

# IMPLEMENTATION OF THE HELSINKI ACCORDS

---

---

## HEARING BEFORE THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE ONE HUNDREDTH SECOND CONGRESS SECOND SESSION

THE NEW COMMONWEALTH OF INDEPENDENT STATES: PROBLEMS,  
PERSPECTIVES, AND U.S. POLICY IMPLICATIONS

JANUARY 9, 1992

Printed for the use of the  
Commission on Security and Cooperation in Europe  
[CSCE 102-2-10]



U.S. GOVERNMENT PRINTING OFFICE

52-111 ←

WASHINGTON : 1992

---

For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402  
ISBN 0-16-038588-1

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

STENY H. HOYER, Maryland, *Chairman*  
DENNIS DeCONCINI, Arizona, *Cochairman*

DANTE B. FASCELL, Florida	FRANK LAUTENBERG, New Jersey
EDWARD J. MARKEY, Massachusetts	TIMOTHY WIRTH, Colorado
BILL RICHARDSON, New Mexico	WYCHE FOWLER, Georgia
EDWARD FEIGHAN, Ohio	HARRY REID, Nevada
DON RITTER, Pennsylvania	ALFONSE M. D'AMATO, New York
CHRISTOPHER H. SMITH, New Jersey	JAMES McCLURE, Idaho
JOHN EDWARD PORTER, Illinois	MALCOLM WALLOP, Wyoming
FRANK R. WOLF, Virginia	Vacant

EXECUTIVE BRANCH

RICHARD SCHIFTER, *Department of State*  
STEPHEN J. HADLEY, *Department of Defense*  
WILLIAM D. FRITTS, JR., *Department of Commerce*

---

SAMUEL G. WISE, *Staff Director*  
MARY SUE HAFNER, *Deputy Staff Director and General Counsel*  
JANE S. FISHER, *Deputy Staff Director*  
DAVID M. EVANS, *Senior Adviser for Soviet and East European Affairs*  
R. SPENCER OLIVER, *Consultant*  
MIKE AMITAY, *Staff Assistant*  
PATRICIA CARLEY, *Staff Assistant*  
BRENDA G. COLLIER, *Secretary/Receptionist*  
OREST DEYCHAKIWSKY, *Staff Assistant*  
JOHN FINERTY, *Staff Assistant*  
ROBERT HAND, *Staff Assistant*  
HEATHER F. HURLBURT, *Staff Assistant*  
JESSE JACOBS, *Staff Assistant*  
RONALD McNAMARA, *Staff Assistant*  
JEAN A. McNAUGHTON, *Staff Assistant*  
THOMAS MURPHY, *Technical Editor*  
MICHAEL OCHS, *Staff Assistant*  
JAMES S. RIDGE, *Press Secretary*  
ERIKA SCHLAGER, *Staff Assistant*  
CORRINE R. ZACCAGNINI, *Administrative Assistant*

# CONTENTS

---

	Page
Ambassador Guennadi I. Oudovenko, Permanent Representative of Ukraine to the United Nations .....	6
Roger W. Robinson, Jr., President, RWR, Inc., former Senior Director for International Economic Affairs at the National Security Council.....	11
Paul A. Goble, Carnegie Endowment for International Peace.....	15
Martha Brill Olcott, professor, Colgate University, fellow, East-West Center, Duke University .....	20

## APPENDIX

Hon. Steny H. Hoyer, Chairman, opening statement.....	37
Hon. Dennis DeConcini, Co-Chairman, opening statement .....	39
Ambassador Guennadi I. Oudovenko, Permanent Representative of Ukraine to the United Nations .....	41
Roger W. Robinson, Jr., President, RWR, Inc., former Senior Director for International Economic Affairs at the National Security Council.....	44
Paul A. Goble, Carnegie Endowment for International Peace.....	58
Martha Brill Olcott, professor, Colgate University, fellow, East-West Center, Duke University .....	65

# THE NEW COMMONWEALTH OF INDEPENDENT STATES: PROBLEMS, PERSPECTIVES AND, U.S. POLICY IMPLICATIONS

TUESDAY, JANUARY 9, 1992.

## COMMISSION ON SECURITY AND COOPERATION IN EUROPE *Washington, DC.*

The Commission met, pursuant to call, at 10 a.m., in room 2172, Rayburn House Office Building, Honorable Steny Hoyer (Chairman) presiding.

Members present: Steny H. Hoyer, Chairman; Dennis DeConcini, Co-Chairman; and Commissioner Don Ritter.

Chairman HOYER. We will call the hearing of the Commission to order. I note the presence of the Co-Chairman of the Commission, Senator Dennis DeConcini of Arizona, to my right, and the ranking Republican member of the House, Mr. Don Ritter of Pennsylvania, to my left.

Ever since joining the Helsinki Commission in 1985, I've been chairing and co-chairing hearings on the state and future of the Soviet Union. Frankly, I never anticipated 2 years ago or certainly in 1985 that I would one day be presiding over a hearing on the dissolution of the Soviet Union and the rise of a new state or new series of states, some in a confederation and some not. It's my understanding that there is a going out of business sale being conducted by some former Soviet Republics.

People can argue over how surprising this development is. Some claim that 1991 merely witnessed the logical culmination of events launched when Mikhail Gorbachev began to liberate the former Soviet Union from fear and allowed Soviet citizens to express their desires for personal and national self-determination.

I would observe one of the most interesting and historic trips, fact-finding missions that I have been on was a mission led by then Speaker of the House of Representatives James Wright in April of 1987. We had the opportunity of meeting with five of the then sitting 11 members of the Politburo, including Mr. Ligachev and Mr. Shevardnadze. We met with Mr. Gorbachev for approximately 2½ hours. There were some 15 members of our delegation, a very high level delegation that included Bob Michel, the Minority leader, Les Aspin, the Chairman of the Armed Services Committee. Dick Cheney, then the Minority Whip, now the Secretary of Defense, myself and a number of others.

Some of you may remember the sort of aside that dealt with Gorbachev's response to the question of the nationalities problem. You

may recall that he observed that perhaps if the African-American community in the United States had its own state, there would not be the problems that we had. Of course, he added very quickly, "That is not my decision to make, but it seems to be working in the Soviet Union."

I recall that interplay now with some degree of irony, but I think it was demonstrative of the fact that one of the things that President Gorbachev clearly did not see was the force of nationalistic feelings at work within the Republics and the consequences of that force.

Many would contend that political mistakes by the Soviet leadership are largely responsible for the breakup of the Soviet Union which might have, some postulate, survived in a looser form. In fact, of course, some people speculate, perhaps correctly, that had Gorbachev moved more quickly to a confederated state, that perhaps a year, 18 months, 24 months before he moved on it there would have been a much more receptive possibility for success. In any event, obviously when he did move, there was not that possibility.

These are all fascinating questions, but a matter of debate for historians at this point perhaps, both in the West and the former Soviet Union. The policymaking community must deal with the current and projected realities. So the Helsinki Commission has convened this hearing on the Commonwealth of Independent States, its present and future, and the implications of the rise of this new entity for the United States, the West and the international community.

The world order that we have known for half a century has fundamentally changed and our most basic assumptions, held so fervently so recently, about our interests and anxieties, threats to our security, the nature of security, and possibilities of alliances undreamed of 2 years ago, are now at the very top of America's agenda and indeed the world's agenda. All of these matters are marked "urgent" in big, red letters.

It's not often, of course, that we gather to discuss the breakup of empires and the emergences of new states and their ramifications. I'm very pleased, therefore, to introduce an especially distinguished panel of expert witnesses. As I do, I have discussed some focus that is general in nature, focus clearly that this committee room which we sit, the Foreign Affairs Committee, has great interest. The Armed Services Committee has great interest. We'll discuss issues convergent with both of their particular fields of expertise and responsibilities as standing committees of the House and Senate.

The Helsinki Commission has a particular interest as well, as it is by law assigned the duty of overseeing the adherence to the principles of doctrine in the Helsinki Final Act in August of 1975. A Russian foreign minister and I and other members of the Commission met when we were last in Moscow in September—that was prior to the breakup just after the coup attempt and the day before President Gorbachev's speech to the Moscow Helsinki meeting, the third of the Human Dimension meetings. He observed that one of the things that he was very concerned about was the fact that the Republics were not and are still not signatories to the Helsinki Final Act. Secretary Baker has set out as one of the criteria—and

we'll discuss that today—for recognizing the Republics is, adherence to and adoption of, both verbally and by actions, Helsinki Final Act principles.

So, that would be perhaps a unique focus that this Commission will have as it relates to the various Republics.

Now, before I introduce our very, very distinguished panel who we very much appreciate taking time to be here, let me turn to the Co-Chairman of the Commission for such remarks as he might want to make.

Co-Chairman DECONCINI. Mr. Chairman, thank you very much. I also welcome our distinguished panel and compliment you for the timeliness of this particular hearing.

The past year indeed has been remarkable and truly eventful, and nowhere more than in the Soviet Union, though there have been changes all over the world. I note that according to Freedom House's most recently published "Map of Freedom," the majority of the world's nations are now democracies for the first time since the Freedom House began to keep records back in 1955.

Much of that improvement can be ascribed to the collapse of communism in the former Soviet Union, also known now as the Commonwealth of Independent States.

The question is will this freedom last and what can the West do to reinforce the progress that has been made towards democratically based stability in the regions?

The daily papers are full of disconcerting reports on disagreements over control of nuclear weapons, ethnic clashes and economic misery in the new commonwealth, but we should also focus on the threads of positive changes that are occurring. Democracy, for example, has a real chance of taking hold in many of the CIS states. The Helsinki process provides a testing framework to help guide these new governments and already several new countries have applied for membership in the CSCE. In this connection, the Commission will follow very closely the events taking place in the Commonwealth and the progress that the various countries make in living up to the Helsinki commitments and other international agreements.

The CSCE follow-up meeting, opening in Helsinki on March 24th, provides an excellent opportunity for member states to examine progress made by the new nations that have applied for membership or having expressed an interest in doing so.

During the course of our hearings today, I hope that our witnesses will be able to assist us in examining the following issues of great interest to me: the overall future of the Commonwealth, of course; and how the CSCE process can influence the development of the democracies in the CSI.

I look forward to hearing these witnesses, Mr. Chairman, and thank you.

Chairman HOYER. Thank you very much.

Now, Mr. Porter, as I said the ranking Republican member of the House side from Pennsylvania.

Mr. Porter?

Mr. RITTER. Mr. Porter is not here, nor is he from Pennsylvania. My very close friend, Don Ritter, who is, however, the ranking member, not Mr. Porter.

Mr. RITTER. That's OK. You had it right the first time. With all these magnificent world-shaking events, one can lose sight of one's next door neighbor. Thanks, Mr. Chairman.

I'd like to pick up on some of the things you said and the Co-Chairman said and focus for a moment on some of the positive things that have taken place in the midst of media firestorm over all the bad news. Of course, bad news is the business of media, it seems. It makes for better sales, I suppose. There's some tremendous things that have happened and the collapse of Soviet communism, the devolution of the USSR into independent states I think reflects very well on the business of this Commission over the some decade and a half of its existence. It reflects very well on the efforts of our Chairman, our co-Chairman and the members of this Commission.

