The Specter of Anarchy, The Hope of Transformation: The Role of Non-State Actors in the U.S. Response to Soviet Reform and Disunion, 1981-1996

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A Dissertation presented to the Graduate Faculty of the University of Virginia in Candidacy for the Degree of Doctor of Philosophy

Department of History

University of Virginia December 2015

Abstract

The *Specter of Anarchy* illuminates the critical, complex, and heretofore overlooked role of non-state actors in U.S. efforts to shape the trajectory of reform in the USSR during the volatile years surrounding its collapse. Beginning in late 1986, Mikhail Gorbachev's liberalizing initiatives rendered the USSR more accessible, "pluralistic," and unstable. Changes in the USSR intersected with and fueled trends toward privatization and idealism in U.S. foreign policy to catalyze the expansion and transformation of U.S. non-governmental influence in the USSR.

George Soros and the National Endowment for Democracy pioneered efforts to distribute democracy assistance to a nascent Soviet civil society. By 1989, fear of Soviet instability and hope generated by the collapse of communism in Eastern Europe impelled U.S. foundations and NGOs previously devoted to the bilateral relationship shift their attention to the internal course of *perestroika*.

Focused through 1990 on collaborating with Moscow to end the Cold War, U.S. policymakers relied upon unofficial organizations to forge contacts and interpret rapidly shifting events "on the ground" in the USSR. Thereafter, geostrategic, fiscal, and domestic political constraints pushed George H.W. Bush and Bill Clinton to delegate the task of promoting the (former) Soviet Union's internal transformation to non-state actors. A public-private aid regime committed to the dual, and often contradictory, tracks of cooperating with Moscow and advancing democracy in Russia and its former empire emerged.

The gulf between Cold War and post-Soviet scholarship has obscured the origins, evolution, and impact of this regime. Highlighting the rise of democracy assistance and the Carnegie Corporation cooperative security network, this dissertation shows how changes in U.S. influence prior to 1991 laid the foundation for the U.S. response to the USSR's collapse and

post-Soviet "transition." The Carnegie network linked U.S. security to Soviet stability and played a key role in securing U.S. aid for Soviet denuclearization. By contrast, beginning in 1989, democracy aid to democratic opposition and republican independence movements contradicted and undermined official U.S. support for Gorbachev, creating a tension in U.S. policy between democratization and cooperation with Moscow that would become entrenched.

Acknowledgements

It takes a village to write a dissertation. Completing this project would not have been possible without the help of a number of people, most of all, my advisor, Mel Leffler. Throughout the process, Mel provided invaluable feedback, staunch support, and warm encouragement. I am incredibly grateful and could not ask for a better mentor. I am also indebted to the other members of my dissertation committee – Allen Lynch, Olivier Zunz, and Jeff Rossman. Allen Lynch has served as a close advisor, offering helpful comments on drafts of this dissertation and feedback on my work over the last seven years. I thank Olivier Zunz for his advice and mentorship and for sparking in me the idea to investigate the role of foundations in the former Soviet Union. I am grateful to Jeff Rossman, from whom I have learned a great deal about Soviet history.

I am deeply indebted to the wonderful scholarly community at the University of Virginia. I am especially grateful to fellow diplomatic historians Lauren Turek and Rhonda Barlow, whose friendship helped sustain me through graduate school. I also received incisive feedback, encouragement, and support from many others at UVA including Sophia Rosenfeld, Philip Zelikow, John Stagg, Joseph Kett, Emily Senefeld, Brian Rosenwald, James Wilson, Stephen Macekura, Evan McCormick, Kelly Winck, Ben Brady, and Joseph Scott.

The Yale International Security Studies program served as a wonderful home away from home during the 2013-2014 academic year. Jeremy Friedman, Amanda Behm, Adam Tooze, Paul Kennedy, Tommy Sheppard, Joseph Parrott, Mordechai Levy-Eichel, Jadzia Biskupska, and David Howell offered valuable feedback, support, and friendship.

I am indebted to the Smith Richardson Foundation, the Bankard Fund, the Society for Historians of American Foreign Relations, the American Historical Association, the Corcoran Department of History, the University of Virginia Society of Fellows, and the Scowcroft Institute for funding my dissertation research.

Finally, I could not have written this dissertation without the support of my friends and family. My aunts Grace Wilson and Emily Geoghegan, who have suffered through the dissertation writing process themselves, commiserated and offered their understanding and encouragement. Betsey and Jim Relyea and Buddy and Denise Menton generously hosted me in their homes in New York during research trips. I am deeply grateful to Aleksandr Ratnikov for his warmth, generosity, and hospitality; to Alison Penning for brightening my time in Charlottesville; to Caroline Geoghegan for adding much-needed excitement to an otherwise solitary research trip in Budapest; to my brother Joe for his friendship and encouragement; and to my best friend, Courtney Gainer for her unwavering and exuberant support throughout my years in graduate school. Not to be forgotten, family dogs Red and Scout have been loyal, cheerful companions and have accompanied me on many thought-provoking walks and runs through the woods of Maine.

Most of all, I am grateful to my parents, Andrew Geoghegan and Gloria Pinza, and to my husband Alex Pringle. I lack adequate words to thank my mom and dad, who have supported me in every way imaginable and whose faith in me never waivered, even when I doubted myself. I also cannot begin to express my gratitude to Alex, whose arrival in my life at the beginning of 2012 has improved it immeasurably. I dedicate this dissertation to Alex and to my parents for their unfailing love, encouragement, and patience.

