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THE CRISIS IN RUSSIA: WHAT SHOULD CLINTON DO?

INTRODUCTION

Boris Yeltsin's dramatic moves to establish his authority over the Russian political system have raised the stakes of the struggle for power in Russia, both for that country and for the United States. Citing a need to protect reforms in Russia and to break the political gridlock in Moscow, President Yeltsin announced on March 20 that he would bypass the increasingly obstructionist Congress of People's Deputies and rule by decree. He appealed to the Russian people for support and announced a referendum on April 25 to seek public approval of his actions and to vote on a new constitution.

After a tumultuous week of political conflict, the Congress this weekend tried and failed to impeach Yeltsin, easing the crisis for now, but not resolving the standoff between the president and the Parliament.

These events present Bill Clinton with a major foreign policy challenge: how to keep reform alive in Russia. The summit between the two presidents scheduled for April 3 and 4 in Vancouver offers Clinton the opportunity to outline his policy toward Russia. While in Canada, Clinton can discuss the Russian crisis with Yeltsin in detail, solicit from Yeltsin his judgment as to which American actions would be most helpful, lay out American expectations regarding Russia's reforms, and demonstrate publicly support for Yeltsin and his reforms.

Although Clinton must do whatever he can to support Yeltsin, he must also prepare for the possibility that the Russian president may lose his political battle and be replaced. U.S. interests in a democratic Russia will remain regardless of who rules Russia, and Clinton must ensure that the American commitment to them is properly understood in Moscow.

U.S. Objectives. In determining U.S. policy toward Russia, the Clinton Administration must avoid being fixated on the rapidly unfolding developments in Moscow and must keep in mind fundamental, long-term U.S. interests. The principal interest of the U.S. and of the West in Russia is the continuation of that country's democratic and market reforms. A free and prosperous Russia would be a force for stability and cooperation with the West. By contrast, a Russia controlled by hard-liners or in chaos would be, at best, far less accommodating to the West and, at worst, far more dangerous.

The central figure in advancing those interests has been Boris Yeltsin. Yeltsin has played an indispensable role in the struggle to free Russia from its communist past and to integrate it into the world community. He has repeatedly demonstrated great personal courage and foresight; his policies have been focused clearly on transforming Russia into a democratic, free market country, one which cooperates actively with the West to resolve problems around the world. No other Russian leader is likely to follow as pro-Western a policy as Yeltsin; any replacement would be certain to slow the reform process and adopt a more distant relationship with the West. Clearly, U.S. and Western interests would be served best by Yeltsin's continuation in office.

Nevertheless, U.S. and Western interests extend beyond any individual. U.S. policy should not be based solely on keeping Yeltsin in power. Therefore, even though Clinton must do all he can to shore up Yeltsin, he also must be prepared to deal with a new — and probably hostile — leadership.

The Clinton Administration must make clear to Yeltsin or any leader who follows him that good relations with the U.S. are not based on personalities but on Russian policy. Conditions for continued good relations with the U.S. include: 1) continuing democratic and free market reforms; 2) Russia's respect for the borders and independence of the former republics of the Soviet Union, such as the Baltic states and Ukraine; and 3) cooperation with the West in reducing armaments and resolving regional conflicts around the world.

The Role of Foreign Aid. In a desire to help Yeltsin in his current struggle, many in the West have proposed pledging additional foreign aid. Foreign assistance, however, can play no real role in the resolution of the current political standoff. But such assistance can provide the West with long-term leverage, especially in encouraging whoever rules Russia to cooperate with the West. President Clinton must make clear that there will be no Western cooperation or aid if the reform process is undermined or if Russia's rulers embark upon anti-Western policies or intervention in neighboring countries. Any Western assistance must be tied to the transition to a market economy and be conditioned on Moscow's pursuing strictly defined goals, such as privatization, stabilization of the currency, conversion of the military-industrial sector to civilian purposes, and the establishment of private property rights.

Two-Track Policy. Because the outcome of the power struggle in Moscow remains unknown, Clinton must have a two-track policy: strengthening Yeltsin while also preparing for the possibility of a successor. In either case, U.S. objectives will remain the same, but the policies must be adapted to the political realities in Moscow. Although Clinton must support Yeltsin in public, he must also emphasize privately that the U.S. does not support an expanded role for Russia in the former republics of the Soviet Union, as Yeltsin proposed on February 28. At that time the Russian president suggested that Russia play a peace-keeping role in the former Soviet Union similar to that of the United Nations.¹

If Yeltsin retains power and the Vancouver summit proceeds, Clinton should:

- ✓ **Reaffirm U.S. support for democratic and free market reforms.** These should be broadened to include those reforms blocked by the Parliament, such as the privatization of land.