I think the collapse of Soviet communism and the devolution of the USSR into independent states reflects very well on many of you here today. As I look at in the audience, there are some that are not here, but I see the leadership, the activists in the groups that gave us our push, our information, our data, our connections with those over there who never gave up. It reflects very well on you, Ukrainian Americans, Baltic Americans, Russian Americans, Jewish Americans.

You have done a tremendous job and I think it is sometimes lost as it becomes fashionable to take the entire collapse and the devolution and sort of blame it on the Soviet economy, which is certainly quite responsible. But to leave out other great forces in history, the individuals who fought and died and fought and suffered and fought and survived, this Commission was right in the middle of it and many of you here today were right in the middle of it and should be admired and respected and very highly regarded for your efforts.

I think also we tend to take—in looking at the bad news, we forget the efforts of people like Boris Yeltsin. We give a lot of credit to Gorbachev, but Boris Yeltsin had incredible courage. I was reading an article—he's probably the most—oh, it was one of the testimonies. Mr. Goble, I think it was, stated that Boris Yeltsin was probably the most non-Russian—

Mr. GOBLE. Pro-non-Russian Russian.

Mr. RITTER. Yes. How did you put that?

Mr. GOBLE. Pro-non-Russian Russian.

Mr. RITTER. Pro-non-Russian Russian in history, because there was a Czarist Russian empire prior to the Communist empire. I think that deserves credit we haven't given.

And I think the final point as to why this devolution into independent states is so positive, in addition to the fact that so many of us fought for independent Ukraine or independent Baltic States, it's because these are the rational sociological, cultural and economic units to somehow make some sense of all of the chaos and all of the detritus of history, all of the insanities of economy and social order that undermined rational evolution, national social evolution during the previous 74 years.

So, I think we should be very happy to be able to deal with these Republics. I think we should, and our witnesses I think will attest to this, make far stronger efforts to establish the links and the liai-

sons between the Republics because they are the future. The Commonwealth is like the British Commonwealth. It's good to have. I think there's a lot of things it can do, but reality, reality is based in the Republics.

So, with that, Mr. Chairman, I too look forward to the testimony of our distinguished witnesses today and thank you for calling this important hearing.

Chairman HOYER. Thank you, Mr. Ritter. Appreciated that comment.

And I appreciated his comments about the Commission. I think the Commission has been one obviously small player but a significant player. I kid the Chairman who usually sits here, of course, who is Dante Fascell, who was Chairman of the Commission, as I'm sure most of you know, from 1976 through 1985. I observed to Mr. Fascell that from 1976 to 1985 hardly anything happened. I became a member of the Commission and Co-Chairman in 1985 as did Senator DeConcini and look what's happened since 1985.

Mr. RITTER. That's when I became ranking Republican.

Chairman HOYER. That's when you became ranking Republican.

Mr. RITTER. And Mr. Porter came on the Commission too.

Chairman HOYER. The fact that Gorbachev and others came on the scene contemporaneously, of course, was just a sidelight. The wildly extravagant claims of those of us in Washington, right?

We have a distinguished panel—

Mr. RITTER. If the gentleman would yield just for a moment. We did leave out one crucial name in the history of the 20th century and that is Ronald Reagan. I doubt if all this could have happened if it wasn't for the Reagan policies that went from Soviets on the march in the 1970's, culminating in Afghanistan, the first movement outside the borders by their army since the end of the war. If it wasn't for some stemming of the tide—and I know it's hard, it's hard for my colleagues to accommodate these kind of words, but I think it is true and history will show.

Thank you.

Chairman HOYER. Senator DeConcini and I knew that we were going to be undermined by Mr. Ritter in this process.

Co-Chairman DECONCINI. Don't you think the Vice President, Dan Quayle, deserves some credit?

Chairman HOYER. The Chair started all of this and the Chair apologizes. Clearly, what we are about is the very serious analysis that's going to have tremendous ramifications.

We have, as I said, a very distinguished panel to analyze where we are and where we're going to be. It is difficult at best to predict obviously.

First, Guennadi Oudovenko, who is Ukraine's Deputy Minister for Foreign Affairs and the permanent representative of Ukraine to the United Nations. Given today's strained relations between Russia and Ukraine and the critical role of Ukraine in the Commonwealth, we are especially interested in hearing his views and we thank you for being here, sir.

Roger Robinson is president of RWR, Inc., a consulting firm which focuses on the national interest aspects of international business. He was previously senior director for international economic affairs at the National Security Council, working at the White



House from 1982 to 1985. He will, I'm sure, discuss Mr. Ritter's hypothesis perhaps which, as you know, I share some of that hypothesis.

Paul Goble, who is a senior associate at the Carnegie Endowment for International Peace where he works on problems of the post-Soviet successor states. He previously was the State Department's Baltic desk officer and special advisor on Soviet nationality problems, about which he has published over 50 articles.

Last but certainly not least is Doctor Martha Brill Olcott who is a professor of Political Science at Colgate University. She has spent nearly three years living in the former Soviet Union. She is the author of "The Kazakhs," and is currently finishing "Soviet Central Asian in Modern Times."

Again, we have a distinguished panel. The way we are going to proceed, if the panel is all right with this and the other members are all right, we're going to ask you to give your statements in the order that I just introduced you. We will include such printed statements as we have in the record in full at this time. That does not in any way imply that we don't want you to go through your full statements for the purposes of discussion. But we'll hear all four statements and then we will ask questions, if that meets with the panelists' approval and there are no time constraints.

Without objection, Ambassador Oudovenko, again, welcome to the panel and thank you for joining us.

**AMBASSADOR GUENNADI I. OUDOVENKO, PERMANENT  
REPRESENTATIVE OF UKRAINE TO THE UNITED NATIONS**

Ambassador OUDOVENKO. Thank you very much, Mr. Chairman, for inviting me to this very important meeting. It's becoming a tradition for this House to invite Ukrainian representatives which had been ignored in the past completely. Two years ago, when I made a phone call to the State Department, I just wanted to have a talk with somebody involved in Soviet-American affairs, I was told by a secretary, "No, Mr. Ambassador, you should talk to the U.S. mission. This is your place there." Two years ago, nobody even wanted to talk to me. Here, now, you invite us because you are interested what role Ukraine is going to play in what you call the commonwealth, and we call community because this is our official interpretation. I mean from Ukrainian into English.

Mr. Chairman, I fully agree with your opening words when you said that in 1985 nobody could have thought that we would meet today to discuss what is going on in the former Soviet Union and what are the relations of the countries which now become fully independent. We Ukrainians also did not dream that during our generation Ukraine would become a really independent and free country.

We are very grateful to—first of all, this is the achievement of our great Ukrainian people, but we're also very grateful to your Commission, to American Ukrainians, to many people who supported us in the striving of the Ukrainian people for independence.

On December 1, the people of Ukraine peacefully achieved, and I would like to emphasize this word "peacefully," achieved the independence their forefathers had spent years fighting for. The extent

of their support for independence expressed through a referendum went beyond all expectation and an astounding 90.3 percent of the participants voted to endorse the Declaration of Ukraine's Independence that had been adopted by the Verkhovna Rada, which is the Ukrainian Parliament, on August 24 last year.

Unlike the well known revolution of this century, this transition which also can be called a revolution was carried out in Ukraine through the ballot box on December 1, 1991. The democratic nature of the referendum was confirmed by parliamentary observers and representatives of intergovernmental and non-governmental organizations, as well as distinguished members of your Commission, Mr. Chairman.

Taking this opportunity, I would like to stress on behalf of my government and Ukrainian people sincere gratitude to the members of this Commission, distinguished Michael Ochs, Orest Deychakiwsky and Heather Hurlburt for their unbiased attitude to this great event in the history of the Ukrainian people.

I also would like to thank the Chairman of this Commission, Honorable Steny Hoyer and Senator Dennis DeConcini for the initiating of this endeavor. Again, I would like, Mr. Chairman, to emphasize the important role this Commission has been playing.

The Helsinki Commission, activities of the Helsinki Commission were well known in Ukraine and there was also Helsinki Commission established by a man called Levko Lukianenko. He spent, I think, 27 years in Soviet prisons for his beliefs.

I recently met with Nelson Mandela and had lunch. In the United Nations I am very active on matters pertaining to apartheid and was active in getting him released, Nelson Mandela. I said to Nelson Mandela, "You spent 26½ years in South African prisons. The whole world was fighting for your release. This poor man, Levko Lukianenko, spent 27 years. Very few people were fighting for his release, who were also then, because of this, also imprisoned."

But I think that this Commission has played a very prominent role, aiming at the achievement of what is achieved now in the former Soviet Union. We appreciate this.

The democratic way of achieving independence is also confirmed by the fact that the first President of Ukraine in its history was elected by general election. The vote in this referendum was not, however, simply for independence, but was also for democracy and with it a new understanding of Ukrainian statehood. The primary pillars of the democratic future of a newly born state were proclaimed by the Declaration on the Sovereignty of Ukraine on July 16, 1990. Today, Ukraine is creating a democratic state based on the rule of law, the paramount aim of which is to ensure human rights and freedoms. To this end, Ukraine, as we repeatedly confirmed, shall strictly adhere to the norms of international law and shall be guided by the Universal Declaration of Human Rights, international covenants on human rights certified by Ukraine, as well as by other relevant international instruments.

Ukraine is ready to join European institutions in the field of human rights and in particular to accede to the European Convention on Human Rights.

Striving to affirm the high principles of freedom, democracy, humanism, social justice and equality of all nationalities, constituting the people of Ukraine, the Verkhovna Rada adopted the Declaration of Rights of the Nationalities. According to it, the Ukrainian state guarantees equal political, civil, economic, social and cultural rights and freedom of religious belief to all peoples, national groups and citizens living in her territory. This, Mr. Chairman, I would like to specifically emphasize that until now there has not been any inter-ethnic conflict in Ukraine, although this country is populated by 100 different ethnic groups. Twenty-five percent of the people living in Ukraine are non-Ukrainian speaking. This demonstrates that we are not only proclaiming democratic goals to observe national minority rights, but we are also implementing these goals into our practical activities.

The activity of Ukraine on the international level, in particular in the United Nations, is indicative of our adherence to the human rights principles, on the initiative of the Ukrainian delegation of the current 46th session of the United Nations General Assembly, the Resolution on Non-discrimination and Protection of Minorities was adopted. I would like to note with satisfaction that the United States was among the first co-sponsors of this resolution on such a sensitive issue for the United Nations. The sensitivity of this is proven by the fact that since 1948 the United Nations General Assembly has not been able to adopt any resolution on this issue, on minority rights.

I am pleased to inform this respected audience also that Ukraine supported the initiative of the United States and has become a co-sponsor of the United Nations resolution which removed the bitterly contested statement the General Assembly approved in 1975 that said Zionism is a form of racism and racial discrimination. This resolution is reprimanded now by the United Nations General Assembly again with the active participation of Ukraine.