Glossary of Acronyms

ABA American Bar Association

ACLS American Council of Learned Societies

ACUSSR American Committee on U.S.-Soviet Relations

AEI American Enterprise Institute

AFL-CIO American Federation of Labor – Congress of Industrial Organizations

ALA American Latvian Association

ANW Avoiding Nuclear War Program, Carnegie Corporation of New York

APF American Political Foundation

BAFL Baltic American Freedom League

CCNY Carnegie Corporation of New York

CCAU Committee to Coordinate Aid to Ukraine

CDC Citizens' Democracy Corps

CFE Treaty on Conventional Armed Forces in Europe

CI International Cultural Initiative Foundation

CIA Central Intelligence Agency

CIS Commonwealth of Independent States

CIPE Center for International Private Enterprise

COCOM Coordinating Committee on Multilateral Exports

CODEL Congressional Delegation

CPD Congress of Peoples' Deputies

CPSU Communist Party of the Soviet Union

CSCE Commission on Security and Cooperation in Europe

EBRD European Bank for Reconstruction and Development

FNPR Federation of Independent Trade Unions of Russia

FSK Federal Counterintelligence Service

FSU Former Soviet Union

FTUI Free Trade Union Institute

G-7 Group of Seven

GATT General Agreement on Tariffs and Trade

GKI Russian State Committee on Privatization

GNP Gross National Product

GONGO Government Organized Non-Governmental Organization

HASC House Armed Services Committee

HIID Harvard Institute of International Development

IMEMO Institute of the World Economy and International Relations

IMF International Monetary Fund

INF Intermediate-Range Nuclear Forces Treaty

IPPNW International Physicians for the Prevention of Nuclear War

IREX International Research and Exchanges Board

IRI International Republican Institute

ISAR Institute for Soviet-American Relations

ISF International Science Foundation

ISKAN Institute of the United States and Canada

KGB Committee of State Security

MDG Interregional Group of Deputies

MFN Most-Favored-Nation

MVD Ministry of Internal Affairs

NATO North Atlantic Treaty Association

NGO Non-Governmental Organization

NDI National Democratic Institute

NED National Endowment for Democracy

NIS New Independent States of the Former Soviet Union

NPG Independent Union of Miners

NPT Non-Proliferation Treaty

NRDC National Resources Defense Council

NSC National Security Council

OECD Organization for Economic Cooperation and Development

OMB Office of Management and Budget

PFP Partnership for Peace

QUANGO Quasi-Governmental Non Governmental Organization

RAFTURE Russian-American Foundation for Free Trade Union Research and

Education

RSFSR Russian Soviet Federative Socialist Republic

SDI Strategic Defense Initiative

SDI II Strengthening Democratic Institutions Project, Harvard University

START Strategic Arms Reduction Treaty

UNA Ukrainian National Association

UDP Ukrainian Democratic Party

URP Ukrainian Republican Party

USAID U.S. Agency for International Development

USDA U.S. Department of Agriculture

USIA United States Information Agency

USSR Union of Soviet Socialist Republics

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Introduction

In January 1992, U.S. Secretary of State James Baker appealed to U.S. private sector and non-governmental groups to assist the United States government in providing aid to the former republics of the recently collapsed Soviet Union. A new era of "public-private partnership" had dawned, Baker argued. The demise of the statist, communist Soviet system had not only validated the global appeal of free markets and open societies after decades of Cold War ideological struggle, but had affirmed that private sector and civil society groups embodied the strengths of these systems and were best suited to export them abroad. This was true especially in the formerly totalitarian nations of the Soviet Union, where independent organizations represented a necessary antidote to centralization. "You out there in the private sector," Baker proclaimed, "are really the embodiment of the free, open dynamic civil societies that those people over there are seeking to build." ¹

Secretary of State Baker's comments capture a broader trend that had been developing in U.S.-Soviet relations over the previous decade. During the volatile years surrounding the USSR's December 1991 dissolution, non-state actors – including non-governmental organizations (NGOs), philanthropic foundations, and academic institutions – played an expanding role in shaping U.S. policy and engagement in the (former) Soviet Union.² Their

¹ Citizens Democracy Corps, "Conference on Private Sector Assistance to the Commonwealth of Independent States: Conference Report," January 22-23, Washington DC, folder 3 "CDC Conference 1992," Box 61, Center for Civil Society Papers, Hoover Institution Archives, Stanford University, Stanford, CA [hereafter Hoover].

² Throughout this dissertation, I use the term "non-state actors," and variations of this term, such as "non-governmental actors," "non-governmental groups" and "unofficial actors," as catch-all phrases referring to all entities that are not part of the state, such as academic institutions, quasi-governmental organizations like the National Endowment for Democracy, and for-profit organizations or businesses. These labels include, but are distinct from the moniker "non-governmental organization" or NGO, which has a more precise definition. As Akire Iyire has written, NGOs can be defined as "voluntary and open (non-secret) organizations of individuals outside of the formal state apparatus that are neither for profit nor engage in political activities as their primary objective."

influence grew and evolved in response to the revolutionary changes in the USSR unleashed by General Secretary Mikhail Gorbachev's liberalizing, destabilizing reforms.

Beginning in late 1986, Gorbachev accelerated his domestic reform program. Embracing the notion that limited political and ideological liberalization was essential to revitalize socialism and rejuvenate the stagnant Soviet economy, Gorbachev initiated reforms that transformed the closed, centralized Soviet Union into a more open, pluralistic and decentralized state seeking integration with the international community.³ He allowed unparalleled Western access to the USSR. He removed strict censorship controls and released political prisoners, enabling the growth of a nascent "civil society." And, he introduced limited political democratization that allowed a new "pluralism" in Soviet society to infiltrate and erode the one-party political system.⁵ In so doing, he sent centrifugal forces spiraling beyond his control. By late 1989,

Thus, while all NGOs are non-state actors, not all non-state actors are NGOs. See Irive, "A Century of NGOs," Diplomatic History 23 no. 3 (Summer 1999): 421-435, 422.

