian government in 1998, Vladimir Putin in 1999—have regularly asked China for a military-political alliance. ... The Russian media has often talked of an alliance and German diplomats in Moscow believed it was possible by 1996. ... Publicly China continues to reject these requests.
- Id.*
Professor Blank notes that there is also a substantial body of evidence that conflicts with these reports.
- 64 *Id.* at 6.
- 65 The consensus view of policy makers in Moscow is that arms sales to the PRC serve both economic and policy interests, and that the point of potential conflict between those interests has not yet been reached. Yevgeny Bazhanov, Vice President of the Russian Diplomatic Academy and Director of the Foreign Ministry's Institute of Contemporary International Studies, wrote in August 1997 that Russian arms sales to the PRC are "profitable not only economically, but politically as well, [since] they tie Russia and China to each other and help build our mutual confidence." Yevgeny Bazhanov, "Russian Perspectives on China's Foreign Policy and Military Development," IN CHINA'S SHADOW: REGIONAL PERSPECTIVES ON CHINESE FOREIGN POLICY AND MILITARY DEVELOPMENT, Jonathan Pollack and Richard Yang, eds., (Santa Monica, Calif.: RAND, 1998), p. 81 (footnote omitted). See also Sherman W. Garnett, Senior Associate, Carnegie Endowment, testimony before the House International Relations Committee, hearing on "Russian Foreign Policy: Proliferation to Rogue Regimes," Mar. 25, 1999, p. 59 ("Sino-Russian arms and defense technology sales are driven by several different factors. There is obviously an ideological element in the Sino-Russian relationship as a whole. ... Russia's desperate economic condition provides additional incentive for arms sales. ... Greed is a considerable stimulus for much of Russian behavior in the arms and technology area. Industrialists, middlemen and even the regulators make money. ... [And] public gains are frequently cited to generate further support for the sales. Arms sales are seen, rightly or wrongly, as a critical element in the survival of the Russian military industrial base.")
- 66 Stephen J. Blank, U.S. Army War College, "New Strategic Trends in Russo-Chinese Relations," testimony before the House Armed Services Committee hearing on "Military Capabilities of the People's Republic of China," July 19, 2000, p.7 (footnote omitted). As Professor Blank further testified, these dollar figures include only official transfers and omit not only "what we know to be large-scale military-technological transfers in the so-called gray and black market" but also "the large number of human exchanges either through the internet or through Russian scientists in China or Chinese scientists in Russia who are working to upgrade Chinese capabilities." *Id.*
- 67 Sherman Garnett, Senior Associate, Carnegie Endowment, testimony before the House International Relations Committee, hearing on "Russian Foreign Policy: Proliferation to Rogue Regimes," Mar. 25, 1999, p. 58.
- 68 Piotr Butowski, "Show Report—Farnborough," *JANE'S DEFENCE*



- WEEKLY, Aug. 9, 2000.
- 69 The 1996 decision to license Su-27 production is an interesting example of the interplay of the differing institutional interests at play in Russian proliferation of advanced weaponry: reportedly the license was transferred by the Sukhoi Design Bureau “without official authorisation or knowledge,” in order to generate funds for development of the Bureau’s Su-37 fighter; “Moscow had to accept this deal, as retraction would have angered China and undermined a crucial pillar of its Asian and overall foreign policy.” See Stephen Blank, “Russia’s clearance sale,” JANE’S INTELLIGENCE REVIEW, Nov. 1, 1997.
- 70 ALEXANDER A. SERGOUNIN, SERGEI V. SUBBOTIN, SIPRI RESEARCH REPORT No. 15: RUSSIAN ARMS TRANSFERS TO EAST ASIA IN THE 1990s (Oxford: Oxford University Press, 1999), pp. 75-76. See also “Russia to Send China First Su-30MKK Fighters by End of 2000,” Itar-TASS, July 6, 2000; Paul Beaver, “China acquires more arms technology,” JANE’S INTELLIGENCE REVIEW, Nov. 1, 1997 (PRC production license for Su-27s worth \$1.5 billion over 10 years).
- 71 Richard D. Fisher, Jr., “Gallery of Known and Possible Future Foreign Military Acquisitions by China,” James R. Lilley and David Shambaugh, eds., CHINA’S MILITARY FACES THE FUTURE, (New York: M.E. Sharpe, 1999), p. 147.
- 72 John Pomfret, “Russians Help China Modernize its Arsenal; New Military Ties Raise U.S. Concerns,” WASH. POST, Feb. 10, 2000, p. A17. Only one model of the Su-37 currently exists, though it is currently being advertised in a Rosvooruzhenie catalog. Because of the Su-37’s advanced capabilities and the Tu-22M’s strategic functions, if the reports concerning them are correct they would represent both the collapse of any qualitative restrictions on Russian sales of military aircraft to the PRC and a willingness to suffer extremely severe repercussions in relations with other Asia-Pacific powers. See, e.g., Richard D. Fisher, Jr., “Gallery of Known and Possible Future Foreign Military Acquisitions by China,” James R. Lilley and David Shambaugh, eds., CHINA’S MILITARY FACES THE FUTURE, (New York: M.E. Sharpe, 1999), p. 147 (sale of Tu-22M would “likely result in a political firestorm for Russia in Asia”).
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- 88 U.S. Department of Defense, Annual Report on the Military Power of the PRC, June 2000, p. 15. The Annual Report states that these systems “provide only a rudimentary, limited defense against aircraft and cruise missiles.” *Id.*
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- More recently the Russian media reported that China’s Military-Technical Co-operation Co-ordinating Centre