Moreover, Leonid Kravchuk, President of Ukraine, addressing the 46th session of the United Nations General Assembly, strongly condemned anti-semitism. Taking care of the rights of national minorities as well as of the rights of individuals, the parliament of Ukraine recently adopted the law on citizenship of Ukraine. I consider this as a most liberal law on citizenship. Striving to assure prosperity and to provide opportunities for its people to work unfettered in a free country, independent Ukraine is implementing a transition to a market economy and recognizes the parity of all forms of ownership and the importance of private property.

It is well known that on September 10, 1991, a Law on Protection of Foreign Investment and Guarantees for Foreign Investors was adopted by the Ukrainian Parliament. Last month, Ukraine applied for membership in the International Monetary Fund and the World Bank. As we understand, acceptance by Ukraine by the IMF and the World Bank will promote the economic, industrial and trade rights of my country. A radical reform in the Ukrainian economy does not only call for considerable domestic efforts, it also requires promotion of foreign investment, increased cooperation and assistance as well as the experience the international community has to offer.

In accordance with the statement by the Parliament of Ukraine of October 13, 1991, Ukraine is ready on her own or through international mechanisms to be formed to repay her share of the foreign debt and to receive her due part of assets of the former USSR based on the principle of severed responsibility. In conformity with the Declaration on State Sovereignty of Ukraine and issuing statements, Ukraine will not be a nuclear power. Ukraine will adhere to provisions of the 1991 treaty between the United States and the former USSR on the reduction and limitation of strategic and defensive weapons with respect to nuclear armaments deployed on her territory.

Ukraine intends to join the 1968 Treaty on the Non-proliferation of Nuclear Weapons as a non-nuclear state and to conclude with the International Atomic Agency an appropriate agreement to guarantee its fulfillment. Ukraine neither possesses nor produces chemical weapons and calls for their total elimination and prohibition. Ukraine is a party to the Convention on Prohibition, Development, Manufacture, and Accumulation of Stocks of Bacteriological, Biological, and Toxic Weapons and their Elimination.

In accordance with a statement by the Presidium of the Verkhovna Rada of Ukraine on November 22, 1991, of the 1991 Conventional Armed Forces in Europe, Ukraine considers it imperative to implement the provisions of this treaty with respect to all the conventional armed forces deployed on her territory. The armed forces of Ukraine are subject to this treaty. They are being formed exclusively for the defense of the independent sovereignty, territorial integrity and inviolability of the borders of Ukraine and on the minimum scale required solely for defense.

I would like just to give you one figure. Although we are scheduling to form our own army within the range of 400,000, 450,000, this actually means demilitarization of Ukraine because currently we have more than one million Soviet soldiers on Ukrainian territory. Nobody knows exactly how many. One figure says one million and others say 1,200,000, 1,500,000. If necessary, we shall form our own army consisting of 400,000 people. But it's not a must figure. If you think that 200,000 will be enough to protect our borders, this will be perfectly OK for us.

Therefore, I know that this figure has been greatly discussed, especially in this country. But I think that nobody should be very much concerned with this process of real demilitarization of Ukraine that we are going to do.

Taking this opportunity, I would like to touch upon the future of Black Sea fleet. According to our approach, the part of this fleet which comprises the strategic forces should be under joint control. At the same time, in accordance within the Ukraine military doctrine, all strategic weapons should be removed from her territory by July 1992. We expedited everything. That applies fully to the strategic weapons of the Black Sea fleet. After this, the Black Sea fleet will be under the jurisdiction of Ukraine.

In addition, I would like to emphasize that according to Ukraine legislation, the property and funds formerly under control of the USSR that are located on the territory of Ukraine, and the Black Sea fleet is principally located in Ukraine, are the national property of Ukraine. Without exclusion, all members of the community

legally recognized that Ukraine is fulfilling this law unconditionally, starting from January 3, 1992. All of this is guaranteed in Article 2 of the Agreement of the Council of Heads of States and the Participants of the Community of Independent States on Armed Forces and Border Guards as of December 30, 1991.

Therefore, we should not exaggerate this discussion around the Black Sea navy. Everything what we are doing is based on the agreement already achieved among all members of the community.

Ukraine is carrying out a program of defense industry conversion and the restructuring of a considerable part of the military and technical potential of the former USSR located on her territory for the needs of her social and economic development. Just yesterday, our President Kravchuk met with your colleague, the Chairman of the Armed Forces Committee, Representative Les Aspin. Kravchuk discussed in detail all these details, all these matters and we hope that when this delegation comes back to Washington they will inform you about the meeting with President Kravchuk.

I would like to state that within the USSR, U.S.A. START treaty, missiles, there are 176 silo pads located on Ukrainian territory. According to the USSR-U.S.A. START Treaty, 130 silo pads will have to be destroyed within seven years. Our program, the Ukrainian program, says we want to destroy them by the year 1994 and not 130 but 176. This again demonstrates the peacefulness of our newly born democratic state.

I am finishing, Mr. Chairman.

In accordance with the agreement establishing the Community of Independent States and with the agreement on joint measures with respect to nuclear weapons, the state members will maintain and retain joint control over strategic weapons, including the control by Ukrainian President Kravchuk and necessary installations for this are being set up now, at this very moment. His office is being accordingly reshaped.

On December 10, 1991, the Parliament of Ukraine ratified the agreement on the Community of Independent States with several reservations to it. I might say, I would say that some of them are extremely important. Due to the fact that there has been an ambiguous interpretation of the specific articles of the agreement and the general direction by the official circles of the party signatories on December 20, 1991, the Parliament made the statement which provides the official interpretation of this agreement.

I would like to say that in accordance with this statement of the Ukrainian Parliament it says that in accordance with the provision of the Vienna Convention, on the Law of the Treaties, from the moment of ratification of the agreement, binding for Ukraine will be those provisions of the agreement signed by the President to which no reservations were made, as well as the reservations to the agreement which were endorsed by the Verkhovna Rada of Ukraine.

For instance, Ukraine shall form her own open economic system by introducing her own currency, creating her own bank and custom systems, developing her own transport and communications system as well as participating in regional and interregional markets.

In conclusion, Mr. Chairman, I would like to state very firmly that Leonid Kravchuk, President of Ukraine, and Parliament of Ukraine are strongly committed to the program of democratic changes and adhere to international commitments arising from all treaties the party to which is Ukraine.

Thank you very much, Mr. Chairman.

Chairman HOYER. Thank you.

I said I wasn't going to ask questions, but I'm interested in one. At the end of your statement you mentioned, "adhere to international commitments arising from all treaties the party to which is Ukraine." Now, under that formulation, is it your perception, the perception of your country, that Ukraine is a signatory state as a successor state to the constituent state of the Soviet Union at the time of the signing of the Helsinki Final Act, or do you believe that there is additional action which needs to be taken by Ukraine to undertake that as an obligation of its own?

Ambassador OUDOVENKO. Mr. Chairman, we recognize our commitments to obligations of the former Soviet Union if they do not contradict the national interest of Ukraine and the constitution of Ukraine. Therefore, we do not take automatically any former political obligations of the Soviet Union, but this should not be a matter of concern because Ukraine is ready to commit itself to all obligations of former Soviet Union in the interest of Ukraine.

As far as our participation in the Helsinki process, the Minister for Foreign Affairs already sent a letter to Mr. Gentscher, in his capacity of the Chairman of the Conference on Security and Cooperation in Europe, asking for formal membership in this Helsinki process. We indicated our full desire to commit ourselves to this process.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you, Mr. Ambassador. We appreciate your statement.

Now, Mr. Robinson.

**TESTIMONY OF ROGER W. ROBINSON, JR., PRESIDENT, RWR, INC.,  
FORMER SENIOR DIRECTOR FOR INTERNATIONAL ECONOMIC  
AFFAIRS AT THE NATIONAL SECURITY COUNCIL**

Mr. ROBINSON. Thank you. I appreciate this very timely opportunity to appear before the Commission to provide testimony on some of the key economic problems and opportunities facing the new Commonwealth of Independent States and on appropriate United States and Western policy responses. Not surprisingly, I'd also like to associate myself with Mr. Ritter's insightful comments concerning the historic contributions of the Reagan Administration to the democratic revolution now underway in the former Soviet Union.

In my prepared remarks, I reviewed briefly the debilitating legacy of the Gorbachev period and some of the key economic and financial developments which contributed to the historic birth of several sovereign democratic states currently in a commonwealth configuration. I then discussed conditions which should be attached to new Western assistance flows to the commonwealth states and the role that debt relief can play in the revitalization of these economies. Finally, I offered some concluding remarks on how the

United States can best help consolidate the dramatic gains of the past several weeks.

Mr. Chairman, as my full testimony has been submitted to the record, in the interest of time I will skip over the section on Gorbachev's economic legacy as well as a stock taking concerning what Moscow Center successfully secured and failed to secure in the way of Western economic and financial resources during the Gorbachev period, specifically in the categories of money, energy, trade and technology decontrol. I will instead move directly to a discussion of the upcoming aid conference.

Within the next two weeks, the United States will be hosting about 60 countries in Washington to grapple with the complicated issues of how to help consolidate democracy and free market reform in the Commonwealth states. Although the Bush Administration has gone to great lengths to discourage prospective participants from viewing this event as a "pledging session," that is precisely what it is likely to be, albeit with most of the arm-twisting confined to the corridors.

Probably the single most important outcome from my point of view of the upcoming aid conference and the multi-year initiative which will likely flow from it would be an alliance agreement on the key issue of conditionality.

In the past, as evidenced by the 1990 Houston and 1991 London economic summits, the allies were content to follow exactly the opposite approach, namely a "go-your-own-way" strategy concerning aid to Moscow. The tragic results of what was dubbed at the time the "Sinatra Doctrine," were that the discipline and strict conditionality of one alliance partner, for example Japan, was substantially undercut if not nullified by the sweetheart deals and indifference of another allied capital such as Germany.

Politically, it should be evident that the American people, and probably other Western taxpayers, are in no mood to lavish multi-billion dollar loan guarantees, insurance coverage and grants on the former Soviet Union despite the democratic revolution underway there. It is going to require a highly credible, well-communicated U.S. strategy which underscores what the average American is getting for the precious dollars diverted away from urgent domestic programs. The abbreviated answer to this inevitable question must be a radical phase-out of the robust military threat still posed by the new commonwealth to Western interests and a structural transformation of CIS states into friendly markets for American goods and jobs.

How can this be accomplished? With large-scale Western assistance absolutely vital to the near-term fortunes of the Commonwealth states, we must constructively use our economic and financial leverage to achieve these over arching goals. It means clearly enunciated and, where possible, quantified objectives along with specific milestones and a timetable for achieving them.

More visionary members of Congress, including the co-chairmen of the Helsinki Commission, Senator Bill Bradley, Representatives John Kyl, Chuck Schumer and others, have long urged such a disciplined, coordinated alliance strategy toward the former Soviet Union. Regrettably, they did not prevail in the face of steadfast resistance from the Bush Administration.

