The meeting will come to order.

Before we begin our business, we are saddened this morning

about the loss yesterday of our friend Admiral James ‘‘Bud’’ Nance,

Staff Director of the Senate Foreign Relations Committee, with

whom we had a great deal to do as we worked with that Committee.

Admiral Nance had a distinguished record of service in the Navy

and in the White House. He made a special mark, however, in his

years of service as a dollar-a-year adviser to Chairman Helms. His

lifelong ties to the chairman, coupled with his intimate knowledge

and appreciation of the workings of the national security apparatus

in the executive branch, made him all the more valuable to the entire

legislative branch’s efforts to make a positive contribution to

the development of our Nation’s foreign policy.

Our Capitol Hill family will miss him greatly, and our prayers

are with his wife, Mary Lyda, and his family this morning.

We also want to offer our condolences to Bob King, a longtime

staffer on this Committee, on the loss of his father.

So please join us in a brief moment of silence in memory of Bud

Nance and in condolences to Bob King.

Before we begin our hearing this morning, I

note President Yeltsin’s dismissal of Prime Minister Primakov and

his government last night, further evidence of how volatile developments

in Russia can be and in our own relations with Russia.

In the 106th Congress, the International Relations Committee

will attempt to conduct a complete review of our relations with

Russia, the impact of Russian foreign policy on United States interests

around the world and the success or failure of our programs

for democratic and economic reform in Russia.

The Committee began that process back in March with a hearing

on Russian proliferation of technology related to weapons of mass

destruction. Today we will be seeking to analyze Russian foreign

policy and its objectives and, in so doing, seek to better understand

whether Russian foreign policy is supportive or obstructive of our

own policy. While some of us today may see Russia as helpful to

us in the diplomacy seeking an end to the conflict in Serbia, many

of us are not certain that we fully understand Russia’s long-term

objectives in the region of the Balkans or in other regions stretching

across Europe, the Middle East and Eurasia.

It is obvious, however, that all is not well in the U.S./Russian relationship

or in our own American foreign policy toward Russia.

Let me cite some recent news analysis of U.S. policy toward Russia.

From the *New Republic* of March 22nd, an article by Jacob

Heilbrunn says, ‘‘However laudable the intentions, the result of

Clinton’s policies have been disastrous.’’

From the *National Journal* of April 17th, an extensive article by

Paul Starobin, entitled ‘‘Moscow Mirage’’, states, ‘‘The Clinton Administration

sees what it wants to see in Russia rather than what

is really there.’’

From the *National Review* of October 12th, an op-ed piece by

Dimitri Simes claims, and I quote, ‘‘The Administration has hopelessly

botched its Russian policy.’’

I have voiced some strong concerns throughout the past year,

both publicly and in correspondence with our President, over what

we have seen as a highly negative Russian foreign policy. The

President and his Administration have followed a policy toward

Russia that has provided billions of dollars in assistance to its government

directly through international financial institutions like

the IMF, through favorable debt reschedulings, through Russian

contracts with the Space Station, and through the grant of a quota

to Russia for launches of American-made satellites.

The Administration’s policy has also included working with Russia

to denuclearize Ukraine and the other Soviet successor states

that border on Russia that inherited nuclear weapons. That policy

has also agreed to demands by Russia for revisions in arms agreements

and for a growing role for Russia in the NATO alliance.

In 1995 and 1996, our Nation did little, if anything, when the

Russian Government killed thousands of innocent civilians in the

course of a brutal and unsuccessful military operation against separatists

in the Russian region of Chechnya, violating its commitments

as a member of the Organization for Security and Cooperation

in Europe. The United States also offered incentives to Russia

to halt its sale of nuclear reactors to Iran.

But what do we today see Russia doing as a result of this favorable

American approach to its problems and demands? First, Russian

proliferation of technology for weapons of mass destruction to

Iran and allegations that Russia has violated U.N. sanctions on

Iraq by providing arms and military equipment to Saddam Hussein’s

regime;

Second, new Russian arm sales to Syria, a state sponsor of terrorism;

Third, Russian sales of advanced weapons and military technology

to Communist China, fueling a growing military threat to

Taiwan and, potentially, to our American Seventh Fleet that is now

deployed in support of democratic governments on the Pacific Rim;

Fourth, Russian entreaties to China and to India to join it in a

strategic triangle of some sort with the apparent goal of undermining

American leadership in unspecified ways; and, Fifth, Rus-

sia’s insistence that it be allowed to maintain its military bases in

Independent States like Ukraine and Georgia, forcing such states

to agree to treaties legalizing those bases by simply refusing to

withdraw Russian troops.