- invites Russian weapons designers and other specialists to China for preliminary talks. Russian scientists give mainly 'secret' lectures on Russian defense exports. Chinese sources report that the information they receive saves around 15-20 years of research and development and hundreds of millions of dollars ... Hundreds of Chinese technicians work at Russian defense plants and many Russian plants work exclusively for the Chinese market or Chinese owners. Chinese delegations of highly-skilled specialists wander around Russian defense plants and negotiate contracts. They see practically everything so that these factories might win orders.
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 - 96 Under Secretary Walter B. Slocombe, testimony before the House International Relations Committee Subcommittee on Asia and the Pacific, May 11, 1998.
 - 97 Ambassador Stephen Sestanovich, response to questions for the record, in House International relations Committee, Hearings on "The U.S. and Russia: Assessing the Relationship," July 16, 1998, pp. 158-59.
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 - 99 Secretary of State Madeleine Albright, response to questions for the record, U.S. Senate Committee on Foreign Relations, Feb. 2, 2000.
 - 100 Anthony H. Cordesman, "The Strategic Impact Of Russian Arms Sales and Technology Transfers," Center for Strategic and International Studies, Apr. 5, 1999, p. 22.
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 - 102 Sherman Garnett, testimony before the House International Relations Committee, hearing on "Russian Foreign Policy: Proliferation to Rogue Regimes," Mar. 25, 1999, p. 58.
 - 103 Testimony of DIA Director Lt. Gen. Patrick Hughes before the Senate Armed Services Committee, Feb. 2, 1999 ("Assuming we retain the capability and will to remain engaged worldwide, no other state—or any likely coalition or group of states—has the wherewithal to usurp the U.S. position within the next 15-20 years. The most significant potential competitors—including Russia and China—all have fewer advantages and more problems. This is especially true in the military arena.")
 - 104 Anthony H. Cordesman, "The Strategic Impact Of Russian Arms Sales and Technology Transfers," Center for Strategic and International Studies, Apr. 5, 1999, p. 22. Cordesman is, on balance, a skeptic of the impact of the past Russian transfers on the PRC's capabilities, but he concludes that "[t]he past ... is not necessarily the prelude to the future. Some Russian technology transfers are already important, and Russia could provide China with a wide variety of far more advanced weapons that could dramatically increase its warfighting capabilities against the U.S. or its allies." *Id.* at 25.
 - 105 Craig Smith, "Putin Visits China in Hope of Strengthening a Strategic Axis," NEW YORK TIMES, July 18, 2000, p. A11.
 - 106 Sino-Russian trade went from \$3.9 billion in 1991 to \$5.8 billion in 1992, and peaked at \$7.68 billion in 1993. Thereafter, it fell to \$5.1 billion in 1994, \$5.5 billion in 1995, \$7.2 billion in 1996 (the year when Yeltsin and Jiang pledged that Sino-Russian trade would reach \$20 billion by 2000), \$6.12 billion, and \$5.48 billion in 1998. See Elizabeth Wishnick, "Chinese Perspectives on Cross-Border Relations," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed., (Washington, D.C.: Carnegie Endowment for International Peace, 2000), pp. 235-36.
 - 107 The PRC's northeastern rustbelt, which had banked on developing economic ties with Russia to redress its own relative underdevelopment vis-à-vis the booming south, was particularly hard-hit: Heilongjiang's trade with Russia fell by 7.2% in the second half of 1993 and by 56% in the first half of 1994. "In Heihe and other cities, stores were boarded up, streets deserted, and thousands of firms driven out of business. The brain drain to South China from Harbin and other intellectual and industrial centers continued." Gilbert Rozman, "Turning Fortresses into Free trade Zones," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed. (Washington, D.C.: Carnegie Endowment for International Peace, 2000), p. 189.
 - 108 Russia's trade with the PRC was a fourth of South Korea's, less than a third of Taiwan's, and less than half of Germany's. Mark Burles, CHINESE POLICY TOWARD RUSSIA AND THE CENTRAL ASIAN REPUBLICS (Santa Monica, Calif.: RAND, 1999), pp. 19, 21.
 - 109 See Elizabeth Wishnick, "Chinese Perspectives on Cross-Border Relations," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed. (Washington, D.C.: Carnegie Endowment for International Peace, 2000), pp. 249, 256, n. 92.
 - 110 Sherman Garnett, "Limited Partnership," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed. (Washington, D.C.: Carnegie Endowment for International Peace, 2000), p. 10.
 - 111 Alexei D. Voskressenski, "Russia's Evolving Grand Strategy toward China, in Garnett, *id.*, at 133 ("Economics plays the largest role [in limiting the relationship].). Voskressenski is deputy head of the Russia-China Center of the Institute of Far Eastern Studies in Moscow.
 - 112 The PRC, which became a net importer of oil in 1993, may need to import as much as 3.6 million barrels of oil a day by 2010, and in 1997 the PRC signed contracts on oil and pipeline projects in Kazakhstan worth \$9.6 billion. Of course, the PRC is also eager to develop energy and pipeline projects in Russia itself, and in 1997 also signed a contract reportedly worth \$8 billion-10 billion to develop a natural gas field near Lake Baikal and an associated pipeline to the PRC. Mark Burles, CHINESE POLICY TOWARD RUSSIA AND THE CENTRAL ASIAN REPUBLICS (Santa Monica, Calif.: RAND, 1999), pp. 24-25.
 - 113 See, e.g., Dmitri Trenin, "The China Factor: Challenge and Chance for Russia," RAPPROCHEMENT OR RIVALRY?: RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed. (Washington, D.C.: Carnegie Endowment for International Peace, 2000), p. 57:
Moscow analysts now foresee the possibility of a Russian-Chinese clash in Central Asia and propose that territorial integrity of the CIS countries be ensured with the help of the Russian nuclear umbrella. ... Russia will try to close its eyes to the internal conflict in Xinjiang, but this effort will become more difficult if Beijing, frustrated in its attempts to counter Turkic and Muslim separatism, attempts direct interference in the territories of Central Asian countries, which Russia considers to be the zone of its vital interests.
For now Beijing is content to let Russia act as its gendarme in the region against ethnic and religious separatism.
 - 114 Mark Burles, CHINESE POLICY TOWARDS RUSSIA AND THE CENTRAL ASIAN REPUBLICS (Santa Monica, Calif.: RAND, 1999), pp. 46-47. On July 21, 2000, Putin told a conference on Far Eastern development in Blagoveschensk that "[I]f we don't make a real effort to develop Russia's Far East, then in the next few decades the Russian population will be speaking mainly Japanese, Chinese, and Korean." "Putin Warns of Losing Far Eastern Region to the Orient," RUSSIA TODAY, July 21, 2000.
 - 115 Sherman Garnett, "Limited Partnership," RAPPROCHEMENT OR RIVALRY? RUSSIA-CHINA RELATIONS IN A CHANGING ASIA, Sherman Garnett, ed. (Washington, D.C.: Carnegie Endowment for International Peace, 2000), p. 19.
 - 116 Stephen J. Blank, U.S. Army War College, "New Strategic Trends in Russo-Chinese Relations," testimony before the House Armed Services Committee hearing on "Military Capabilities of the People's Republic of China," July 19, 2000, p. 13. Professor Blank concludes, "Thus the Sino-Russian cooperation is threatening in many ways. It seeks to arrest the spread of democracy and to threaten the United