³ On Gorbachev's embrace of the liberal internationalist values of new thinking, see Robert English, Russia and the Idea of the West (New York: Columbia University Press, 2000); English, "The Sociology of New Thinking: Elites, Identity Change, and the End of the Cold War," Journal of Cold War Studies 7, no. 2 (Spring 2005): 43-80; Mikhail Gorbachev and Zdenek Mlynar, Conversations with Gorbachev: On Perestroika, The Prague Spring, and the Crossroads of Socialism, trans. George Shriver (New York: Columbia University Press, 2002), 139; Eduard Shevardnadze, The Future Belongs to Freedom (London: Sinclair Stevenson, 1991), 54-56, 58-59; and Anatoly Chernyaev, My Six Years with Gorbachev (College Park, PA: The Pennsylvania State University Press, 2000), 144. On his embrace of the link between economic and political liberalization, see Archie Brown, "Did Gorbachev as General Secretary Become a Social Democrat?" Europe-Asia Studies 65, no. 2 (March 2013): 198-220; Seweryn Bialer, "Gorbachev's Move," Foreign Policy 68 (Fall 1987): 59-87; Mikhail Gorbachev, Reorganization and the Party's Personnel Policy: The Report and Concluding Speech by the General Secretary of the CPSU Central Committee at the Plenary Meeting of the CPSU Central Committee, January 27-28, 1987 (Moscow: Novosti Press Agency, 1987); and "Report to the CPSU Central Committee and the USSR Supreme Soviet on the 70th Anniversary of the Great October Socialist Revolution," Pravda, November 3, 1987.

⁴ On the rise of Soviet informal groups and civil society, see Lyudmila Alexeyeva and Catherine Fitzpatrick, Nyeformaly: Civil Society in the USSR (New York: Helsinki Watch Committee, 1990); Cathy Fitzpatrick, From Below: Independent Peace and Environmental Movements in Eastern Europe and the USSR (Helsinki Watch Report, October 1987); Robert Horvath, The Legacy of Soviet Dissent: Dissidents, Democratization, and Radical Nationalism in Russia (New York: Taylor and Francis, 2005); and Michael Urban with Vyacheslav Igrunov and Sergei Mitrokhin, The Rebirth of Politics in Russia (Cambridge: Cambridge University Press, 1997).

⁵ On the destabilizing impact of Soviet democratization, see Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1996), 14. Brown maintains that 1989 represented a major turning point for Gorbachev. By establishing contested elections in the new Congress of People's Deputies, he introduced political pluralism that undermined his own authority and limited his ability to guide and control the changes that he had introduced. He failed to understand the incompatibility of democracy and one party monopoly rule. Other scholars have emphasized how Yeltsin used democratization at the republic level to win leadership of the Russian republic and employed his

national independence movements in the Soviet republics, a growing democratic opposition movement led by Boris Yeltsin, and mounting economic woes had started seriously to undermine the Communist Party's monopoly on power, the dominance of the Union "center" over the republics, and the integrity of the Union itself. Thereafter, a volatile struggle between the "center" and republics unfolded, leading ultimately to the Soviet demise.⁶

The rapid, unexpected, and profound changes in the USSR unleashed by Gorbachev's reforms evoked powerful hopes and fears among U.S. policymakers and non-governmental actors. While Soviet developments seemed to offer an unprecedented chance to promote the transformation of the United States' long-time Cold War adversary into a market-oriented democratic ally integrated into the international order, they also raised the specter of anarchy and authoritarian backlash in the multiethnic, nuclear empire. They forced U.S. actors to rethink established Cold War paradigms and adapt their modes of engaging the formerly inaccessible,

position to challenge Gorbachev. See, for example, Timothy Colton, *Yeltsin: A Life* (New York: Basic Books, 2008); Zbigniew Brzezinski, "Post-Communist Nationalism," *Foreign Affairs* 68 No. 5 (Winter 1989): 1-25; Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970-2000* (New York: Oxford, 2008); and Gwendolyn Stewart, *SIC Transit: Democratization, Suverenizatsiia, and Boris Yeltsin in the Breakup of the Soviet Union*, Ph.D. Dissertation, Harvard University, May 1995.

⁶ On the problem of nationalities in Soviet history, see Mark Beissinger, *Nationalist Mobilization and the Collapse of the Soviet State* (New York: Cambridge University Press, 2002); John Dunlop, *The Rise of Russia and the Fall of the Soviet Empire* (Princeton, NJ: Princeton University Press, 1993); Francine Hirsch, *Empire of Nations: Ethnographic Knowledge and the Making of the Soviet Union* (Ithaca, NY: Cornell University Press, 2005); Terry Martin, *The Affirmative Action Empire: Nations and Nationalism in the Soviet Union, 1923-1939* (Ithaca, NY: Cornell University Press, 2001); Bohdan Nahaylo and Victor Swoboda, *Soviet Disunion: A History of the Nationalities Problem in the USSR* (New York: The Free Press, 1990); Ronald Grigor Suny, *The Revenge of the Past: Nationalism, Revolution, and the Collapse of the Soviet Union* (Stanford, CA: Stanford University Press, 1993); Astrid S. Tuminez, "Nationalism, Ethnic Pressures, and the Breakup of the Soviet Union," *Journal of Cold War Studies* 5 no. 3 (Fall 2006): 81-136.