1 "Yeltsin on Special Status for Russia," *RFE-RL Daily Report*, March 1, 1993, p. 1.

- ✓ **Organize a coordinated, long-term Western aid package to promote economic and debt-relief reform in Russia.** This program would be established in cooperation with the Russian government and tied to specific goals, such as privatization and control of inflation. Such aid should include a deal for reducing, rescheduling, and eventually eliminating the foreign debt inherited from the Soviet era. All U.S. aid should be tied to progress toward reform.
- ✓ **Call on the advanced industrialized nations to join the U.S. in creating a housing fund for Russian officers mustered out of service.**
- ✓ **Propose a "land for housing" swap to the Russian military.** The Russian military controls vast amounts of land, as well as such facilities as factories and airports. These could be turned over to private Western investors and companies in return for the construction of housing for needy Russian civilians.
- ✓ **Ask Yeltsin to end hyperinflationary policies as a precondition for U.S. participation in a currency stabilization fund.**
- ✓ **Offer to begin negotiations of a free trade treaty with Russia.**
- ✓ **Increase appropriations for an enterprise fund to develop pilot projects in the private sector.**
- ✓ **Establish a fund for converting defense industries into private enterprises.**
- ✓ **Use the existing U.S. disarmament fund to include the dismantling of chemical and biological weaponry.**
- ✓ **Emphasize that the U.S. will oppose Russian interference in the former republics of the Soviet Union.** Under pressure from hard-line nationalists, Yeltsin has begun to assert a special status for Russia in these countries, which they reject.
- ✓ **Insist that Russia respect the sovereignty of each of the Newly Independent States.**
- ✓ **Reaffirm the U.S. commitment to good relations with both Russia and Ukraine and promote Russian-Ukrainian reconciliation.**
- ✓ **Reiterate U.S. support for continued Russian troop withdrawals from Eastern Europe and the Baltics and for the observation of agreed-upon Russian deadlines.**
- ✓ **Insist that minority rights be respected throughout the region, including the rights of Russian minorities in the non-Russian republics.**

Although Yeltsin survived this round with the Parliament, the constitutional crisis is by no means over. Thus Clinton should be prepared if Yeltsin is removed from power at some future date. If Yeltsin is removed and a new government is installed in Moscow, Clinton should:

- **Suspend all U.S. and multilateral aid programs until the new leadership has demonstrated its commitment to reform and cooperation with the West.**

- ◆ **Insist that the new leadership uphold all of the international obligations undertaken by the previous government, including arms control treaties, withdrawal of military forces from non-Russian territory, and payment of the foreign debt.**
- ◆ **Hold the new government responsible for observing civil liberties.**
- ◆ **Provide support to those Russian forces that advocate democracy and market economics.**
- ◆ **Make clear that the U.S. and the West will oppose Russian interference in the former republics of the Soviet Union. Clinton should invite the leaders of those republics most fearful of Russia, especially Ukraine, to discuss ways in which they can cooperate with the U.S. to reinforce their security.**
- ◆ **Seek a commitment of Russian cooperation with the West in addressing regional problems, such as in the former Yugoslavia.**
- ◆ **Reevaluate proposed cuts in the U.S. defense budget and develop a credible forecast of future U.S. security needs, including the development and deployment of strategic defenses.**

RUSSIA IN CRISIS

Yeltsin's actions are but the latest developments in the unfolding struggle for power in Russia between the democratic reformers and neo-communist and chauvinist hard-liners. Russia is mired in an economic and political crisis, the resolution of which has been hampered by a constitutional standoff between the president and the Parliament.

The efforts of Russia's reformist government to institute far-reaching economic reforms have been only partially successful and have produced growing discontent among large segments of the population. The problem lies partly in the vast amount of change needed to lay the foundation of market economy and reverse the economic decline inherited from the communist system. In Poland, the most economically bold of the former communist countries, almost three years were required before the economy began to grow.