States and its allies. The comprehensive scope of Russo-Chinese political coordination aims to frustrate the realization of U.S. interests, to preserve multiple areas of conflict in the world by which to tie down or restrict and contain American power. They are actively supporting the proliferation of nuclear and perhaps chemical or biological warfare capabilities. They are attempting to undermine democracy or democratic tendencies in Eurasia, and to threaten the United States itself. ... [I]f [the United States] refuses to acknowledge the true dimensions of this relationship and rethink its strategy, policy, and military posture, the United States, other governments and other peoples may well pay an exorbitant price for its complacency and blindness.” at 17.

- 117 See, e.g., Joint U.S.-China Statement during President Jiang’s visit to Washington on October 29, 1997 (“The two Presidents are determined to build toward a constructive strategic partnership between the United States and China. ...”). The PRC itself at one time returned the favor. In his speech at Harvard during a fall 1997 visit to the United States, President Jiang stated that “China and the United States should strengthen cooperation and work to build a constructive strategic partnership oriented toward the 21st century.” See also remarks of President Clinton and President Jiang in Exchange of Toasts, October 29, 1997 (“President Clinton and I reached agreement on the goal of the future development of China-U.S. relations—namely ... China and the United States should strengthen cooperation and endeavor to build a constructive strategic partnership oriented toward the 21st century.”) Subsequent PRC descriptions are less fulsome. See Stephen J. Blank, U.S. Army War College, “New Strategic Trends in Russo-Chinese Relations,” testimony before the House Armed Services Committee hearing on “Military Capabilities of the People’s Republic of China,” July 19, 2000, p. 1 and n. 1.
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Chapter 12

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