Now we have a new opportunity that simply cannot be missed if we are to forge a sustainable assistance strategy for those qualifying independent states longing to join the community of nations. By qualifying, I mean those CIS states genuinely committed to free market reform and democratic institution-building.

In my prepared testimony, I attempted to offer a specific outline of appropriate conditions on Western aid flows in the areas of human rights, the military and the economic portfolio which the Commission may find of value in its future deliberations. By far the most desirable way for the United States to aid the member states of the new Commonwealth is through humanitarian aid and a comprehensive multi-pronged technical assistance program, not multi-billion dollar taxpayer credit guarantees for grain shipments and similar expenditures.

The combined price tag over time required even partially to revitalize the economies of the CIS states is probably in the area of \$500 billion over the next seven to ten years. By that I mean total investment, trade, and credit flows. Clearly, such a huge capital requirement cannot possibly be supported by U.S. and Western taxpayers, especially during a period of domestic austerity and recession.

Private Western investment and credit flows, which are almost entirely absent from the former Soviet scene now, will be essential to facilitate the massive capital transfers required, for example to modernize the region's infrastructure and to clean up environmental hazards. Within the next year or two, some of the resource-rich states, like Russia and Ukraine, will likely reenter private Western credit markets and the willingness of these states in my mind to collateralize borrowings with gold, diamonds, oil or other hard currency equivalents, should facilitate such accelerated market reentry. There may even be sufficient support in the West, assuming that systemic reform remains on track, for new bond offerings such as Russian or Ukrainian reconstruction bonds and other such instruments.

The raising of Western capital in private markets is far preferable and more sustainable than relying on Western government largesse which will, for the foreseeable future, be in relatively short supply.

The main point here is that it will be fundamental structural changes in these economies which the U.S. can help catalyze through the transfer of know-how and institution-building that will have the most productive impact. Those on Capitol Hill and elsewhere who will inevitably seek to transfer billions of dollars out of the U.S. defense budget into the Commonwealth states should be reminded that it is the Russian and other CIS defense budgets which are the more logical sources of civilian economic development funds.

Turning for a moment to the issue of debt relief, there are basically three ways for the West to provide the CIS member states with hard currency liquidity to meet their needs for critical imports and the maintenance of external financial obligations. One is for the West to pump money into the system, almost certainly a recipe for unproductive taxpayer losses.



A second would be for Western nations to assist actively in the development or revitalization of export-oriented and import-substituting enterprises in the CIS member states such as the Russian oil industry. However, such assistance, again for example to the Russian energy sector, is of strategic significance and should await an established track record of structural change and radical military-related reductions.

The third way would be to postpone substantially, and here I mean reschedule, the large debt repayment obligations of qualifying commonwealth member states, thereby providing them with desperately needed financial breathing space. It is this third option that potentially offers the most immediate benefits for the selected CIS states and the one, Mr. Chairman, that I discussed in my testimony before the Senate Finance Subcommittee on International Debt on October 21, 1991.

Although I go through some of the numbers involved in my written remarks, the bottom line is that the newly independent states of the Commonwealth should insist on generous, long-term rescheduling of principal and, in extreme cases, some interest payments as an important component of their economic revitalization plans. Such an orderly debt rescheduling would hopefully permit the new states to establish what I call stand-alone credit worthiness in Western markets at relatively early dates.

A multi-year grace period whereby CIS states would be responsible for only interest payments would substantially lighten the tremendous pressure now placed on hard currency cashflows of these individual states.

Finally, there should be relatively little sympathy in my mind shown those Western governments and banks who literally bet their taxpayers', depositors' and shareholders' money on the wrong horse and the wrong system—Gorbachev and communism.

In conclusion, the emergence of independent states bent on freeing themselves from the vestiges of communist totalitarianism and command economics can be partly attributed to Mr. Gorbachev's failures. These, in turn, can in part be explained by the inability of his legion of powerful adherents in the West to achieve political critical mass behind a financial life support program for Moscow Center. In the latter connection, it was arguably Russia's assumption of the internal and external financial obligations of Moscow Center in the days preceding the creation in Minsk of the Commonwealth of Independent States that proved the decisive moment in the contest for power between the Republics and the Kremlin.

Fortunately, Boris Yeltsin appears to have the capability and political will to lead his own nation and the Commonwealth into a sufficiently transformed and sturdy condition to permit real economic viability and political autonomy. That said, the CIS may well prove to be merely a transitional arrangement. Nevertheless, the legitimate enthusiasm of many in the West, and Mr. Chairman, I count myself among them, for stepping forward boldly and assisting the genuine reformers and democrats in the Commonwealth member states must be somewhat tempered by the need for these states to establish a track record of performance in key categories of Western concern.

Again, given our time constraints, I'll pass over some very recent examples of disturbing developments worthy of our attention which I recommend the Commission monitor closely in the weeks and months ahead. By referencing some of these downside risk in my testimony, however, I am not suggesting that we decline to proceed in a prudent and disciplined manner to help shape reform efforts in qualifying CIS member states. It does mean, however, that solid conditionality and a coordinated alliance strategy are required for Western aid efforts to be effective and mutually reinforcing.

In this connection, the U.S. emphasis should be on genuine humanitarian aid, the dismantling of nuclear weapons and comprehensive technical assistance, including training, education and greatly expanded exchange programs in appropriate fields.

Other areas where Western assistance should concentrate include help in tracking down the billions of dollars that the Communist Party of the Soviet Union reportedly secreted to the West and encouraging three-way trade transactions involving Western financing for East European exports to the Commonwealth states, lest they be forgotten in this process.

Regrettably, there are billions fewer American taxpayer dollars for these and other aid programs in the wake of the Bush Administration's misbegotten efforts over the past year to prop up Mr. Gorbachev and to promote Soviet stability. Substantial official and commercial bank debt relief, however, should be pursued immediately as a major concrete contribution to the transformation of CIS member states.

Finally, Mr. Chairman, when Mikhail Gorbachev begins, as he inevitably will, offering up a steady drumbeat of public criticism of the policies of the leaders of the Commonwealth, possibly from a new perch at a Moscow think tank, citizens of the Commonwealth and their friends in the West should take heart. Such criticism from so thoroughly discredited a source will be one of the surest signs that something must be going right in the former Soviet Union.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you very much.

Mr. Goble?

#### TESTIMONY OF PAUL A. GOBLE, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Mr. GOBLE. Mr. Chairman, thank you for holding this very timely hearing and thank you for inviting me. As I have submitted written testimony, I will endeavor to be brief and to cover the high points.

In recent weeks, many people in the West have been engaged in an often comic and all too often pathetic effort to come up with some new name for what used to be the Soviet Union. Each of us has his favorite, but in fact the process itself conceals a very, very dangerous problem, namely a deep reluctance on the part of many in the West, and especially in the United States, to recognize that the Soviet Union is no more and that in its place there is not one country but 15. Moreover, and this is, I think, the real reason we have been reluctant to make this intellectual leap, if you will, is

that the change from one country to 15 has far more consequences for the status of the United States in the world than many of us are comfortable with so far.

But I believe it's absolutely important that we get used to the idea that we are dealing with 15 new countries. Unless we do, we will not be in a position to adequately promote the values that we proclaim because the Soviet Union demonstrated that it did not have, under Gorbachev or under anyone else, adequate legitimacy to ask for the sacrifices on the part of the population that will make the transition to democracy and free markets possible. Only the republics have that.

Moreover, it will make it very difficult for us to promote stability in that part of the world. As I will come back to, some of the things we have done already have promoted instability rather than the stability we claim to seek.

Most immediately, and perhaps most importantly for many people in the United States, failure to recognize what is going on over there will guarantee that we will enter extremely late into the process of beginning to participate in the largest new market and largest source of raw materials to come on line in this generation. Other countries have not been so slow and I want to come back to that in a minute.

This morning I'd like to talk about three things to help us think about this new reality so that we can better participate in it. First, the meaning of the Commonwealth of Independent States itself. Second, the nature of the problems of successor states, because I believe that confusion about the nature of the problem is itself a major problem we have to overcome. And finally I'd like to discuss what has been and what could be the U.S. response to all of this.

The Commonwealth of Independent States is without doubt the world's largest fig leaf. It covers the demise of the world's largest empire. But like all fig leaves, it performs a useful function both in what it covers and what it doesn't. The explicit functions of the Commonwealth as announced after the Minsk and Alma-Ata meetings are to manage the demise of that empire. The Commonwealth is not a state and for all of the emotional investment in the continued existence of a single state over there, it is striking that no country, so far as I am aware, has extended a diplomatic representation to the Commonwealth but only to the states. We have diplomatic representation at the European Communities; I haven't heard any discussion of having it at the Commonwealth. Indeed it is a very real question whether President Yeltsin or others would want such representation given their recognition of what the Commonwealth is.

But the most important functions, fig leaf functions if you will, of the Commonwealth are that it reassures the West that the various republics fall under the 1974 Vienna Convention on Successor States and are managing the process of imperial devolution in a good way. Second, and I believe this is going to be increasingly important, it protects Russian President Boris Yelstin from the likely attacks of right wingers in Russia on the charge, "Who lost Ukraine? Who lost the Empire?" As things get worse, such charges are almost certain to be heard because Mr. Yelstin, who as Congressman Ritter has already been kind enough to point out, has

been the most pro-non-Russian Russian leader in history. It remarkable what he has done.

Just to give one example, when the world in November of 1990 was greeting President Gorbachev in Paris at the signing of the end of World War II in Europe Agreements, Boris Yeltsin was in Kiev signing the Russian-Ukrainian State Treaty which anticipated Russian recognition of Ukrainian independence. I was delighted to see one Ukrainian newspaper from Kiev headline that day, "Gorbachev in Paris," it said, "Yeltsin in Kiev." I regularly pointed to that paper on the wall of my office at the State Department and said, "That's why there won't be a Soviet Union very much longer." Mr. Yeltsin understood and it is striking that he has gone to the Republics again and again both before the CIS and now. So, he has to be protected and the Commonwealth is a fig leaf for him.

Third, the Commonwealth provides a useful forum for discussion of very many problems that exist in the disentangling of these new countries. These fora are important because they allow certain things to be discussed without everything going to the question of sovereignty. If everything had to be handled bilaterally, it would become a question of sovereign states immediately and without any possibility of moderation. The Commonwealth provides a transition arrangement where such things can be discussed.

Now, second point, the nature of the problem of the successor states. In general, people sort of throw up their hands: there are too many problems, it would seem. I would like to suggest that there is a way to parcel them out in three parts. First, there are the problems that all these states share as past victims of Communist Party rule, the problem of democratization, the problem of a shift to a market, the problem of developing a civic culture. They're at various stages in this, but that is a common problem.

Second are regional problems, the problems of the interrelationship of these states and among some of these states and their new neighbors. Among the regional problems that get the most attention in the West are three: potential for migration, the possibility of border changes and the possibility of violence. I'd like to comment on each.