But a more serious problem is that the Russian Parliament repeatedly has obstructed necessary economic reforms proposed by the President, such as land privatization, control of inflation, and conversion of defense industries. As a result, many of Yeltsin's accomplishments have been seriously undermined, most prominently by runaway inflation, which is around 50 percent a month. Efforts to prod the Parliament into a more supportive role for the reforms have failed, making a resolution of the economic crisis impossible. Yeltsin's government and the free market reforms have been blamed for the deteriorating economic conditions, with the Parliament posing as the patriotic defender of the population and the nation.

The Constitutional Crisis. The political crisis in Russia is partly a constitutional crisis. The current constitution is vague and contradictory. It poorly delineates the powers of the legislative and executive branches, which gives each sufficient legal grounds to contest the authority of the other. At issue technically is whether the Parliament controls the government, as in Britain, or if the president has that power, as in France. An American-style system, where both have equal power, is not regarded as workable by either side.

The constitution was adopted in 1978, when the Russian Federation was still part of the Soviet Union and under the control of the Communist Party. This document was never intended as the governing document for an independent state, and has since been extensively and confusingly revised. Among its over three hundred amendments was the creation of a "Congress of People's Deputies"—the superparliament of about 1,000 members. This body, which theoretically holds supreme legislative power, actually meets infrequently and, in the old Soviet legislative style, elects a smaller organ, the Supreme Soviet or Parliament, to carry out its functions when it is not in session. The current Congress was elected in 1990 under the old Soviet system and, unsurprisingly, is dominated by hard-liners and members of the former Soviet elite, including members of the Communist Party.

Yeltsin has proposed adopting a new, democratic constitution. A special constitutional commission of the Parliament, led by Oleg Rummyantsev, has drafted such a document, with the help of Yeltsin's team of advisors. Despite this cooperative effort, however, the Parliament has blocked adopting a new constitution. The reason: it would mean new elections and the removal of most of the parliamentary deputies, whose terms otherwise do not expire until 1994.

The Political Struggle. Aware of widespread public discontent over the economic crisis, and sensing Yeltsin's political weakness, leaders in the Congress and the Parliament have been trying to reduce Yeltsin's powers while enhancing their own. Thus, they have provoked a running series of battles with the President. Until early 1992, Yeltsin was able to maintain a narrow support within the Congress. Since then, the Congress and the Parliament, both under the leadership of Ruslan Khasbulatov (an ethnic Chechen and a Sunni Moslem), have become more aggressive in blocking reforms.

At present, the balance of power in the Congress is weighted against the reformers: About one-quarter support Yeltsin and his efforts to transform Russia into a democracy and market economy. Roughly one-half comprise a coalition known as the Civic Union, which is made up of advocates of slower reforms and "moderate hard-liners." And approximately one-quarter are hard-line Russian nationalists and Communists opposed to any real reform. The Civic Union is not a monolithic bloc, but increasingly votes with the hard-liners against Yeltsin.

Showdown in Moscow. The current crisis stems from the December 1992 session of the Congress of People's Deputies. At this meeting, Yeltsin was forced into a number of concessions, including the removal of his reformist Prime Minister, Yegor Gaidar. But even as it weakened Yeltsin, the Congress also accepted his proposal for an April 11 referendum in which the constitutional struggle between the president and the Parliament would be decided by the Russian people.

Since that session, however, leaders of the Parliament have been emboldened by Yeltsin's growing weakness. As a result, they began to withdraw their support for a referendum. Most opinion polls show that the public would back Yeltsin over the Parliament, and new elections would throw most of the current deputies out of office. At stake is not only political power but control over Russia's present and future wealth; many of the deputies are industrial managers and other members of the old Soviet elite who are seeking to retain and in some cases expand their control over the country's property and wealth.

On February 2 the leadership of the Parliament reneged on its agreement with Yeltsin and moved to block the referendum. To do so, an emergency session of the Congress was convened March 10 which canceled the referendum and went on to further weaken Yeltsin by removing many of his powers. Yeltsin's allies also came under attack. Singled out for criticism were Vice Prime Minister Anatoly Chubais, whose plans for privatization directly threaten the

interests of the old ruling class, and Foreign Minister Andrei Kozyrev, who is seen by hard-liners as too pro-Western.