⁷ The Soviet collapse was indeed unexpected. It caught U.S. Cold War era Soviet experts by surprise. Examining the failure of U.S. "Sovietologists" to predict the USSR's collapse, David Engerman contends that while Soviet experts of the 1980s "enumerated many of the problems" plaguing the Soviet Union, "[t]heir main limit, in retrospect, was failing to consider the possibility that the Soviet Union would not be able to survive them." See, Engerman, *Know Your Enemy: The Rise and Fall of America's Soviet Experts* (New York: Oxford University Press, 2009), 327. See also, Ofira Seliktar, *Politics, Paradigms and Intelligence Failure: Why So Few Predicted the Collapse of the Soviet Union* (London: M.E. Sharpe, 2004).

centralized and hierarchical state.⁸ As Gorbachev vanquished the "totalitarian monster" and destroyed the old Soviet system, the character of the new order remained undefined.⁹ The overriding issue for U.S. foreign policy, George Bush and Brent Scowcroft have reflected, was what sort of Soviet Union the United States "wanted to see emerge" and how the United States could exert its influence to shape the Soviet future.¹⁰

New opportunities and dangers drove expanded U.S. non-governmental engagement "on the ground" in the Soviet Union. Hungarian-American philanthropist George Soros and the quasi-governmental National Endowment for Democracy (NED), established in 1983 by the Reagan administration to combat communist influence globally, began to distribute democracy assistance in the USSR in 1986 and 1987. ¹¹ Drawing upon existing Cold War human rights networks, they seized upon the new Soviet openness to channel aid to Soviet independent organizations. ¹² Exhilarated by Gorbachev's release of dissident Andrei Sakharov in 1986, Soros

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⁸ For example, Graham Allison and Grigory Yavlinsky, in *Window of Opportunity: The Grand Bargain for Democracy in the Soviet Union* (New York: Pantheon Books, 1991) argued that in 1991 the "single most important international issue" was the question, "What is the Soviet future?" In particular, "What are the West's stakes in alternative Soviet futures and how can it advance these interests? " (pp. vii) George Soros, meanwhile in *Underwriting Democracy: Encouraging Free Enterprise and Democratic Reform Among the Soviets and in Eastern Europe* (New York: Public Affairs, 1991) contended in 1991 that "the destruction of the old system is more or less assured. What is at stake is the shape of the new one." (pp. 30)

⁹ Chernyaev, My Six Years with Gorbachev, 201.

¹⁰ George Bush and Brent Scowcroft, *A World Transformed* (New York: Vintage Books, 1998), 542.

¹¹ Thomas Carothers defines democracy assistance as "aid specifically designed to foster a democratic opening in a nondemocratic country or to further a democratic transition in a country that has experienced a democratic opening." See Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington DC: Carnegie Endowment for International Peace, 1999), 6. While the National Endowment for Democracy offered limited aid to organizations outside of the Soviet Union that publicized Soviet human rights violations and placed external pressure on the regime to liberalize in 1984 and 1985, the NED did not begin to offer substantial support to democratic forces inside the Soviet Union until 1986. See National Endowment for Democracy, *Annual Report 1984*, November 18, 1983-September 30, 1984; NED, *Annual Report 1985*, October 1, 1984-September 30 1985; NED, *Annual Report 1986*, October 1, 1985-September 30, 1986.

¹² The National Endowment for Democracy, a quasi-governmental organization, or "quango," was intended to supplant disgraced CIA fronts as an ideological weapon against Soviet propaganda, particularly in Latin America. The brainchild of the neo-conservative American Political Foundation, the Endowment was to receive Congressional appropriations to be doled out to each of its four grant-giving subsidiaries – the Free Trade Union Institute (FTUI), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI) and the National Democratic Institute (NDI) – representing labor, business, the Republican Party, and the Democratic Party. The NED, however, would operate independently of the government, distributing grants to parties it deemed worthy. Its evolution and role in the USSR will be discussed in depth throughout this dissertation.

collaborated in 1987 with prominent Soviet reformers like sociologist Tatyana Zaslavskaya to create the joint Soviet-American "Cultural Initiative," a foundation aimed at fostering the growth of civil society. ¹³ Less impressed with Gorbachev's reformist credentials, neo-conservative forces at the endowment seized the opportunity to foster anti-communist opposition to the regime. ¹⁴ In 1988, citing "unprecedented opportunities for authentic contacts between the West and Soviet society," the Helsinki Watch declared its intention to move beyond its Cold War goal of monitoring and reporting Soviet human rights violations to engaging in the promotion of "civil society." ¹⁵

By 1989, growing fears of ethnic conflict, political instability, and economic collapse also drove U.S. non-governmental involvement in the USSR. In a 1990 letter to Carnegie Corporation (CCNY) president David Hamburg, director of the International Research and Exchanges Board (IREX), Allen Kassof expressed alarm that a "nearly total [knowledge] vacuum" existed in scholarly and policy communities on the problem of Soviet ethnic tensions. Similarly, director of Duke University's East-West Center Jerry Hough told Paul Balaran of the Ford Foundation that U.S. foundations and NGOs must expand their contacts and adapt their goals in response to centrifugal nationalism. The republics' rising power made unfamiliar regions, like Central Asia, newly important. "There is a paradox," Hough observed. "[I]f we

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¹³ The original board members of Soros' foundation were: sociologist Tatyana Zaslavskaya, historian Yuri Afanasyev, philologist and chairman of the Georgian Cultural Foundation Tenghiz Buachidze, Slavophile environmentalist Valentin Rasputin, writer and founder of social welfare program *Miloserdia* Daniil Granin, editor of liberal journal *Znamya* Grigorii Baklanov, and scientist Boris Rauschenbausch. Soros, *Underwriting Democracy*, 16, 18.