Then there is Russian manipulation of ethnic conflicts and energy

pipelines in the region of the former Soviet Union in order to

try to maintain Russian dominance over the states of that region

and to make certain future West European dependency on Russiancontrolled

energy supplies.

Tomorrow morning our Committee will be holding a hearing on

diplomatic initiatives for Kosovo. We, in our Nation, should be certain

we understand what Russia is seeking by its involvement in

the diplomatic solution to the Serbian conflict and by its possible

participation in an international force for the Kosovo region.

We also should not ignore the long-standing allegations of corruption

at high levels in the Russian Government or the complaints

among Russian democratic activists that that corruption,

the murder of Russian journalists and of the prominent Russian

democrat Galina Starovoitova, the secret trials of environmental

activists, and support of vestiges of the Communist regime, are actually

symptoms of a real lack of democracy within Russia.

How can we truly assess Russia’s future role and influence in

Serbia if we fail to consider what influence its potentially growing

presence there might have on the efforts to help democratize Serbia

someday? In fact, we should ask whether Russian diplomacy won’t

simply result in a strengthening of Slobodan Milosevic as a ruler

of Serbia.

This morning we have a small, but quite qualified list of witnesses.

First, we will be hearing from the Honorable Steve

Sestanovich, our U.S. Ambassador at Large for the New Independent

States of the former Soviet Union.

We welcome you back, Mr. Ambassador.

Our second witness really needs no introduction, and we are very

pleased that he has been able to be with us today, the Honorable

Brent Scowcroft, former adviser to President Bush for National Security

Affairs and retired Lieutenant General of the U.S. Air Force.

We welcome you, General Scowcroft.

Finally, Mr. Michael McFaul, Senior Associate at the Carnegie

Endowment for International Peace. We welcome Mr. McFaul.

At this time I would like to recognize the Ranking Minority

Member, Mr. Gejdenson, for any opening remarks he might like to

offer. Mr. Gejdenson.

Thank you, Mr. Gejdenson.

Mr. Leach.

Mr. Lantos.

Thank you, Mr. Lantos.

Mr. Smith.

Without objection.

Gentlemen——

I am going to suggest that since our time is

limited today and we have a number of good witnesses waiting to

be heard, we will move on with our testimony.

Ambassador-at-Large Sestanovich, Special Adviser to the Secretary

of State for the New Independent States, assumed his position

in September 1997 and is responsible to coordinate United

States relations with Russia and the other states of the former Soviet

Union. Ambassador Sestanovich has served most recently as

Vice President for Russian and Eurasian Affairs at the Carnegie

Endowment for International Peace. Previously, he was a Director

of Russian and Eurasian Studies at the Center for Strategic and

International Studies.

Before that, he served with our National Security Council and

with the State Department.

Ambassador Sestanovich is an old Hill hand, having worked for

Senator Daniel Patrick Moynihan some years back. We welcome

Ambassador Sestanovich.

You may put your full statement in the record and abbreviate

your remarks, whichever you deem appropriate. Please proceed.

Without objection, the full statement will be

made part of the record.

Thank you, Mr. Ambassador.

Mr. Ambassador, what are Russia’s foreign policy objectives in

the Balkans?

Mr. Ambassador, with all that we have been

doing to try to help Russia directly and through multilateral means

and all that we have done to integrate Russia into international organizations,

why do we see so much anti-Americanism among the

population in Russia?

Mr. Ambassador, will the Administration

stand fast in refusing to increase Russia’s quota for launches of

American-built satellites until the proliferation by Russia of technology

related to weapons of mass destruction to Iran has ended?

One last question, Mr. Ambassador.

Russia is in default on its Soviet-era debt, its Treasury debt, its

Finance Ministry bonds, and I believe on its Eurobonds as well. It

is also close to, if not in, default to the IMF. In fact, any new IMF

loans will simply go to pay Russia’s old IMF debts.

In private business that is called check-kiting. Why should we be

supporting any further IMF loans without any new and real economic

reforms in Russia and, particularly, given Russia’s fairly

negative foreign policy?

Thank you.

Mr. Gejdenson.

You will have to explain what that means,

Mr. Sestanovich.

Thank you, Mr. Gejdenson.

Mr. Leach.

Thank you, Mr. Leach.

Mr. Lantos.

Thank you, Mr. Lantos.

Mr. Smith.

The gentleman’s time has expired.

Mr. Berman.

The gentleman’s time has expired. Thank

you, Mr. Berman.

Mr. Campbell.

