Thank you, Mr. Chairman. I am grateful for the opportunity

to be with you today and I appreciate you having invited

me to come along and appear this morning. As you pointed out, I

did provide a written statement, and I now propose to spend just

a few moments summarizing the main points of that statement, if

I might.

Certainly I believe that all of us who consider ourselves

Sovietologists or experts or specialists in the field of the Soviet

Union and the post-Soviet Eurasia were caught off guard, to be

frank, by the events beginning in the late 1980’s and culminating

with the end of the Soviet Union in December 1991. I think that

is an important point that needs to be highlighted. I think myself,

as a career Foreign Service Officer, a retired career Foreign Service

Officer, that things got underway quite effectively from a policy

point of view. From a specific concrete action point of view in the

first post-Soviet months which, in fact, was the last year of the

Bush Administration—certainly a consideration of the subject that

we are looking at today, which is basically retrospective—must look

also at the performance of the Bush Administration, as has been

correctly pointed out already.

I would submit to you that already before December 1991, Administration

figures under President Bush clearly understood, as

did the President himself, and were responding to centrifugal

forces that were already well at play before the demise of the Soviet

Union. I would submit that there was a strong degree of bipartisanship

that reflected American foreign policy toward that region

in those days and months.

In particular, I would cite the Freedom Support Act that was, I

think if not a model of bipartisanship, certainly a strong dem-

onstration of it in 1992, which set the framework for a concerted

effort and assistance that was intended, of course, to have significant

political as well as humanitarian and economic benefits.

The Bush Administration strove, even before the Freedom Support

Act was conceptualized and enacted by Congress, to embark

on a significant program of immediate humanitarian assistance.

Ambassador Armitage no doubt has or will speak about that subject,

with a view toward getting the peoples of the region through

the crisis of those months and days.

A critical point I think about the Bush Administration at that

time was that it immediately established new embassies in all of

the countries of the former Soviet Union, so that by February 1992,

scant weeks after the Soviet Union ceased to exist, we had operating

embassies in all of these places. I have personal experience

in that regard, of course.

I believe that the final year of the Bush Administration saw a

strong understanding of the challenges, let’s say, that the post-

Gorbachev leadership was going to pose for American policymakers.

Gorbachev was someone we had dealt with and understood

and had effective relations with, but Gorbachev was no longer

there. Yeltsin was a different kettle of fish, as has been cited already

in various statements. I believe the Bush Administration understood

those nuances. It managed to, I believe, successfully conceptualize

a reform strategy intended to lead toward democratization

and market economics in the former Soviet space, not just in

Russia itself, but elsewhere. Perhaps most crucial for American interests,

the Bush Administration immediately seized upon the

issue of centralization of nuclear weapons and denuclearizing in

the circumstances surrounding the end of the Soviet Union. That

program was begun in that last year of the Bush Administration.

It did not come to full fruition until later, but it was begun during

that period, and I think it is impossible for us to ignore these facts

which are, of course, on the record.

Now, the question is, what would have happened had the Bush

Administration continued in office? I am not prepared to sit here

and assert for you—and I am not a politician anyway, but even if

I were—I would not be sitting here and asserting to you that the

Bush Administration would have had great huge successes in its

post-Soviet Russia policy in contrast to what we might say are

failings of the current Administration’s policies in that region.

Maybe that would have been the case, maybe it wouldn’t have

been. But since the question is moot, I don’t really think that we

can address it and don’t need to.

Now, turning to the first year of the Clinton Administration,

which was my last year in service in Belarus, I would say that

even allowing for a traditional settling-in period for a new Administration,

things got off to a pretty confusing start. That was kind of

odd, I thought, in view of the fact that the incoming Clinton Administration

claimed to have someone with enormous and deep Soviet

expertise leading the policy team. From my vantage point as

a holdover Ambassador in those first months and with lengthy experience

in the region, I felt that the new Administration was too

willing to take at face value punitive reformists and white head

sorts of credentials of Yeltsin himself and people around him.

Thank you, Mr. Chairman.