¹⁴ See, for example, Letter from Nadia Diuk to Carl Gershman, January 7, 1989, Folder 33: Democratic Developments in Eastern Europe, Box 2, Series II, Office of the President, NED.

¹⁵ "Proposal on Civil Society in the U.S.S.R." submitted as an attachment to a letter from Jeri Laber to Fritz Mosher, April 1, 1988, Box 1557, Folder 4, Human Rights Watch/Helsinki Watch, Expansion of Activities in the Soviet Union, 1988-1994, Series III.A, Grants, Records of the Carnegie Corporation of New York [hereafter CCNY].

direct our efforts at places where we have the best contacts, we are directing them at the most Westernized places that have the least need for them."¹⁶

These dangers impelled foundations, NGOs, and academic institutions devoted previously to improving the bilateral U.S.-Soviet relationship to turn their attention to internal Soviet developments. Organizations like the Carnegie Corporation began to see the fate of the superpower relationship – and the post-Cold War order – as hinging upon the success of Soviet reform. Under the umbrella of its Cooperative Security program, the CCNY funded programs aimed at developing new models for understanding Soviet society, forging contacts with its growing "pluralist" forces, and promoting its democratization and demilitarization.¹⁷

This dissertation illuminates the central, complex, and heretofore overlooked role of non-state actors in the U.S. efforts to shape the trajectory of reform in the USSR during the volatile years surrounding its dissolution. Beginning in late 1986, it argues, Gorbachev's accelerating reforms intersected with and fueled broader trends toward privatization and democratic idealism in U.S. foreign policy to catalyze the expansion and transformation of non-governmental engagement in the USSR. Bridging the gap between Cold War and post-Soviet scholarship, it contends that these changes in the character of U.S. influence laid the groundwork for subsequent U.S. efforts to shape Russia's post-1991 "transition." In particular, this dissertation highlights the rise of two forms of non-governmental influence whose pre-1991 origins have been obscured: democracy assistance and cooperative security aid, aimed at advancing the ideas

Letter from Allen Kassof to David Hamburg, May 3, 1990, Box 1220, Folder 3, International Research and Exchange Commission, Series III.A, Grants, CCNY; Letter from Jerry Hough to Paul Balaran, December 12, 1991, Box 1505, Folder 4, Duke University, Research and Publication on Soviet Domestic Politics, 1990-1994, ibid.
 Grant Recommendation, "Toward Expansion of Activities in the Soviet Union," February 20, 1991, Box 1557, Folder 4 Human Rights Watch/Helsinki Watch, Expansion of Activities in the Soviet Union, 1988-1994, Series III.A, Grants, Records of the Carnegie Corporation of New York.

developed by Carnegie Corporation and its grantees.¹⁸ Tracing the shifting relationship between U.S. non-governmental actors and official policymakers, it charts the evolution of a public-private aid regime committed to the dual, and often contradictory tracks, of advancing U.S. cooperation with Moscow and promoting the democratization of Russia and the rest of the (former) Soviet Union.

In so doing, this dissertation makes three broader historiographical contributions. First, it represents a foundational effort to treat the U.S. role in the Soviet transition historically, providing an account based on official and previously untapped non-governmental archival sources. Second, by focusing on the uncertain and plastic years between the end of the Cold War and the Soviet collapse, it helps bridge a conspicuous divide between Cold War and post-Soviet scholarship. Reimagining the years between 1981 and 1996 as a continuous narrative of U.S. engagement with the (former) Soviet Union, it tells a story of the ongoing adaptation and transformation of U.S.-Soviet networks of influence amidst sweeping geopolitical upheaval. ¹⁹ Third, it sheds light on the ways in which the crumbling of communism and the collapse of the

¹⁸Scholars generally treat the passage of the Nunn-Lugar amendment, which provided funding from the Defense Department budget to facilitate the denuclearization of the former Soviet Union and inaugurated a Cooperative Threat Reduction program between the United States and the former Soviet Union, as a post August 1991 phenomenon. However, this dissertation illuminates its deeper history as one of several interrelated security initiatives that emerged from the Carnegie funded network. See, for example, Paul Bernstein and Jason Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program* (Washington DC: National Defense University, 2010); Ashton Carter and William Perry, *Preventive Defense: A New Security Strategy for America* (Washington DC: Brookings Institution Press, 1999); Richard Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in John M. Shields and William C. Potters, eds., *Dismantling the Cold War: U.S. and NIS Perspectives on the Nunn Lugar Cooperative Threat Reduction Program* (Cambridge, MA: The MIT Press, 1997), 41-60; Sara Zahra Kutchesfahani, *Politics and the Bomb: Exploring the Role of Epistemic Communities in Non-Nuclear Proliferation Outcomes*, Ph.D. Dissertation, University College of London, 2010).

¹⁹ David Fogelsong argues that the U.S. impulse to "transform" Russia originated prior to the onset of the Cold War. Since the 19th century, he contends, Americans have endeavored to both to liberalize and to modernize Russia. They have long felt a strong empathy for the Russian population, who they view as distinct and feel compelled to "liberate" from the oppressive Russian state. Fogelsong criticizes scholars of Russia's post-Soviet transition for their treatment of the 1991 "Russian Revolution" as a distinct post-Cold War project with little awareness of precedents in earlier decades." See Fogelsong, *The American Mission and the Evil Empire: The Crusade for a "Free Russia*" (New York: Cambridge University Press, 2007), 2,4.