The gentleman’s time has expired. Let me

say——

If you wait just a moment. Let me say to our

Committee we will continue right through the voting. I have asked

one of our Members to go over and come back, and we will continue

with the testimony right through the voting period.

Mr. Ambassador, I am sorry, did you want to

respond?

Mr. Faleomavaega.

We will have to recess the hearing until Mr.

Ballenger returns, when will he be taking over the chair.

The Committee stands in recess just for a few minutes.

The gentleman’s time has expired.

Mr. Rohrabacher.

The gentleman’s time has expired.

Mr. Burton.

The gentleman’s time has expired. I thank

the gentleman. We thank the Ambassador for being patient in extending

his time for us throughout the vote period. We now proceed

to the next witness.

Our next witness is General Scowcroft.

Yes, Mr. Faleomavaega.

All right. We are running late. If you would,

go ahead.

Mr. Ambassador, if you would submit that to

the Committee we will make it part of the record. Thank you very

much.

We now proceed to our second panel, General Scowcroft and Dr.

McFaul. Lieutenant General Scowcroft is President of the Scowcroft

Group, an international investment advisory firm, and President

of the Forum for International Policy, a nonpartisan, nonprofit

organization providing independent analysis on major foreign policy

issues.

General Scowcroft has served as National Security Adviser to

Presidents Ford and Bush, as a Military Assistant to President

Nixon and as Deputy National Security Adviser to Presidents

Nixon and Ford. General Scowcroft has held a broad range of positions

during his military career and has subsequently chaired and

served on a number of important policy advisory councils.

We also have with him on this panel Dr. Michael McFaul. Dr.

McFaul is a senior associate at the Carnegie Endowment for International

Peace. He is an Assistant Professor of Political Science at

Stanford University and a research fellow at the Hoover Institute.

We welcome our witnesses. We regret it has taken this long to

get to your testimony. We thank you for your patience.

General Scowcroft, you may proceed. You

may put your full statement in the record and summarize it with

a statement, if you prefer.

Thank you, General Scowcroft.

Dr. McFaul.

Without objection the full statement will be

made part of the record. You may go ahead with your summary.

Thank you, Dr. McFaul.

General Scowcroft, at the height of the Cold War our Nation

found a way to balance Russian and Chinese antagonism to the

benefit of our Nation in the so-called ‘‘Strategic Triangle.’’ How can

we best manage a situation in which Russia and China appear to

work together to undermine America’s ability to project power and

influence in key regions, regions such as the Persian Gulf and the

straits off of Taiwan?

I thank you for that response. General, some

historians see Russian foreign policy historically rooted in a desire

to make certain that the Russian state doesn’t disintegrate and,

therefore, inevitably resulting in policies that are meant to insure

the existence of a ‘‘great, united Russia’’ and to make certain that

regions bordering Russia, such as the Baltics and Ukraine, do not

truly break away from Russian control. U.S. policy would prefer

that Russia respect the territorial integrity of its newly independent

neighbors, however.

Do you believe that Russian foreign policy toward its neighbors

today is radically different from its previous incarnations under the

czars and the Communists and will refrain once and for all from

seeking to reinstate control over countries such as Ukraine?

That is trying to balance a pretty fine line.

Dr. McFaul, at our hearing back in July on

U.S.-Russia relations prior to the August economic collapse in Russia,

most of our witnesses felt that further IMF loans to Russia

would only buy a little time before the next economic crisis in Russia.

In fact, the IMF loan last year subsequently bought only a

month’s respite before the August collapse.

What, in your opinion, would be the rationale for providing a further

IMF loan to Russia, and what new Russian economic reforms

can you point to that would make Russia eligible for any new IMF

funding?

Thank you, Dr. McFaul.

Mr. Gejdenson.

The gentleman’s time has expired.

Yes, Dr. McFaul.

The gentleman’s time has expired. Thank

you, Mr. Gejdenson.

Mr. Cooksey.

The gentleman’s time has expired.

The gentleman’s time has expired.

Mr. Faleomavaega.

The gentleman’s time has expired. Thank

you, Mr. Faleomavaega.

Mr. Campbell.

The gentleman’s time has expired. Thank

you, Mr. Campbell.

Mr. Leach.

The gentleman’s time has expired. Thank

you, Mr. Leach.

Mr. Faleomavaega, just has one brief question, and then we will

wind up our hearing.

Thank you. I want to thank our panelists,

and thank our Members. The Committee will submit questions in

writing to the State Department for expeditious response by the official

witness at today’s hearing. This hearing stands adjourned.