I felt that the new Administration was unnecessarily russocentric

in its approach to the region, giving rise in Moscow, in my opinion,

to the impression that the United States would not oppose and

might even support reimposition of Soviet-style hegemony, which I

felt then and feel now was contrary to American interests. I felt

that the new Administration did not make sufficient internal executive

branch linkages between strategic policy and tactical policy

implementation, specifically in the technical and economic assistance

areas.

I found the Administration taking some astonishingly naive actions;

in particular, an event in Belarus involving President Clinton

during his visit there which had, in my opinion, the exact opposite

effect that was intended by holding the event.I believe that the

new Administration seemed not to understand that societal transformation

is a very long, arduous proposition and to act accordingly.

The sum total of all of this, in my view, was a creation of a climate

in Moscow of political and economic promiscuity, where the

impression reigned of a high U.S. tolerance level for these activities

across a broad spectrum of the unofficial and official Russian community.

On frequent occasions when I was Ambassador in Belarus, I

spoke out in written communications with high-level figures in the

State Department and the National Security Council staff in Washington

on these matters and others, and typically got nowhere with

them; which is, perhaps, not unusual for Ambassadors in the field,

but it was a new experience for me. The most vociferous policy disputes

that I particularly was engaged in had to do with assistance

matters: Food deliveries where they weren’t needed, no support for

private higher education where it was needed, too little transformational

assistance in general, leading the local populace frequently

to ask, as they still do, ‘‘Where is the beef?’’ Eventually I

decided to resign my post over these policy disputes, so it will come

as no surprise to the Committee that I express the views that I already

have expressed.

With that, I would like to thank the Chairman for this opportunity.

I think the most important principle that would be

chiseled on that block of granite is pursuit of our national interests,

and that might sound like a cheap shot, it is not intended to be.

Really, everything that we should be doing in our diplomatic relations

with anybody is pursuit of U.S. national interests.

As far as Russia is concerned, I believe the period

of deep crisis that was alluded to a moment ago is certainly a characterization

that I would agree with. I would suggest also that our

relations are in something of a holding pattern now because we do

have impending elections to the Duma, and we do have impending

Presidential elections. Really, the outcome of those contests will, to

a large extent, be determinant as to what our policies are going to

be with regard to Russia.

Again, the principles should be following pursuit of

our national interests, should be encouraging whoever those leaders

are to establish as swiftly and as comprehensively as possible

rule of law in civil society; to move us as swiftly as possible to

achieve an appropriate nexus between private capital and government

in terms of how business operates, regulation, tax collection

and so on. These are the things that we should be fostering.

You can say well, we have perhaps have been fostering those, but

without wanting to be too retrospective, I think more needs to be

done.

See who wins the elections, pursue our national interests in

terms of those critical elements, and then of course in the Third

World, the broader world, do things that we need to do to encourage

the Russians to stop providing nuclear technology where it is

being provided and to do other things that are consonant with our

own national interests, and to challenge them when they don’t.

My answer to that is that the devil is in the details,

and the details I think haven’t been paid sufficient attention.

I am a strong advocate of small concrete actions, baby steps, if

you will. Let us do this in this town, let’s do that in that town, let’s

do this project that will have this result. Not only will this achieve

greater accountability and results, I would submit, but also individual

Russians who, after all, are the ones who are going to be

voting for these people that we talked about a minute ago, will be

able to see what America is doing in their town, in their factory,

in their whatever.

Mr. Chairman, in your absence I spoke about that,

a little, but let me say a bit more. I believe that first of all, we have

to understand that our ability, even as a great power that we are,

to affect events abroad is a limited ability. So we are talking about

incrementalism. That is the first thing that I would say.

Incrementalism. Yet, at the same time, I think that

we have opportunities, programs, that have not been maximally

utilized for advancing American national interests. The future,

though, of Russian-American relations, and this is what I said a

minute ago while you were gone, seems to me to be dependent at

this stage of the game on how the elections come out. I am reasonably

confident that these elections are going to be held; they may

even be free and fair elections. What worries me very much is that

the ordinary man in the street is, quote-unquote, mad as hell and

not going to take it anymore, because many of them live worse now

than they did in the Soviet period. This is not good.