USSR contributed to the privatization of U.S. efforts to project "soft power" abroad. ²⁰ In particular, it illuminates how these developments spurred a growing U.S. focus on promoting democracy, especially through the institutions of civil society. ²¹

While historians and political scientists have written extensively about aspects of U.S.-Soviet relations between the mid-1980s and the mid-1990s, most scholars seek either to explain the end of the Cold War or to evaluate the success of Russia's post-Soviet transition. Cold War historians like Melvyn Leffler, Vladislav Zubok, and James Graham Wilson provide insightful analyses of why superpower tensions subsided, but treat the subsequent Soviet collapse cursorily, as a post-script. Meanwhile, David Engerman's excellent work on the rise and fall of Cold War Sovietology, detailing academic efforts to understand the dynamics of change in the Soviet system and imagine the "Soviet future," concludes with the failure of Soviet experts to predict the Soviet collapse, but does little to address the "intellectual mobilization" aimed at understanding the post-Soviet world. 23

Scholars examining non-state actors' engagement with the USSR in the final years of the Cold War have focused primarily on the role of these organizations in ending superpower conflict. Their work represents part of a burgeoning body of scholarship documenting the growing prevalence and power of NGOs in international affairs in the closing decades of the

²⁰ Joseph S. Nye Jr. defines the term "soft power" in international relations as influence based not on coercion but on the attractiveness of a nation's political, economic, or cultural system. See Nye, *Soft Power: The Means to Success in World Politics* (New York: PublicAffairs, 2005), 5-6.

²¹ On post-Cold War rise of NGOs and foundations devoted to dispensing democracy assistance, see Sarah Sunn Bush, *The Democracy Establishment*, Ph.D. Dissertation, Princeton University, 2011; Bush, *The Taming of Democracy Assistance: Why Democracy Promotion Does Not Confront Dictators* (New York: Cambridge University Press, 2015); Carothers, *Aiding Democracy Abroad*; Nicolas Guilhot, *The Democracy Makers: Human Rights and the Politics of Global Order* (New York: Columbia University Press, 2005).

²² Melvyn P. Leffler, For the Soul of Mankind: The United States, the Soviet Union, and the Cold War (New York: Hill and Wang, 2006); Vladislav Zubok, A Failed Empire: The Soviet Union and the Cold War from Stalin to Gorbachev (Chapel Hill: The University of North Carolina Press, 2008); James Graham Wilson, The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War (Ithaca NY: Cornell University Press, 2014).

²³ Engerman, *Know Your Enemy*.

twentieth century.²⁴ Sarah Snyder demonstrates that the international Helsinki network "of Eastern activists, Western NGOs, and United States policymakers" dedicated to monitoring human rights violations in the Soviet Union pressured the Soviet regime to follow universal human rights norms and promoted its liberalization.²⁵ Matthew Evangelista, James Voorhees, and Lawrence Wittner illuminate the growth of transnational "epistemic communities" devoted to international relations based on common human values rather than ideological antagonism.

They demonstrate that prominent unofficial U.S. and Soviet citizens worked together to moderate the arms race, the threat of nuclear war, and regional conflict through vehicles like the Dartmouth and Pugwash conferences. ²⁶ Finally, Robert English and Yale Richmond have shown how informal contacts and exchanges between the West and the USSR helped give rise to a Westernized Soviet elite, who became key proponents of "new thinking" and were concentrated

²⁴ On the rising influence of NGOs in international relations, see Manuell Castells, "The New Public Sphere: Global Civil Society, Communications Networks, and Global Governance," Annals of the American Academy of Political and Social Science 616 (March 2008): 78-93; Margaret Keck and Katherine Sikkink, Activists Beyond Borders: Advocacy Networks in International Politics (Ithaca: Cornell University Press, 1998); Iyire, "A Century of NGOs"; Bruce Mazlish and Akira Iriye, eds. The Global History Reader (London: Routledge, 2005); Stephen Macekura, Of Limits and Growth: The Rise of Global Sustainable Development the Twentieth Century (New York: Cambridge University Press, 2015); Thomas Risse-Kappen ed., Bringing Transnational Relations Back In: Non-State Actors, Domestic Structures, and International Institutions (New York: Cambridge University Press, 1995); Victor V. Nemchenok, A Dialogue of Power: Development, Global Civil Society, and the Third World Challenge to International Order, 1969-1981, PhD Dissertation, University of Virginia, 2013; Lester M. Salamon, "The Rise of the Non-Profit Sector," Foreign Affairs 73 (July-August 1994): 109-122; Sarah Stroup, Borders Among Activists: International NGOs in the United States, Britain, and France (Ithaca: Cornell University Press, 2012). ²⁵ Sarah Snyder, Human Rights Activism and the End of the Cold War: A Transnational History of the Helsinki Network (New York: Cambridge University Press, 2011), 10. On the ascent of human rights, see also Akira Iriye, Petra Goedde, and William Hitchcock, eds. The Human Rights Revolution: An International History (New York: Oxford University Press, 2012); Christian Philip Peterson, Globalizing Human Rights: Private Citizens, the Soviet Union, and the West (New York: Routledge, 2012); Daniel C. Thomas, The Helsinki Effect: International Norms, Human Rights, and the Demise of Communism (Princeton, NJ: Princeton University Press, 2001). ²⁶ Matthew Evangelista, Unarmed Forces: The Transnational Movement to End the Cold War (Ithaca: Cornell University, 1999); James Voorhees, Dialogue Sustained: The Multilevel Peace Process and the Dartmouth Conference (Washington DC: United States Institute of Peace Press, 2002); Lawrence Wittner, Nuclear Abolition: A History of the World Nuclear Disarmament Movement, 1971-Present (Stanford, CA: Stanford University Press, 2003).

at institutions like Institute of the United States and Canada (ISKAN) and the Institute of World Economy and International Relations (IMEMO).²⁷

Taken together, these works establish that unofficial U.S.-Soviet networks served as effective transmission belts for influential ideas that helped end the Cold War.²⁸ However, for the most part, they conclude on a triumphant note, with the rise of new thinking and/or the conclusion of the superpower conflict. Constrained by the boundaries of conventional periodization and limited access to contemporary archival sources, they do not explore how U.S.-Soviet networks of influence evolved following the end of the Cold War or investigate how they adapted to rapid internal change in the Soviet Union.