Yeltsin's Response. Stripped of his powers by the opponents of reform in the Congress, and his plans for a referendum canceled, Yeltsin was faced with a slow erosion of his position, possibly including his removal from office. Instead of passively accepting this fate, he moved boldly to push aside his parliamentary opponents and let the Russian people decide the outcome of the power struggle. Yeltsin declared on March 20 that a referendum will be held on April 25 to ask the Russian people whether they:

- ✗ support a presidential or parliamentary republic;
- ✗ sanction the privatization of land;
- ✗ approve a new Constitution; and
- ✗ approve a new election law outlining procedures for parliamentary elections.

Despite the claims of his critics, Yeltsin did not attempt to establish authoritarian rule. Until the referendum took place, he stated, the Parliament could continue its work, but any measures it took which were counter to his decrees would not have legal force. He added that individual rights and the freedom of speech will continue to be protected, and he ordered the military not to intervene in the political crisis. Yeltsin also moved to step up the pace of economic reform and the adoption of long-postponed measures to deal with the economic crisis. Among his first announcements during his March 20 speech were new measures to control inflation, strengthen the ruble, begin land privatization, and improve the social safety net. A couple of days after the referendum announcement, Yeltsin withdrew the request for special powers, slowing the Parliament's drive to impeach him.

The Consequences of Failure. If the referendum proceeds and Yeltsin wins it, Russia will advance toward democracy and be firmly on the road to economic recovery. Unfortunately, Yeltsin's position is very precarious. He can be legally impeached and removed by the Congress, and his support among the military is doubtful.

Yeltsin's removal from office not only would set back political and economic reform but could also lead to the emergence of a hard-line nationalist regime intent on expanding Russian influence in the former Soviet republics. Such a regime would also likely pursue a more confrontational policy toward with the West. Nationalist pressures on Yeltsin have been increasing for some time, forcing his government to assume a more "Russia-first" position.² For example, Foreign Minister Andrei Kozyrev, who heretofore had pursued a cooperative policy toward the West, on March 15 called for maintaining a Russian foothold in the Baltics.³ He apparently was seeking to appease the hard-line nationalists in the Parliament. Nationalist hard-liners are joining former communists in accusing Yeltsin of selling out Russia to the West. Even some of the reformers in the Parliament now call for redrawing the borders of the other former Soviet republics in Russia's favor.⁴

2 "Russia Calls for CIS Integration", *RFE-RL Daily Report*, March 18, 1993, p. 1.

3 "Kozyrev Underlines Continued Russian Presence in Baltics," *RFE-RL Daily Report*, March 16, 1993, p. 2.

4 Presentations of the Chairman of the Foreign Policy and Foreign Economic Relations Commission of the Russian Parliament, Yevgenii Ambartsumov, and member of the Presidential Council, Andrik Migranyan, at a conference,

Although the threat of an aggressive Russian assertiveness would first be felt in Georgia, Ukraine, and the Baltic states, it could endanger the interests of the U.S. and the West as well. None of the newly independent states would submit willingly to Russian domination, and armed conflict would be a strong possibility. Chaos in this area would not be geographically confined, as in Bosnia, but could easily spread with unpredictable consequences. The Ukrainian government refuses to dismantle the nuclear missiles on its territory because it regards them as a useful insurance policy against Russia. A conflict between Ukraine and Russia could have serious geopolitical consequences for Europe, the Middle East, and even Asia.

THE U.S. AGENDA AT THE VANCOUVER SUMMIT

The success of democratic and free market reforms must be the central goal of U.S. policy toward Russia and the other countries of the former Soviet Union. American interests also require preventing the many ongoing conflicts in the region from growing into larger wars. There are over 30,000 nuclear weapons in the Commonwealth of Independent States, along with huge stocks of weapons in all categories. The former Soviet Union could turn into a nuclear Yugoslavia, if Russia, under the hard-liners, attempts to reestablish the empire.⁵

To avert this disaster, Clinton needs to adopt a bold and comprehensive policy toward Russia. Therefore, at the Vancouver summit, Clinton should:

- ✓ **Reaffirm U.S. support for democratic and free market reforms.** These should be broadened to include reforms blocked by the Parliament, such as the privatization of land. Russia's economic problems stem from too little reform, not too much. While the U.S. so far has been supportive of Yeltsin's efforts, Clinton should also urge him to move more quickly to address those areas which are hindering economic restructuring. These should include privatizing land, controlling inflation, deregulating the economy, lowering taxes on business, and freeing energy prices.
- ✓ **Organize a coordinated, long-term Western aid package to promote economic and debt-relief reform in Russia.** This program should not be hastily organized as a political gesture but should be established in cooperation with the Russian government and tied to specific goals and timetables, such as privatization and control of inflation. Such aid should include a deal for reducing and rescheduling Russia's \$80 billion foreign debt. Clinton should promise to reschedule Russia's \$4.2 billion debt to the U.S. if Yeltsin continues progress toward free market and democratic reforms. Russia's other debtors, particularly Germany, should be encouraged as well to forgive and reschedule Russia's debt.