Migration will happen, but it is almost certain to be far less than people have suggested. We're not talking about 70 million, but as I indicate in my prepared testimony, we're talking about perhaps five to seven million.

Second, borders are going to be changed. Mr. Gorbachev asserted and people accepted in the West the notion that Republic borders had not been changed. In fact, in the period between 1921 and 1981, Republic borders were changed over 200 times. One hundred fifty of those times the borders were changed as the result of Moscow fiat. Moscow simply ordered that this happen. But it's significant that in one-quarter of all these changes they occurred as the result of negotiations among the existing Republics. So, there is precedent for doing this in a peaceful way. Border changes are not the end of the world.

And finally, violence. The most striking thing to me about the demise of this empire is not how much violence there has been but how little. In the last six years, fewer people have died from inter-ethnic violence in what used to be the Soviet Union than have died

on America's highways in the last three weeks, about 3200 people. That's not nothing and I don't want to minimize any one of those deaths. But it is to suggest that this change has occurred remarkably violence-free. The violence that there has been has been remarkably concentrated. As Ambassador Oudovenko has pointed out, there have not been ethnic conflicts in Ukraine. There has not been violence in most of the country. Indeed, outside of the Caucasus and the Fergana Valley in Central Asia, there have been far more deaths in the last 6 years caused by the actions of Soviet military officials than as a result of ethnic conflict itself and that needs to be remembered.

Now, the specific problems of the Republics. We in the West know very little about the non-Russian peoples. We are, therefore, driven to generalize from what we see at any one place to everywhere else. In that we are like the blind men and the elephant. And we fasten on one republic or another and extend it. This week's part of the elephant is Georgia and people are saying, "Gamsakordias are going to be everywhere." That's profoundly nonsensical. Georgia is a special place, Ukraine is a special place and we need to realize that.

I could go through many, many problems that each of them have, but I'd like to focus on three that have immediate consequences for the United States.

First, if one looks at a map, one discovers that the three small Baltic countries are vastly more important than people think precisely because they control four of the six major ice-free ports on the Western edge of the Eurasian land mass. Getting involved in those ports and developing them is critical. I was called from Riga, Latvia on December 7th to be informed that the Japanese have helped the Latvian Government open a Japanese language school in Riga to develop the port for Japanese purposes. I said it was a terrible day to find out that the Japanese and Germans were shaking hands over the dismembered body of what used to be the Soviet Union.

Second, and I think our policy has contributed to it, the increasing tendency of the Azerbaijani Government to look south through Iran rather than north is almost certainly going to lead to the export of oil from Azerbaijan rather than sending oil north. That will mean that Russia and the other Slavic republics will become net importers in the near-term, which will have consequences for prices. Our decision to recognize Armenia and not recognize Azerbaijan has only further exacerbated the tendency of Azerbaijan to look away from the West and look to the Muslim world.

And third, Russia. We're going to have violence in parts of Russia, I fear, in the near-term, around Kazan. I developed that a little bit in my prepared remarks. But the most important thing for me, because I think it's the most important for the next generation, and I have three children, is the probability that Siberia either de facto or de jure is going to be acting independently within the next few years and that it is going to become a Japanese source of raw materials. When the Japanese can extract oil, gas and other natural resources over only a couple hundred miles of ocean, their concern about American protection of the sea lanes will decline and our ability to affect Japanese policy will decline with it.

What about the U.S. approach? Up to now, it's my feeling that our approach to this new reality has been, in every case, grudging, slow and unplanned. While I think it's important to have conditionality about how you extend aid and assistance and even diplomatic recognition, it's terribly important to know enough about the situation so that establishing conditions do not have unintended consequences. I would submit that what has been done so far has had serious unintended consequences. Let me give you three examples.

First, by deciding to send diplomats to Armenia and not to Azerbaijan, we have, in the nature of things, gotten on one side of a war. Our ability to moderate that fighting declines. We have also led to a strengthening of the Islamic element in Baku who say, "See, once again the West looks at the Muslims as the enemy."

Second, by saying that we are using human rights as a standard, and I'm delighted to see human rights be a major concern, and then to recognize Kazakhstan but not Uzbekistan is to raise questions about our sincerity and our judgment and to, in some ways, make our claims look fraudulent. Also, we are going to face problems in the future where the countries we recognize have human rights problems. Does that mean we withdraw recognition? How far do you extend conditionality? Often we can do more on the ground. Not having someone there is a serious problem for our economic expansion and also for our ability to monitor the situation.

Third, we have encouraged, even more than that we've insisted, that there be only one nuclear successor state, and yet we have demonstrated the importance of having nuclear weapons on your territory in our recognition pattern. Exhibit A, Belorussia, which undoubtedly would not have gotten anything except for having the nuclear weapons and it's probable that Kazakhstan would not have gotten recognition of the kind it has given a human rights standard if it had been applied fairly across all of Central Asia.

So, we have sent messages which are different than we intend. Now, what can we do? Well, first we have to recognize that there are 15 countries out there and that we don't know nearly enough about them. Second, in an era of limited financial possibilities, one thing we can do is get technical advisors into these governments at fairly high level. That's relatively cheap and it's something that almost all of them want. I don't want to tell you how many Republic governments I've heard from, but it is something that they're interested in having and we can do that and it's cheap and the reservoir of pro-American sympathy is very great. Many Americans are already there.

In the longer term, we need to develop expertise. For more than half of the new states, there is no one in the U.S. Government who speaks the language. For nearly half of the languages of the Republics, there is no regular course work in American Universities. There are many, many cases where we do not have the possibility of monitoring what goes on and the old idea that knowing Russian was enough is just no longer true. Retread Soviet specialists will not work in a lot of these Republics and over time they will work ever less well because, to take but one example, five years ago, if you wanted to know what was going on in Kazakhstan, 99 percent of what you needed to know was in Kazakhstanskaya Pravda, a Rus-

sian paper. But as these Republics move out on their own as independent states, the Russian language press in many cases is becoming an ethnic press and you cannot rely on the Russian press as a source.

But the last point and the thing that I would like to leave you with is the thought that the demise of the Soviet Union and the emergence of these new states means that we are going to have to compete on an entirely new basis, that the things that gave us advantages in the past, our overwhelming military might, are not necessarily going to confer the same advantages in the future. We're going to find ourselves competing with the Germans, the Europeans, the Japanese in these new states. If we discover that the natural resources of Siberia are locked up in other hands, if these markets are more developed by other foreign countries, it will have a serious long-term consequence for this country's standard of living and I don't think that's something anyone wants.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you very much, Mr. Goble, for your very thoughtful comments. I think if we put Mr. Robinson's statement and yours together, we have a lot of food for thought in terms of what our policies might be, what changes need to be affected and how quickly we need to act.

Lastly, but as I said not least by any stretch of the imagination, we're pleased that Doctor Olcott is with us.

Doctor?

**TESTIMONY OF MARTHA BRIEL OLCOTT, PROFESSOR, COLGATE UNIVERSITY, FELLOW, EAST-WEST CENTER, DUKE UNIVERSITY**

Doctor OLCOTT. Thank you very much for the opportunity and privilege to come before you today.

What I propose to do is to offer an abridged and annotated version of my written statement. I'd like to say though—to make a few prefatory remarks.

I was asked to come before you to talk about developments in Central Asia and I will. That's what my remarks deal with. I would like to, though, offer two general comments at the onset. First, I would suggest that we need to look at the lands of the former USSR as three separate strategic regions plus Russia, as a region of Western republics, and I would include with them a need to link concerns in this area with concerns about Eastern Europe. I would say that we need to look at a Pacific region and look at the ways in which Siberia is moving off into the ocean. Thirdly, I would say that we need to look at southern tier republics and I would include here Central Asia, which I will talk about today, as well as the three Caucasian republics and I would be happy to entertain questions about Azerbaijan in particular because in my research in recent years I have felt that you must combine Azerbaijan with a Central Asian focus.

My second general comment to begin with is that I would say that it is admirable to link U.S.A. to questions of building democracy. Certainly that's what we say that we're about in this country. But I would say that taking this commitment on ourselves requires a real in-depth knowledge about the actual conditions of democracy

building that are going on in these republics. I would agree with Paul Goble that our knowledge is woefully insufficient in most of the cases. I've been working on Central Asia for the past 20 years in one capacity or another and I would say that I've finally gotten to the point where I understand that I understand very little. Nonetheless, I would like to share with you my conclusions based on this 20 years of work in the region.

The speed of the Soviet Government and Communist Party's collapse came as an unpleasant surprise to the leaders of Central Asia. Now the heads of these newly independent states face the inevitable task of keeping their nations afloat economically with little assurance of predictable long-term assistance, and I really stress the primacy of this. The reform plans currently being put into effect in all of these republics were predicated on a continuation of some form of integrated economy and none of these plans were expected to have to function in conditions of economic self-sufficiency of the Republics.

Though the severity and balance between problems varies by republic, each of these Republics has a major food problem, an acute health care crisis, a water shortage and a generally despoiled environment, as well as an indigenous population deficient in technical skills. Moreover, Central Asia's leaders and their aides all rose to prominence in a political system which rewarded obedience and not initiative. They have very limited international experience and their inexperience in international relations will cost them dearly both on state to state levels and on negotiating agreements for international financial assistance and joint venture agreements. They simply don't yet understand the unwritten laws of international discourse.

Furthermore, until this fall, none of these leaders ever had the key responsibility for managing the major industries or natural resources in their republics. Now, each of these men are fully responsible for planning and executing complex economic reforms. Moreover, they all know that their failure to discharge these responsibilities would not only likely bring their own downfall but would more than likely spark inter-ethnic conflicts in their regions.

Should these partocrats, as I dub them (and everyone but the President of Kirghizia is a former party leader), they may just make way for another group of former party-based reformers who may appear more democratic and may, in fact, not be. If they fall entirely, brought down by a coalition of anti-party democrats or Islamic activists, as almost happened this fall in Tajikistan, they would bring to power a group of leaders who are even less experienced than the current leaders are in handling international affairs and less experienced in handling their own domestic problems. Central Asia's opposition, for all their adherence to democratic values, have no political or administrative experience.

However, I would say that Central Asia's history, regardless, favors the continuation of power by the current leaders. In modern times, Central Asian society has demonstrated a capacity to withstand economic shock and the stability in this region in many ways is greater than in other parts of the Soviet Union.

The mind set of most Central Asians was personified to me by advice I received as a soon-to-be bride in 1974 when, upon hearing



of my engagement, an elderly woman advised me, "Have four children, because two are certain to die." This world view has not really changed in the past 20 years. Central Asians expect life to bring them hardships and the next few years will. But unlike Russians, they have a greater resilience in accepting these hardships for they feel that this is what life has always had in store for them. Moreover, unlike Russians, they are ready to admit that they have little understanding of democracy and are not embarrassed by their continued preference for strong leaders.