Thus, a major disconnect in the literature exists between 1989 and 1991. One book that specifically addresses this interim period is Michael McFaul and James Goldgeier's *Power and Purpose*, the preeminent synthesis of U.S.-Soviet relations between 1988 and 1993.²⁹ However, McFaul and Goldgeier are interested primarily in assessing "how the president and his top

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²⁷ English, *Russia and the Idea of the West*; Yale Richmond, *Cultural Exchange and the Cold War: Raising the Iron Curtain* (University Park, PA: Pennsylvania State University Press, 2003).

²⁸ For more on "epistemic communities" see Ernst Haas, *When Knowledge Is Power: Three Models of Change in International Organization* (Berkeley: University of California Press, 1990); and Peter Haas, ed. *Knowledge, Power and International Policy Coordination* (Columbia: University of South Carolina Press, 1997). An "epistemic community" refers to a community of experts who come together to address a specific issue or problem within their area of expertise and formulate a solution based on altruism, rather than self-interest. An example of such a community would be a transnational network of nuclear scientists collaborating to promote disarmament, in the name of a shared commitment to peace, rather than national interest or ideology. Epistemic communities are distinct from "transnational advocacy networks," defined by Margaret Keck and Katherine Sikkink in *Activists Beyond Borders* (pp. 30) as networks in which members do not possess specific policy expertise, but are united by a shared sense of moral righteousness. The global human rights movement is a prime example of a transnational advocacy movement.

²⁹ See James Goldgeier and Michael McFaul, *Power and Purpose: U.S. Policy Toward Russia After the Cold War* (Washington, DC: Brookings Institution Press, 2003). Other works that deal with U.S.-Soviet relations during this period, but focus primarily on official policymaking include James Baker and Thomas DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P. Putnam's Sons, 1995); Michael Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War* (Boston: Little and Brown, 1993); Bush and Scowcroft, *A World Transformed*; Raymond Garthoff, *The Great Transition: American Soviet Relations at the End of the Cold War* (Washington DC: The Brookings Institution, 1994); Jack Matlock, *Autopsy on an Empire: An Ambassador's Account of the Collapse of the Soviet Union* (New York: Random House, 1995); Serhii Plokhy *The Last Empire: The Final Days of the Soviet Union* (New York: Basic Books, 2014).

advisors in the executive branch formulated and carried out Russia policies." ³⁰ While they offer allusions to NGOs, foundations, and private actors, they do not explore this dimension in any depth. ³¹ Given the multifaceted nature of U.S. involvement in the Soviet Union in the late 1980s and early 1990s, the result is a significant omission in the scholarship on the period.

Otherwise, scholarship on U.S. official and non-governmental relations with the former Soviet Union resumes after the failed August 1991 conservative coup against Gorbachev and focuses on Russia's post-1991 "transition." The coup's defeat spelled the end of Soviet communism, precipitated the demise of the USSR, and evoked grand Wilsonian ambitions in the West. It appeared to many observers to signify the triumph and universal applicability of U.S. style political-economic values. By the end of 1993, however, the West's high expectations for Russia's transformation had dimmed considerably. The Russian government's 1992 decontrol of prices and implementation of austere macroeconomic reforms produced unbridled inflation, while its privatization program contributed to the rise of a crony capitalist economic order. Russian president Boris Yeltsin's shelling of Parliament in late 1993 and initiation of war with Chechnya in 1994 called his "democratic" character into question. Ultimately, the collapse of the Russian economy in 1998 and the sharp deterioration of U.S.-Russian relations in response to the

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Records, George Bush H.W. Bush Presidential Library [hereafter GHWBL].

³⁰ Goldgeier and McFaul, *Power and Purpose*, 16.

³¹ Furthermore, McFaul and Goldgeier do not use any archival sources, either official or non-governmental.
³² A classic example of the rise of this thinking in response to the crumbling of communism is Francis Fukuyama, "The End of History?" *The National Interest* 16 (Summer 1989): 3-18. Some members of the Bush administration were equally hopeful. In an October 1991 note to the president, Henry Catto of the United States Information Agency (USIA) argued that the United States had unmatched power to influence change in the USSR. "We're at a time when the Soviet thirst for information about America is matched by their ability to use that information to create a new civil society." Letter from Henry Catto to George Bush, October 28, 1991, folder "November 1991 [4]," OA/ID CF01311-007, Nicholas Burns, Chronological Files, National Security Council, Bush Presidential

³³ On "nomenklatura privatization," see Rose Brady, *Kapitalizm: Russia's Struggle to Free its Economy* (Harrisonburg, VA: Rose Brady, 1999); Chrystia Freeland, *The Sale of the Cenury: Russia's Wild Ride from Communism to Capitalism* (New York: Crown Business, 2000); Joel Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitons," *World Politics* 50 no. 2 (1998): 203-234; Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy* (Washington DC: United States Institute of Peace Press, 2001); Janine Wedel *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe* (New York: Palgrave, 2001).