"The Emerging National Security Doctrine of a New Russia," Washington, D.C., March 18, 1993.

- 5 The Russian government discussed the possibility of nuclear war against Ukraine early in 1992. Currently, Russian military officials issue statements that the Ukrainian nuclear potential is not safely stored. General Dzohar Dudayev, president of North Caucasian republic of Chechnia, threatened in 1991 that if the independence of Chechnia was not recognized, terrorist squads would be sent to Moscow and other Russian cities to blow up nuclear power stations and disperse radioactive materials.

- ✓ **Call on the advanced industrialized nations to join the U.S. in creating a housing fund for Russian officers mustered out of service.** Clinton should ask the advanced industrialized or G-7 nations to contribute to a fund to construct housing for military officers mustered out of service and returning from Eastern Europe and the non-Russian republics of the former Soviet Union. Supervised by a non-governmental commission inside Russia, this fund should dispense housing vouchers to returning officers who leave military service. The retired officers then could use the vouchers to purchase privatized dwellings or to build new ones. The U.S. should contribute \$500 million annually to the fund over a three-year period. The other G-7 countries should provide \$1 billion over the same period.
- ✓ **Propose a “land for housing” swap to the Russian military.** Another option Clinton should explore at the summit to solve Russia’s housing crisis is a “land for housing” swap with the Russian military. Western companies should be encouraged to build housing projects for Russians in return for title to land or other assets of the military-industrial complex. The Russian military controls vast amounts of land, plus factories, airports, and other facilities. These could be turned over to private Western investors and companies in return for the construction of housing projects for needy Russian civilians. Westerners could develop this land and the other assets for private and commercial purposes.
- ✓ **Ask Yeltsin to end hyperinflationary policies as a precondition for U.S. participation in a currency stabilization fund.** Many Western experts propose a currency stabilization fund to help Russia end its hyperinflation and create a stable, convertible currency. Western governments would contribute to this fund to guarantee the value of the ruble. However, with hyperinflation running around 50 percent a month, such a fund would not work. Hyperinflation is caused by the runaway money supply of the Central Bank and the ceaseless flow of credits to subsidize inefficient state-run enterprises. Russia’s monetary and fiscal policies are highly politicized and subject to the stresses and strains of the power struggle between Yeltsin and the Parliament. Until the political crisis is over and these misguided fiscal policies are ended, the U.S. should not participate in a currency stabilization fund.
- ✓ **Offer to begin negotiations of a free trade treaty with Russia.** In the long run, the key to resolving Russia’s economic crisis is to not foreign aid, but the creation of a workable market economy. With this in mind, Clinton should offer to begin negotiations with the Yeltsin government to form a free trade area between the U.S. and Russia. Free trade with America could double the size of the Russia’s export industries and balance its trade deficit with America—now at around \$3 billion—in five years. Moreover, a free trade pact between Washington and Moscow could create new markets for Russian goods that are frozen out of Europe and Asia, such as meat and machinery. Finally, a free trade treaty could expand U.S. exports to Russia, which could rise by as much as 25 percent in one year alone, compared with only two to three percent without free trade. Indeed, if Russia were to move ahead vigorously with market reforms, the U.S. could gain nearly 100,000 new export jobs for every one percent of growth in the Russian gross national product.