So I don’t mean to deflect your question, but I think we are going

to have to wait and see how the elections come out, and then vigorously

pursue with whoever wins our agenda for advancing our own

interests.

Yes, Mr. Chairman. With due respect to Representative

Lantos, I would like to respectfully disagree in his assertion

that I have a pathological hatred for Mr. Talbott. First of all, I

don’t hate anybody, pathologically or otherwise. Second, Mr.

Talbott and I have always been on friendly terms and I believe we

still are and will continue to be in the future.

The point, though, is—and that is what I was trying to make—

if you have someone who is the point person and identified as such

at a very high level of the American government for Russian policy

at the outset of a generation, then the simple rules of accountability

mean that as problems arise and you go down the pike and

you are 61⁄2 years into that Administration, that perhaps that same

individual should be the one who would answer under these accountability

rules that we operate under. That was the only point

I was making.

Expertise can be both proclaimed by yourself and by

other people.

That doesn’t mean that other people don’t acknowledge

his expertise. I am in no way denying his expertise.

May I offer a comment also?

I certainly agree with what you have just said, but

I think it is important that we remember, at least in my view,

when the Soviet Union collapsed, the thing that ordinary Russians

wanted above all—or ordinary Soviet citizens, ex-Soviet citizens

wanted above all else—was to improve their living standards. I

think that to the extent that they were interested in rule of law,

in private market economics and so on, to the extent that the concepts

of democracy and governance, that they cared about that at

all, it was because of their exigencies of daily life.

Now, democracy has changed things from the Soviet period. It

has now allowed these people to vote, to vote and express their

views, and they have done so and we will see now what they come

up with again. So I think that that is an important thing that we

have to keep in mind.

I would just like to offer a comment on leverage. It seems to me

that leverage as a potential instrument for American policy contin-

ued well into the mid-1990’s and, to a certain extent, exists even

today but in greatly diminished form. In fact, I would say that the

relative existence of leverage as a concept in implementing our policy

toward Russia is directly proportional to the amount of concrete

results that ordinary Russians who I am talking about could see

in their daily lives.

So as that doesn’t go up, leverage goes down, but I do think leverage

continued to be a significant factor well into the mid-1990’s

and to some extent, even today.

First of all, I would be happy to give you as many

specifics as you would like as time permits this morning. On the

food question, though, since you raised that one, that is a matter

of specific concern both with regard to Russia and the other countries.

With regard to my own experience and things that I saw and

commented on and was involved with in a policy sense, namely

grain shipments to Belarus, clearly there are two issues. One was

that the Belarussians did not need the grain. The second one is by

shipping grain and distorting the market, thereby our general policy

of trying to foster economic transformations in the agricultural

sector, eliminating collective farms, making them productive and so

on, would have been and in fact was undercut by those activities.

Well, could I just answer the Bush-Clinton differentiation

by way of answering that question?

Many fateful days during the Bush Administration

shipments took place, yes, of a limited number of food commodities

and of medicines, because in that immediate post-Soviet period,

there were great distortions and there was simply food unavailable

in many areas. I would draw a distinction between a crisis situation

and then a more normal situation when grain is planted, seeds

are planted and grain is harvested and grain is produced and so

on. So that is that point.

On the Bush-Clinton dynamic, as I said in my testimony, who

knows what would have happened during the Bush Administration.

Maybe things would have gone down the tubes completely for all

we know. We can’t say. All we can say is that certain policies and

certain policy frameworks were put in place during the Bush Administration,

which I think held us in good stead in 1992 and beyond.

Frankly, I think that the Clinton team that came in kept up

with most of those policy sort of concepts. For example, the

denuclearization which the Administration takes such great pride

in saying that is the great success of Clinton diplomacy, in fact

began during the Bush Administration. But you are wrong if you

say that I am being partisan, because I criticize basically both of

them, but we only had a year of Bush to be able to assess, and we

have had 61⁄2 years of the Clinton Administration.

As far as the personal attack, or alleged personal attack on

Talbott is concerned, I can only repeat what I said before: which

is, if someone is going to be posited as the public point person, the

leader of our Russia policy, then simple rules of accountability demand

that that person be the target of an assessment of how that

policy works. That is all I am trying to say on that.