We should be realistic about how lengthy and complex the process of building real democracies will be in these five republics. These are emerging new nations. Moreover, each republic includes hundreds of thousands and sometimes even millions of Europeans of Slavic ancestry or Slavic nationalities who came to live in what they considered to be the USSR's Central Asian outpost. Now they find themselves living in non-European nation-states. Many of these people have no respect for local culture or religion, are unwilling to learn the local language and view the nationality whose homeland they now inhabit as backwards people.

All of Central Asian citizens, regardless of their nationality, are obviously entitled to basic protection of their human rights. But Russians in the area will not get, nor should they expect, further deference as elder brothers regardless of the technical skills that they might have.

Political pragmatism demands Central Asia's leaders endorse a nationalist agenda and this means demonstrating a respect for Islam. However, the first move of Central Asia's rulers is to ensure the stability of their region, stability of course with the promise for a better future to come. This key need to ensure stability is the question which has been the litmus test that Central Asian rulers have applied in making decisions about the speed of privatization of their economies, and I want to quickly go through the decisions that they've made.

Nursultan Nazarbaev of Kazakhstan has been a vociferous advocate of privatization precisely because he sees privatization as a means to a harmony in a republic that is evenly split between Russians and Kazakhs. The government of this republic is dominated by Kazakhs, but most of the republic's industrial potential is located in Russian dominated areas. Moreover, the privatization schemes are designed to benefit Russians more than Kazakhs because they have the capital and will get the shares of the industrial enterprises that are being divided up. Agricultural land, and the overwhelming proportion of Kazakhs live on the land still, is not going to be fully privatized.

For now at least Nazarbaev is a genuinely popular politician, but I would add that Kazakhstan's current economic programs are ill thought out and contradictory in their goals. Despite his popularity, it would be a mistake to see Nazarbaev as a democrat. He ran unopposed in recent elections and has publicly stated on numerous occasions that he believes Kazakhstan needs to be ruled with a strong hand and that the Kazakhs and Kazakhstan's people are not ready for a multi-party system. Moreover, he has refused to allow Kazakhstan's small Islamic party to be legally registered.

Kazakhstan's media has been freed from censorship, but is under defacto government control. There is no opposition press of any import in the republic. Moreover, there is a harsh law against public slander of the president and it has on occasion been used.

Kyrgyzstan's President Askar Akaev is more deserving of his reputation as a democrat, but Kyrgyzstan's decisions to privatize are governed by many of the same concerns that affect Nazarbaev's decision. Kirghiz leadership understands that without foreign investment in mineral extraction and development of their light industries they have no future for economic recover and so they are doing anything that they possibly can to attract that investment.

Uzbekistan's Government ironically was the first government to legislate land reforms in agriculture, turning land over to private management as early as 1990. In fact, Uzbekistan's democratic critics now object to or debate the wisdom of a proposed plan to fully privatize agriculture in that republic because they argue that the privatization of land in Uzbekistan would simply legalize the "mafia's" control of the cotton economy.

Uzbekistan's service sector has always been partly privatized. Uzbekistan's Government, however, has been slow to produce a plan to fully privatize the economy. They claim, not unreasonably, that the complexity of the republic's problems merit careful consideration before the government gives away the one strategic resource that it has, the property that it now owns.

Karimov is very unpopular among the intellectuals of his republic. He has been even less tolerant of permitting public protest than Nazarbaev has. He has been slow to legalize opposition parties and Birlik is only legalized now as a movement and not as a party. The Islamic Renaissance Party remains banned in Uzbekistan, but their influence is growing and they use the mosques and the growing number of religious schools to meet in, and they do meet openly in them. Uzbekistan's Islamic organizations and institutions are increasing in influence as an independent political force in the republic.

This is always where I begin running out of time, so I short-change Tajikistan and Turkmenia. Let me briefly say that Tajikistan, for its reputation as a non-democratic society, had the most hotly-contested presidential election of that entire half of the country. Rahmon Nabiev, a former Party boss, received a majority of votes against—

Chairman HOYER. Doctor, we left you for last, but that does not mean that I don't want you to cover your area of expertise—we are covering a very broad spectrum of material. We understand that, but don't feel that you get what was left. You take as much time as the others.

Doctor OLCOTT. OK. The question is how much the world needs to know about Tajikistan, but I will give you a fuller version of Tajikistan's affairs. Thank you very much.

Chairman HOYER. There's a consensus up here that our questions will not be nearly as interesting or as informative as your testimony.

Doctor OLCOTT. OK. So, I'll stay with the Tajiks.

Tajikistan's Nabiev, the former party boss, recently received a majority of votes in his contest against the Democratic bloc's candi-

date, a film-maker who was himself a former party member. Here too, like in Uzbekistan, there were charges of vote fraud.

It should be pointed out, however, that it would be a mistake to over-estimate the strength of the "democrats" and it's hard to know what percent the opponent, Khudonazarov, would have gotten in the elections had been fully free and open.

The Islamic groups chose not to oppose Nabiev directly and the current calm in the republic suggests that the old party bosses and religious leaders may have found a way to work together at least for the moment.

Tajikistan's economy is really nonviable as it stands now and the only real card that the Tajiks hold is promise of support from their fellow Persians, from the Iranians.

Turkmenistan is also of particular interest to Iran. It is a border region and has unexploited oil and gas reserves, large enough by many accounts to enable the republic to buy the technological and humanitarian assistance it feels it needs.

The least democratic of all the states, Turkmenistan, is probably the most stable politically and, because of that, a predictable partner for Western investors. After this survey of the strides of democracy. I would agree that U.S. policy in the region should be shaped by an informed judgement of current conditions as well as a realistic assessment of how much we can affect developments in the region. However, we know very little about the real state of political and economic affairs in the region and we should be very leery of accepting Russian advice about them. Russians, even their most noted experts, are not terribly well-informed about developments in this area and they are certainly not impartial.

But, as we take time out to better inform ourselves, we must bear in mind that other states interested in influencing developments in this part of the world will not delay, seeking to advance their own economic or strategic interests as we work out our own thorough-going analysis. Moreover, given the desperation of most of their plights, Central Asia's leaders will be forced to take help from anyone who offers it.

Furthermore, given the speed of the USSR's collapse, Russia's own uncertain future and the crisis in transportation, existing transportation system which goes east to west, it really is logical for these five states as well as Azerbaijan to think in terms of the new north-south links that are being offered to them.

Turkey and Iran are the two foreign Muslim states most interested in the region. Central Asia and Azerbaijan are critical outlets for Turkey, allowing Turkey's industries potentially to compensate for their continued exclusion from the European community. Their concerns in the region are traditional geopolitical strategic concerns. Iran is advancing their own interests because they believe that by advancing Iranian interests they simultaneously advance the interests of an Islamic revival. This is quite clear from the Iranian statements that are being issued today.

By predilection, Central Asia's rulers are more drawn to Turkey because all of Central Asia's leaders are committed now to a secular model of development. However, without outside support Turkey is likely to find itself at a competitive disadvantage vis a vis Iran and it should be noted that Iran is particularly interested

in dumping money into those ties that give them benefits in the long-run and to developing the new infrastructure in Central Asia.

In creating rail links, there will now be a direct rail from Urumchi in China to Ankara, with the last bit from Turkmenia through part of Iran paid for by the Iranian Government.

Phone systems, other forms of telecommunication, television, radio, these are the types of commitments that Iran and Turkey are vying with each other to put in place.

Banking structures, here too Iran is going to have the edge. A branch of the Bank of the Islamic Republic is about to open in Dushanbe and promises of branch banks for the region have been offered. Everyone but Kyrgyzstan has accepted offers of Iranian aid and Kyrgyzstan is still interested in working out some of the terms.

In the short-run, taking aid from Iran will not tip the balance toward Central Asia's Islamic opposition. But if the partocrats fall, then Iran will also try to play a more explicitly political role in the region. They are now working very hard at distinguishing economic aid from handing out Korans at the new train stations. I mean, their goals now are to sell themselves as a developed Islamic society and provide assistance on economic terms.

Central Asia's leaders would prefer not to have to depend on Muslim aid. America and West Europe are seen as potentially the most attractive trading partners, largely because of the technological sophistication of what we offer. Similarly, South Korea and Japan are also seen as very desirable and Korea in particular has demonstrated a willingness to make major capital investments in this region.

However, for the next few years at least, the biggest volume trade partner in this region is likely to be China, although China is not a potential source of the type of technologically intensive investment that the region's leaders are looking for.

In conclusion, events in Central Asia do not directly threaten U.S. security. But in the long run, a shift in the geopolitical balance in this area will have consequences for the strategic balance in South Asia and the Middle East. None of these Republics, save perhaps Kyrgyzstan, are on the verge of becoming Western style democracies. Pluralistic societies are at least a generation off, if they come at all. But the best way we have to sponsor their development is to involve ourselves directly in technological assistance and training programs in all five republics and work towards opening these societies up to broader political participation, for only by doing that will opposition leaders get the kind of experience they need in order to be effective rulers should they come to power.

But in doing so, we must also accept that the balance between secular and Islamic forces in the region is likely to remain a constantly shifting one. Current U.S. policy in the region, which is the decision to favor Kazakhstan and Kyrgyzstan with full diplomatic relations, may work against the development of democratic and especially secular states in the region, for we will not involve ourselves as closely in the other three states, including in Uzbekistan which is the most populace and likely to play a key role in influencing regional Central Asian developments in the future.

Should we lock ourselves out of Uzbekistan and, to a lesser extent, Tajikistan and Turkmenistan, we will in the long run be working to the detriment of U.S. long-term strategic interests in the region more generally.

Thank you.

Chairman HOYER. Thank you very much, Doctor Olcott. We appreciate your testimony as we do of the others.

I would observe that the Commission, relatively uniquely, sent observers to the elections in Turkmenistan and Uzbekistan. Michael Ochs of our staff went to Turkmenistan and he and Patricia Carley just returned from Uzbekistan's elections held on December 29. I might say that the only other nations monitoring the election were Malaysia and Turkey. Interesting in light of the very high degree of interest in Ukraine and the Baltic States. I think you probably all made that point, the relatively minimalist attention devoted to the Central Asian Republics.

We have a time problem. We're going to have to end at 12:00 because of commitments of members of the panel. I'm going to ask a few questions and then yield to Mr. Ritter and Mr. DeConcini, as the Ambassador correctly pronounced it. I say DeConcini and we have the Ambassador from Ukraine coming over with a good Italian pronunciation.

Co-Chairman DECONCINI. Thank you, Mr. Ambassador.

Chairman HOYER. However, save in accepting the Ambassador, I'm inclined to see if we can maybe inveigh the other three of you to come back at some point in time to participate in a briefing with a broader spectrum. Obviously the Congress is not in session this week, so we only have a few Members here today. But your testimony has been so good, so broad in its scope that I think it would be very useful to enable others to enter into a discussion with you. If not a hearing then maybe a luncheon or something of that nature if all of you, other than the Ambassador, might be willing to participate. I'd like to have a lot of give and take and discussion.

Let me start one question quickly with the ambassador.