- ✓ **Increase appropriations for an enterprise fund to develop pilot projects in the private sector.** Government-backed loans should be made available to Russian private sector enterprises only. Moreover, they should be made in areas that will attract the support of Russian political elites: converting defense industries, starting private farms, producing food and consumer goods, and launching small businesses. Already successful in Eastern Europe and Latin America, enterprise funds should be managed by boards controlled by Western and Russian private sector experts, with Western majorities on the boards and management contracts implemented by Western investment specialists. The current appropriation for these funds is \$65 million, which is insufficient. The U.S. should contribute \$250 million over three years to the fund, with \$500 million from the other G-7 countries for the same period.
- ✓ **Establish a fund for converting defense industries into private enterprises.** This fund should be managed by Russian and Western representatives to facilitate the privatization of defense industries. The fund can be used to break up the military-industrial plants, advertise and conduct industrial plant auctions, and retrain workers laid off as a result of privatization. The fund should be managed by boards of private sector experts from Russia and the West, with majorities and long-term management contracts controlled by the Westerners. The U.S. should contribute \$500 million to the fund over three years, with \$1 billion coming from the other G-7 nations.
- ✓ **Use the existing U.S. disarmament fund to include the dismantling of chemical and biological weaponry.** To spur disarmament in Russia, the U.S. has promised \$800 million this year to dismantle nuclear weapons and to ensure the observation of the START and other arms control agreements. However, this money should be used to cover the costs of dismantling Russian chemical and biological weapons as well. Like nuclear weapons, chemical and biological weapons could be used accidentally or end up in the wrong hands. While at the summit, Clinton also should urge Yeltsin to prevent the unauthorized sales of any materials, expertise, and technology associated with weapons of mass destruction, and offer U.S. cooperation in this sensitive area.
- ✓ **Emphasize that the U.S. will oppose Russian interference in the former republics of the Soviet Union.** Under pressure from hard-line nationalists, Yeltsin has begun to assert a special status for Russia in these countries, which they reject.
- ✓ **Insist that Russia respect the sovereignty of each of the Newly Independent States.** There is no basis in international law for a Russian "special role" in the former republics of the Soviet Union, as recently proposed by Yeltsin.
- ✓ **Reaffirm the U.S. commitment to good relations with both Russia and Ukraine and promote Russian-Ukrainian reconciliation.** Fostering good relations between Russia and Ukraine is especially important to the West. Given their antagonistic relations and large arsenals, these two giants could end up in a war that could destabilize Europe.
- ✓ **Reiterate U.S. support for continued Russian troop withdrawals from Eastern Europe and the Baltics and observation of agreed-upon Russian deadlines.** Hard-line pressure on Yeltsin to use forces as agents of Russian influence has interrupted the negotiated timetable for withdrawals of Russian troops from such places as Lithu-

ania. Clinton must emphasize that Russia must stick to its negotiated timetables. Moreover, he should insist that Russia reach new agreements with every country in which its troops remain stationed, such as Estonia and Latvia, where no agreement has yet been concluded.

- ✓ **Insist that minority rights be respected throughout the region, including the rights of Russian minorities in the non-Russian republics.** Russian hard-liners are attempting to use the issue of protecting ethnic Russian minorities in the other republics as excuses for the reestablishment of Moscow's influence in these states. Violations of minority rights, especially the rights of 25 million Russians in non-Russian republics, are one of the most likely causes of armed conflict in the former Soviet Union.

If Yeltsin Is Ousted

Although Yeltsin survived the impeachment vote in the Parliament, the constitutional crisis has not been resolved. Yeltsin still could be removed at some future date. Thus Clinton needs to be prepared. If Yeltsin is removed from power and a new government is installed in Moscow, Clinton should:

- ◆ **Suspend all U.S. and multilateral aid programs until the new leadership has demonstrated its commitment to reform and cooperation with the West.** If Yeltsin is removed, the new government must prove its good intentions to the West if it is to receive additional assistance. All aid programs, therefore, should be suspended immediately if Yeltsin is deposed. They should be reactivated only if the new regime proves its dedication to reform.
- ◆ **Insist that the new leadership uphold all of the international obligations undertaken by the previous government, including arms control treaties, withdrawal of military forces from non-Russian territory, and payment of the foreign debt.** A change of leadership in Moscow should not be used as an excuse to abandon commitments made to the U.S. and the West. Hard-line pressures to amend or abandon the START II Treaty should not be accepted, and Washington should insist upon its ratification by the Russian Parliament. Similarly, insistence on payment of the foreign debt provides the West with great leverage to spur economic and democratic reforms. If these reforms are stopped or slowed, Russia's debt should not be rescheduled or forgiven.
- ◆ **Hold the new government responsible for observing civil liberties.** Because U.S. interests depend upon Russia making the transition to a democracy, the U.S. cannot accept a crackdown in Russia in the name of restoring order. Should Yeltsin be replaced, democratic change will continue to move forward only if there is sufficient freedom to allow its adherents to operate openly. Russia's good relations with the West, therefore, should be dependent upon its respect for civil liberties.
- ◆ **Provide support to those Russian forces that advocate democracy and market economics.** Even if Yeltsin is replaced and his reforms reversed or slowed, the rulers of Russia will face the same economic problems as before. Although Washington may have to deal with a government opposed to reforms, Clinton should state

publicly that the U.S. will continue to support reform, and that it will continue to provide Russians with technical and material assistance if the reforms proceed.