Yeltsin and the tanks, sure, a great act of bravery. But the Russian

persona and especially the Soviet persona is a very complicated

thing, and we can’t say that X is good and Y is bad; all

I can say is that both X and Y are gray, and that certainly holds

true for Yeltsin.

No, not at all.

Well, Congressman, you appreciate that I can’t

speak for the Administration. They don’t seek my advice very much

these days, and I say that with tongue in cheek. As I say, I have

lots of friends in the Administration. But, my own view on the

question that you have posed is that Russian governance is a very

nuanced sort of a situation. There are very significant questions as

to the extent to which Yeltsin is personally involved in decisionmaking,

even on matters of critical, critical mass, in many cases.

We don’t know, at least I don’t know, not being privy to the latest

intel briefings and so on.

The Russian military move into Kosovo at the very moment that

it was being denied by the civilian leaders of the Russian Government

raises serious questions as to where are the power loci here,

who is in charge, who is calling the shots and so on. This is a very

nuanced situation, and my guess would be, although I again have

no particular inside information into how this Administration is reacting

to these things, they are probably somewhat flummoxed as

well when things of that nature happen, and probably are just trying

to figure out as well and to continue to engage as effectively

as possible in a situation where there may be different loci of

power and of decisionmaking, and it may be a moving target. That

would be my guess.

What the American response should be to these situations is another

story altogether, and I again say that we are going to have

to wait and see how the elections come out and see if there is some

sort of true governance that starts to take place in today’s Russia.

As things stand right now, I think there are too many

imponderables and too many nuances for us to be able to go to

somebody, the Foreign Minister, the Prime Minister, or President

Yeltsin himself and say, ‘‘Why did you lie to me?’’ Because it may

well be that they didn’t. It may well be that they just didn’t know

what another arm of government was trying to do. That is kind of

how I would answer.

Thank you very much for the chance to answer that

question. Speaking for myself, my top three priorities would be

education, education, and education.

As you have correctly pointed out, Congressman, all kinds of activities

have been taken that allow for the process of rule of law

in police cooperation, et cetera, et cetera, et cetera to take place.

What you said earlier about the generations, years and years needed

to achieve these societal transformations is something that certainly

resonates in my own analysis and my own thinking, because

transformations means you have to transform what is in people’s

minds, right?

The people who are out there, who are looking for their meat and

potatoes and are unhappy about the economic situation today and

remember all too well the Soviet period, with time they are going

to die away. The thing that has to be done, starting with the

youngest children and right up through higher education, is to inculcate

the value systems that we hold so dear in Judeo-Christian

society into those generations of upcoming Russian and

Belarussians and Ukrainians and so on. That is what we have to

do. I think the more effort and money and concrete projects that

can be put into education is where the return is going to be paid

in terms of our own national security interests down the line.

. I have nothing to add to what he said.

If I could offer an additional comment, let us say

for the sake of argument that the money was not stolen, which I

agree that it was—or in part, at least, because that is nature of the

culture over there. But in addition to that, your real question is,

how do we establish structures that will allow us to assure ourselves

that the accountability factor again, that I have talked about

several times today, is maintained in this particular area of endeavor.

The answer is that you obviously have got to achieve a

level of bilateral agreement with the Russians that will allow more

intrusiveness than they currently would like to give into the area

of accounting, bank accounts and this sort of thing.

It could be done by an organization like VOCA. You mentioned

VOCA. VOCA is one of the best things going out there I think. It

is right there in the forefront of the privatization effort in Russian

agriculture and the other Newly Independent States. They have a

lot of credibility with Russian farmers, with Russian farm cooperatives

and with Russian agricultural officials. So use of VOCA might

be one way to do it.

But certainly in the final analysis—and this is a bigger, broader

question admittedly—again we have to come back to what is the

American national interest in all of this. If it is pushing grain, then

I submit to you we ought to push it somewhere where it is more

greatly needed than it is in Russia and where, under current arrangements,

the proceeds are going—are very dubious, and cloudy

and murky as to where they are being sqirreled away and who is

getting them.