Mr. Ambassador, you referred in your statement to an issue that we are very concerned about. You indicated that Mr. Aspin was discussing this with your President recently, perhaps just now. What is your perception of the success that is being made with respect to the entire centralization of the nuclear strategic capability, including your neighbor Kazakhstan's view of it? It's a question of great concern not only to the United States but to the West and I'm sure, to yourself and to Ukraine.

Ambassador OUDOVENKO. I would like to emphasize very strongly that there should not be any concern anywhere as far as the position of Ukraine is concerned with respect to its huge nuclear arms arsenal located against our will on Ukrainian territory. We are strongly committed, and this was firmly declared by the Ukrainian parliament in its historic declaration proclaiming state sovereignty in 1990, that Ukraine would become a non-nuclear country which will not participate in military blocks.

Therefore, the Ukrainian President, Ukrainian Parliament, Ukrainian military establishment are doing now everything possible in order to fulfill our commitments. We have been advocating from the very beginning since President Kravchuk was here last

September, he was here in Washington, DC. He met with President Bush. He strongly committed Ukraine to adherence of Ukraine to non-nuclear principles.

We know that the position of Kazakhstan slightly differed from the position of Ukraine. However, it seems to us now that there is no difference in Kazakhstan's approach towards elimination of nuclear weapons located on its territory. Our Ukrainian problem was that we wanted to participate in the process of elimination and the process of non-use of nuclear arms located on Ukrainian territory. As I already mentioned, Kravchuk unexpectedly suggested a program to expedite the elimination of nuclear weapons located in Ukrainian territory and to close this question.

For this, we certainly require a great deal of technical assistance and we now are negotiating this matter with American companies, and with the U.S. administration. We need assistance. We know how to produce, we never knew before that to eliminate is more costly than to produce. Now, we face this situation, this huge missile pad located in Ukraine. The Ukrainian Government never knew anything about this. We did not know how rich we are as far as nuclear warheads are concerned because nobody in Moscow told the Ukrainian Government how many we had of them. And now we deal with this—we have enough with Chernobyl.

We would like to get rid of these nuclear arms, although there are different views certainly on this issue in Ukraine. Some people express their voices against the elimination of nuclear arms in Ukrainian territory, but Ukraine, the Ukrainian leadership, Ukrainian Parliament is strongly committed to all these things. Again, I would like to use this opportunity that there should not be any concern in the United States, in the West regarding Ukrainian position on this issue.

Thank you.

Chairman HOYER. I could pursue that with some other questions but I won't because of time. Let me ask one last question, Mr. Ambassador, of you and then I will turn to my colleagues for questions to others.

We have written to President Kravchuk with reference to refuseniks. As you know, one of the focuses of this Commission has been on individual human rights issues which, for much of the Commission's history, much of its effort was spent in dealing with the Soviet Union at that point in time and the Central Government leadership on those issues. There are still outstanding refusenik cases in Ukraine. Could you comment on the speed and rapidity with which you believe those will be resolved?

Ambassador OUDOVENKO. Mr. Chairman, I was informed—I received a copy of your letter to President Kravchuk concerning these cases of refuseniks. I am fully aware of this situation. I immediately also sent a copy of your letter to President Kravchuk with our strong recommendation to close these cases to the extent possible certainly. As I said, I am familiar with this problem because you possibly know Ms. Shoshanna Cardin, the Chairman of the National Conference on Soviet Jewry. She and—

Chairman HOYER. Yes, Mr. Ambassador, from Maryland, as you may know, my state.

Ambassador OUDOVENKO. Yes. They were received by the former President of the former Soviet Union, Gorbachev, last September. They handed him a list of 350 refuseniks in the Soviet Union, including 25 in Ukraine. I met with them a number of times. They handed this list to me. We sent it to Kiev asking them to look very carefully at this issue. Unfortunately, I am not in a position to provide you with information what is the consideration of these individual cases, but I would like to assure you and after this meeting I will inform again the President of this meeting to consider very carefully each individual case. We are going to do everything possible in order to close these cases.

Thank you.

Chairman HOYER. Thank you very much, Mr. Ambassador. As you know, we have all been discussing macro, global issues here. We must never lose sight of the fact that all of these issues impact upon people one by one. Shevardnadze, of course, gave an extraordinary speech, I thought, to the Foreign Ministry back in 1989 pointing out that that was a radical change that had occurred, and that the manner in which a nation treated its individuals so would it be judged by the international community.

I think we all need to focus on that. I know you have articulated that principle very strongly. Ukraine has committed itself to that. So, I think we're in concert on that but we would hope that we could work with you in resolving these individual issues as well.

Senator DeConcini?

Co-Chairman DECONCINI. Mr. Robinson, let me just ask you, you lay out proposals as to how to deal financially with the new Republics in the Commonwealth. Why not just move to dismiss the debt and forgive it all?

Mr. ROBINSON. Well, Senator, I wouldn't preclude the possibility down the road in a circumstance similar to the Polish case where we began with a series of debt reschedulings that really did not turn out to be viable because of, again, continued hard currency shortages there and we moved into a debt forgiveness scheme that ultimately encompassed roughly 50 percent of that debt.

Co-Chairman DECONCINI. Isn't that what we ought to be looking for here?

Mr. ROBINSON. I think that debt forgiveness should very much be considered at the appropriate time and indeed I think in some select cases as the very least that it will be.

Co-Chairman DECONCINI. Do you think it's too early now?

Mr. ROBINSON. Well, we're in a process now where, as you know, there's a \$20 plus billion disparity as to what the debt of the former Soviet Union is. So, right now we're still, I think, taking an inventory of the data. We haven't seen definitive information on Soviet assets and their ability to repay. We talked about possibly billions of dollars being channeled surreptitiously to the West in the period surrounding the coup. Those are rumors. We'll see if they're indeed verified. We should help track it down so that we determine what of those funds we'll see, remembering that we have about \$3.8 billion of the American people's money out there as well.

But I take your point that this is a time where to the extent possible we need to start with a clean sheet of paper. One of the things

that I'm concerned about, for example, in this upcoming Commonwealth aid conference is that inevitably the European community is going to point to its \$11 billion contribution to the former Soviet Union. Germany is going to come up and talk about its inordinate share, as much as \$30 billion, of total Soviet indebtedness and, in effect, claim that the United States, the U.K. and Japan are way behind the curve in making contributions to consolidate democracy.

That is a false argument, in my judgment, because we all know that those monies were expended to secure objectives very much related to the self-interest of those countries. In Germany's case, it was reunification and getting preferred treatment for the payoff of their companies who were experiencing long-overdue arrearages. So, we have to be very careful about how we formulate the ledger of who's contributing what. I like the idea, to again the extent possible, of starting with a clean slate and not counting that "prop-up Gorbachev" money.

Co-Chairman DECONCINI. My observations are that that's easier politically to sell here than it is any additional massive cash outlays because of the credibility of collecting those debts in the first place. If they are scored by OMB, as the Egyptian debt was, one cent on the dollar or something like that, it's a lot easier budgetarily to forgive them from our standpoint than it is to attempt to move legislation here of massive foreign aid of the billions of dollars that may eventually be needed.

Mr. ROBINSON. Well, that's why I proposed it. I just would add that the secondary market for Soviet debt, the trading of those debt instruments, is now down to \$.50 or less to the dollar and falling. So, we have that opportunity.

Co-Chairman DECONCINI. Thank you.

Mr. Goble, real quickly, just let me ask you—I have so many questions I'd like to ask you and I welcome the suggestions that the Chairman has of another opportunity to do so.

But there's so much criticism of Gorbachev's failures, his failure in the economic and the political to see all this coming about. Quickly, can you just give me your opinion. Do you think he will be resurrected in the sense as a political figure, at least in Russia, after things fall out because I don't think there's any question in my mind at least and history probably that he's the one that created this environment that we could even be here criticizing him today that I don't think would have happened without him. We wouldn't have the Ambassador from Ukraine here as an independent recognized nation if it wasn't for Mr. Gorbachev, in my opinion.

Mr. GOBLE. I think Mr. Gorbachev isn't going to go quietly into retirement. I would expect to hear from him on any number of occasions. We have already heard from his institute shortly after he left power to announce how bad it was going to be in the future, a message which may be true but was certainly politically motivated.

On the other hand, I don't believe that he has a viable political role to come back in Russia. I think people in the West have routinely underestimated the extent to which he is unpopular, especially in Russia. People like Mr. Gorbachev, people like Mr. Shevardnadze were possible only in a Soviet Union. They did not have a base in any one of the Republics and we're seeing now that Mr.



Shevardnadze is having a very difficult time even going back to Georgia. So, I think that Mr. Gorbachev's prospects for office in the future are not very good, but we're certainly going to hear a lot from him.

Co-Chairman DECONCINI. Thank you.

Thank you, Mr. Chairman.

Chairman HOYER. Mr. Ritter?

Mr. RITTER. Thank you, Mr. Chairman.

Mr. Robinson, we have read about some changes taking place recently in the KGB. Some Russians and people in the Republics have said all along that the KGB is just kind of disappeared into the cracks in the wall and they'll be back. All of a sudden now we saw Primakov appointed to the top position in the KGB. Mr. Bakatin made some disparaging remarks. Some deputies in the Parliament have expressed some concern. What do you make of this? Is it a consolidation to protect Yeltsin as a self-protective measure, to somehow keep it all together and an eye on it, or just what's going on in this massive still existing, still quite rich and heavily armed part of the Soviet fabric?

Mr. ROBINSON. Well, Congressman, I can tell you what I hope it is, which was rapid fire decision making not adequately thought through by Mr. Yeltsin in trying to, again, consolidate the gains of the past several weeks. I mentioned in my testimony that very concern, that we now have a Russian ministry of security and interior affairs that was decreed into existence by Boris Yelstin on December 19 that not only picks up the interior ministry functions but the remnants of the KGB in a super organization the scale of which we might not have seen since Felix Dzerzhinsky in the bad old days of the Lenin period.

Yevgeni Primakov, who we should remember was the individual that tried desperately to salvage Saddam Hussein's fortunes during the Gulf War, and who I believe is an insidious force, a former head of the Soviet Overseas Intelligence Service, has now been placed as head of the Overseas Espionage Division of the new Russian ministry.

Mr. RITTER. And has actually said that we're going to concentrate on collecting economic intelligence rather than just political and military. How does one feel about that in this country?

Mr. ROBINSON. Well, I think it reads technology theft to some extent and I think that we have to therefore be very alert to these personnel decisions, including Boris Gromov, the hero of the Afghan War.

Mr. RITTER. Primakov was also very active in Afghanistan towards the end as well.

Mr. ROBINSON. Boris Gromov being made first deputy commander of Soviet ground forces, these are, very frankly, in my view, a—

Mr. RITTER. Russian ground forces.

Mr. ROBINSON. Well, I guess—they must be called Russian ground forces, you're correct. But these are the kind of cadre of individuals that I think are suspect in a "coup II" scenario.