- ◆ **Make clear that the U.S. and the West will oppose Russian interference in the former republics of the Soviet Union.** Clinton should invite the leaders of those republics most fearful of Russia, especially Ukraine, to discuss ways in which they can cooperate to reinforce their security. Since hard-liners are likely to increase their influence in any new Russian government, the U.S. should declare that it will oppose any extension of Russian influence under any pretext over the former republics of the Soviet Union. It should also begin discussions with these states on ways in which America and the West can help them protect themselves from Russian pressure or threats to their security.
- ◆ **Seek a commitment of continued Russian cooperation with the West in addressing regional problems, such as in the former Yugoslavia.** One way of testing a new regime in Moscow is to ask for Russian cooperation in settling regional problems around the world. The U.S. should propose specific courses of action for Russia that would be helpful to the West in resolving many of these conflicts, as in Yugoslavia. For example, Russia should be asked to pressure Serbia to cease its support for Serb militiamen inside Bosnia. Russia also should be asked to participate in a U.N. peace-keeping force in Bosnia. If Russian cooperation is not forthcoming, the U.S. should prepare to treat the new government in a more adversarial manner.
- ◆ **Reevaluate proposed cuts in the U.S. defense budget and develop a credible forecast of future U.S. security needs, including the development of strategic defenses.** Clinton's proposed defense cuts depend upon a relatively benign and stable Russia. However, even if Yeltsin survives, the credibility of that assumption will have been weakened. If Yeltsin falls, Clinton should direct the Defense Department to develop a credible threat scenario to guide U.S. force planning and budget decisions. At a minimum, Clinton should not proceed with the \$120 billion in defense cuts he proposed at the beginning of the year. Moreover, full funding (or \$47 billion over six years) should be provided to the Strategic Defense Initiative.

CONCLUSION

By announcing a referendum, Boris Yeltsin has sought to end the political stalemate between him and the Parliament. In so doing, he intended to force a choice between him and the Parliament. If that choice is made by the people, there can be little doubt that the Russian president would prevail; if it is left to the Parliament, however, he is certain to lose.

The West faces a difficult challenge in Russia. The hard-liners' attempts to block the reforms needed to reverse Russia's economic decline have resulted in a worsening economic situation and political paralysis. Chaos in Russia, or in any of the nuclear-armed countries in the region, would have unpredictable consequences for control of the massive arsenal left over from Soviet times. Were an authoritarian regime to assume power in Moscow, the likely result would be the resumption of a more anti-Western stance, perhaps even the reestablishment of a hostile relationship with the U.S. Western security, only recently freed from the Soviet military threat, could once again be endangered.

It is very much in the West's interests that Yeltsin succeed in his efforts to rescue Russia from its current crisis. However the possibility exists that he may fail and be replaced by forces which are much less committed to reform or, worse, that a continued political struggle could lead to chaos and possibly civil war.

Whether or not Yeltsin's gamble is the best approach to resolving the political problem is now a moot question; the West's interests now lie in Yeltsin's success, and it must do everything possible to assist him. But even as they support him, Clinton and other Western leaders must also be prepared to defend their interests in Russia and the former Soviet Union if Yeltsin is ousted from power. Yeltsin is an extraordinarily valuable individual key to the realization of those interests, but his personal political fate is not as important to America as Russian progress toward reform.

Clinton and his counterparts in the West must abandon the belief that the end of the Cold War ensures the end of danger from the former Soviet Union. Instead of merely reacting to crises, the U.S. and the West need a long-term strategy for bringing their enormous collective influence to bear to ensure that Russia and the other Newly Independent States continue to move toward democracy and free markets, regardless of the change of personalities. Only then can they be assured that these states will not become threats to the security of America and the rest of the Western world.

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