Mr. RITTER. Could we have a comment from Ambassador Oudovenko on this question?

Ambassador OUDOVENKO. Mr. Congressman, fortunately this is not a Ukrainian problem. This is a problem for the Russian Federation. They are merging these two powerful organizations. I'm very pleased to tell you that we are not going to do it in Ukraine. The commander in chief of Ukrainian military forces, which is President of Ukraine Kravchuk, yesterday he elevated the military ranks of the Minister for Internal Affairs and Minister for Security. This is the only thing we have done in these days. But we in Ukraine are very committed to become really a democratic and civilized nation.

Mr. RITTER. I have a question for you. Could you just give us a brief update on the controversy of the Black Sea fleet, one, and this morning's news report that an important military telecommunication center conveying information on nuclear weapons based on Ukrainian soil has been taken over by the Ukrainian Government?

Ambassador OUDOVENKO. Yes. In accordance with—

Chairman HOYER. Mr. Ambassador, before you give that answer, I'm going to have to leave. Senator DeConcini had a lunch he had to be at. I have a 12 appointment that I have to be at. Let me thank you, Mr. Ambassador and let me thank Mr. Goble, Mr. Robinson, and Doctor Olcott as well, for what were a very, very substantive presentations. Normally we would have tried to make your presentations shorter, but I wanted to really make it prefatory rather than complete.

I really do mean that I want to see if we can reengage you in a discussion with members of the Commission from both the Senate and the House. Also, Secretary Schifter and Secretary Fritts would like to participate with us on this.

So, I do intend to get back to you to see if we might have further discussions in development of these issues.

We had discussions with both Mr. Brezinski and Mr. Kissinger about participating. Mr. Kissinger was possibly going to be here today but he's leaving for Moscow today.

Ambassador OUDOVENKO. We wait for him tomorrow, Doctor Kissinger. He is coming to Kiev tomorrow.

Chairman HOYER. Tomorrow? In any event, over the next few weeks, we will try to develop a better and fuller framework of reference for the membership on the Commission.

I'm going to have to leave, but I want to thank all of you very, very much. Mr. Ritter will continue and then he, too, will have to leave. But again thank you all.

Mr. RITTER. Thank you, Mr. Chairman.

Ambassador OUDOVENKO. Very briefly, yes the Ukrainian Government is taking over communications, military communications of Soviet troops which are located on Ukrainian territory. This is a normal thing and—

Mr. RITTER. Has that been worked out in advance with the Russian Government?

Ambassador OUDOVENKO. Well, I do not know the details, but this is done in accordance with the Minsk agreement according to its provisions of January 3 Ukraine will take responsibility.

Mr. RITTER. Is there something that should be giving us cause for concern or worry or is this something very natural in the course of events?

Ambassador OUDOVENKO. It's a very natural course in the establishment of Ukrainian national army. I think that things concerning the Black Sea navy disputes and discussions, certainly there is a great concern for the admirals and generals who were responsible for this who do not want to lose their power because now the Parliament of Ukraine wants to be very active on all these issues. That is a concern for these generals and then admirals. But you shouldn't exaggerate this problem. We shall come to a common agreement with Russia, with the Russian President, with Boris Yelstin, and I think we shall solve this matter very peacefully and in a democratic way.

What is going on? It's a routine military operation. Certainly, somebody does not like this. Someone still considers Ukraine a part of these commonwealths or community or Russian federation. This is a problem certainly. We have a treaty of friendship with Russia and we shall base our relationship on the basis of this very important treaty.

Mr. RITTER. Was the curtailment of these communications agreed upon in advance between the Russian Government and the Ukrainian Government?

Ambassador OUDOVENKO. I think it should have been agreed because Marshal Shaposhnikov was supposed to be in Kiev to discuss with our military people, our Minister of Defense. By the way, our Minister of Defense is of Russian nationality. He is Russian by his origin and he is a very civilized person and he tries to solve all these matters working together with the commander of the former military forces.

So, therefore, I think this is exaggerated, greatly exaggerated today. But Ukraine is very firm on these issues. We would like to proceed in a very civilized manner on the basis of negotiations and peaceful solution of disputes.

Also, don't forget that there are still strong conservative forces in the former Soviet Union, very powerful forces. These are the army and especially its top echelon, generals, marshals, admirals, who are losing power now. Second, there is a very strong establishment industrial military complex. This military industrial complex, unfortunately, is very strong in Ukraine because I call Ukraine your Silicon Valley. This was a one-sided development from Moscow when our industry was oriented towards industrial military purposes. Therefore, for us, this is a big problem.

Mr. RITTER. Just one last follow-up question. The commonwealth organization has a relationship to the overall disposition of nuclear weapons. So, when you say that Ukraine wants to be a non-nuclear country, especially with Chernobyl in the background, does that stipulate however that there will be some participation of Ukrainian military authorities in the overall disposition of nuclear forces that are situated on Russian territory? Otherwise, you have one nuclear power sitting in the middle of large borders with—

Ambassador OUDOVENKO. I understand.

Mr. RITTER. So, how does that thing work in reality?

Ambassador OUDOVENKO. I understand. Certainly as a part of this—I'm calling it reluctantly commonwealth. As a part of the commonwealth, we shall be discussing together matters pertaining to non-nuclear use by Russia. So, I think that that stage—

Mr. RITTER. I guess my question is do you cede full nuclear capability to the Russian Republic or is there some sharing of nuclear weapons disposition responsibility amongst the Republics that have nuclear weapons on their soil at the moment?

Ambassador OUDOVENKO. Logically it should be the full responsibility of Russia and Ukraine is not going to share any responsibility as far as nuclear arms are concerned because we shall become a part of the non-proliferation treaty. The nuclear arms will be destroyed. Therefore, this I think will be full responsibility of Russia. Certainly, it seems to me that within the Commonwealth this matter will be consulted with other members of the Commonwealth.

Mr. RITTER. I have one last question for Doctor Olcott. You hear the phrase "Islamic bomb," a nuclear weapon long sought by certain elements in the Islamic world, Iranian, Pakistani and potentially Saudi. Is there some potential for that kind of weapon coming from free lancers in these Soviet military, powerful generals and marshals who are still in command of their own little fiefdoms or not?

Doctor OLCOTT. I think there are two sort of separate sides to the question. The first is that the Soviet nuclear capabilities are largely in Russian hands.

Mr. RITTER. Yes.

Doctor OLCOTT. So, Kazakhstan has claimed certain rights with regard to their strategic arsenal. But that strategic arsenal is still under ethnic Russian control and the policy of the government of Kazakhstan is so unsympathetic to Islamic aims that there's no way that they would be a willing or even accidental participant in the dissemination of nuclear technology south.

For the rest of Central Asia, there is no special expertise that one has to worry about, nor I think anymore of an interest in selling strategic technology. The question of leaking technology is a really complicated one. Fortunately, it's beyond my special realm of expertise, but it's certainly not a problem where Central Asia is a special case.

As I think about increasingly the sort of foreign policy problems of the region, the biggest problem that you get is inexperience in terms of the kinds of problems Central Asian leaders can get themselves into inadvertently. Those are the sorts of things I think that could switch the strategic balance but not this escape of technology.

The question of military in Uzbekistan is really a critical one and I think in our rightful concern about nuclear capability we've forgotten the question of these large potential mercenary armies that are present in parts of Central Asia. So, there are certainly a lot of strategic issues that we have to look at. But the one of an Islamic bomb or a leak of strategic materials, nuclear materials, I don't think is a special concern in Central Asia. If it comes, it's going to come from a Russian population and not necessary a population based in Central Asia. It's a real issue, but it's not linked to Central Asia in any special way.

Mr. RITTER. Mr. Robinson and Mr. Goble, do you have any comments on that or the previous questions?

Mr. GOBLE. Well, I completely agree that Central Asia is not a particularly likely place for even the leakage of technology, but the leakage of technology is a very serious problem. I'd like to, however, add one footnote to all that's been said. The Ukraine, Belarus and Kazakhstan were nuclear powers in the same sense that West Germany or South Korea were nuclear powers. That is they had weapons on their territory, but those weapons were not and now are not controlled by those governments. One of the most remarkable—

Mr. RITTER. You heard the story this morning on the radio. Does the cut off of the communications cause—

Mr. GOBLE. What that means presumably, or what it may mean and I haven't seen all the details yet, but what it may mean is an inability of Moscow to communicate to those areas to launch, but it does not—the reverse is not true. In other words, local authorities do not have that power just because Moscow does not.

The ability to launch these things requires a kind of technology which none of these three states have or want to acquire, as Ambassador Oudovenko has very eloquently pointed out. The amazing thing is, again going back to Mr. Yelstin, that Yelstin was prepared to say there will be some sharing of decision making in this transition period. That was a concession at a political level which does not yet touch the actual control of these things. But the issue of losing weapons and the issue of losing technology are two different things. I don't think any weapons are going anywhere, but there are between 5,000 and 10,000 nuclear technology specialists on the territory of what used to be the Soviet Union. When you realize that at the current rate of exchange this morning, Mr. Gorbachev has a pension of \$13.00 a month. It's entirely possible that some of those people may try to sell their services for more munificent minimum wage salaries somewhere else, and I think that's something we should be very concerned about through the IAEA and through other bodies. But that's a different issue than the issue of Republic control.

Mr. RITTER. I do have one last question and that's for Mr. Robinson. Give us briefly your view of what's going to happen with the lifting of price controls. Are we going to see the goods start showing up on the shelves? Is there sufficient lifting of price controls? Is it real?

Mr. ROBINSON. Well, first, the lifting of controls on a large number of commodities obviously is real. I think that most shoppers would attest to that. There was a necessity to keep, I think, some price controls on essential items. The implementation of price liberalization in general was not carried out under the best circumstances and I think Boris Yeltsin is aware of that. For example, in the best case, that critical, systemic reform measure would have been done in tandem with a number of other steps simultaneously such as the massive privatization of state-owned enterprises, liberalization across the board in a number of other corollary areas.

Mr. RITTER. That the supply side could kick in when the demand side went—

Mr. ROBINSON. That's right. The problem we have is that we don't have the entrepreneurial spirit of the place unleashed. We

don't have the institutionalization of private property and ownership that really are going—

Mr. RITTER. What's going to happen?

Mr. ROBINSON. Well, I think that there is going to be social turmoil as a result of the uneven implementation of his systemic changes. I think it's in part contingent on how fast these other necessary components are brought to the table and implemented. My hope is that the situation doesn't get out of hand in any serious way. So far, so good. There's a lot of protest right now, but we haven't seen people take to the streets yet. I think Yeltsin is seized with the need to move very quickly in implementing these essential corollary steps.

Mr. RITTER. Mr. Robinson, I want to thank you very much. Ambassador Oudovenko, Mr. Goble, Doctor Olcott for really excellent testimony. I do look forward to continuing this dialogue in the future. Thank you.

Although I do not have the power of the Chair, I will say it. This hearing is now adjourned.

[Whereupon, at 12:22 p.m., the above-entitled matter was concluded.]