1999 NATO bombing of Kosovo combined to shatter the dream of a liberal-democratic Russia/Soviet Union within the Western orbit.³⁴

A large post-Soviet literature on U.S. engagement with the former Soviet Union seeks to explain why Russia's post-1991 transition failed, asking, "What went wrong?" "Who is to blame?," and "What could Russian actors and their Western partners have done differently?" Scholars are unified in two overarching criticisms of the Bush and Clinton administrations. First, they contend that the Bush administration missed a key opportunity to promote Russia's market transition by failing to provide massive aid as economic reform was being conceptualized and initiated in late 1991 and 1992. Second, they argue that U.S. leaders pursued shallow and overly personalized strategies for promoting democracy in Russia. Rather than supporting the

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³⁴ For a recent account of the decline of U.S.-Russian relations in the 1990s see Angela Stent, *The Limits of Partnership: U.S. Russian Relations in the Twenty First Century* (Princeton NJ: Princeton University Press, 2014).
³⁵ See Anders Aslund, *How Russia Became a Market Economy* (Washington DC: The Brookings Institution, 1995); Aslund, *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed* (Washington DC: The Peterson Institute, 2007); Stephen Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia* (New York: W.W. Norton and Company, 2000); Goldgeier and McFaul, *Power and Purpose*; Stefan Hedlund, *Russia's "Market" Economy: A Bad Case of Predatory Capitalism* (London: UCL Press, 1999); Reddaway and Glinski, *The Tragedy of Russia's Reforms*; and Jeffrey Sachs, "What I Did in Russia," March 14, 2012, available online < http://jeffsachs.org/2012/03/what-i-did-in-russia/>. These scholars disagree, however, on the relative wisdom and success of Russia's early economic reforms, which included price liberalization, macroeconomic austerity, and privatization. Reddaway and Glinski, Cohen, and Hedlund characterize these policies as a tragic, misguided effort to apply Western economic models inappropriately to Russia. In contrast, Aslund, Sachs, and McFaul and Goldgeier view shock therapy and privatization as moderate successes. More receptive to the notion that economic laws operate similarly in all environments, they argue that, however flawed, Russia's reforms put the nation squarely on the path to "marketization" and averted more disastrous alternatives.

³⁶ Sarah Mendelson contends that Western efforts to promote democracy in post-Soviet Russia failed because Western governments' and international organizations' insufficient attention to the construction of democratic institutions stunted the growth of Russian civil society and rendered it totally disconnected from the state. As a result, democracy promoters engaging in "bottom up" grassroots strategies were able to make little impact on the inner circles of power. See Mendelson, "Democracy Assistance and Political Transition in Russia," International Security 25. No. 4 (Spring 2001): 68-106, For other sobering accounts of the efforts of U.S. NGOs in the later 1990s, see Sarah L. Henderson, Building Democracy in Contemporary Russia: Western Support for Grassroots Organizations (Ithaca: Cornell University Press, 2003); John K. Glenn and Sarah Mendelson, eds., The Power and Limits of NGOs: A Critical Look at Building Democracy in Eastern Europe and Eurasia (New York: Columbia University Press, 2002); Glenn Roberts, "Doing the Democracy Dance in Kazakhstan: Democracy Development as Cultural Encounter," Slavic Review 71, No. 2 (Summer 2012): 308-330; and Lisa Sundstrom, Funding Civil Society: Foreign Assistance and NGO Development in Russia (Stanford CA: Stanford University Press, 2006), Other explanations of the failure of democracy to take root in the former Soviet Union focus more on internal factors. Four interpretations predominate: 1) the former Soviet Union was culturally ill suited for democracy; 2) civil society in the Soviet Union was extremely weak vis-à-vis the state and as a result, institutions like NGOs, political parties, and an independent media never developed sufficiently after the Soviet collapse; 3) Yeltsin, and other republican leaders

growth of the grassroots democratic movements that emerged during the Gorbachev era or fostering democratic processes and institutions in Russia, they used aid as patronage to support individual leaders – from Gorbachev to Yeltsin - on whose survival they believed the success of Soviet and Russian reform depended. ³⁷ Some of these critics argue that Yeltsin was less a democrat than an opportunist, who coopted Russia's democratic movement to enhance his personal authority. Once in power, they claim, he forsook participatory democracy for a shallow procedural brand and implemented "authoritarian modernization" through radical free market reforms antithetical to the movement's left-libertarian traditions. ³⁸

Those works that examine the role of non-state actors in Russia from 1991 to 1996 primarily evaluate the efforts of the International Monetary Fund (IMF), unofficial advisors like Harvard's Jeffrey Sachs, and private contractors funded by the U.S. Agency for International Development (USAID) to shape Russian economic reform. A number of scholars debate the efficacy and appropriateness of efforts by the IMF and by Jeffrey Sachs to promote rapid price decontrol and macroeconomic stabilization. Critics contend that the IMF, Sachs, and a small cadre of Russian reformers inappropriately imposed neoliberal Western economic orthodoxies on

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were not actually interested in democracy and thus established only its most superficial manifestations, like regular elections, in order to preserve their own power; and 4) Yeltsin missed a key opportunity to "consolidate" democracy in 1991 and 1992 by failing to dissolve the Communist era Russian Parliament and ratify a new constitution. See Michael McFaul, Nikolai Petrov, and Andrei Ryabov, *Between Dictatorship and Democracy: Russian Post-Communist Political Reform* (Washington DC: Carnegie Endowment for International Peace, 2004); Stephen Fish, *Democracy from Scratch: Opposition and Regime Change in the New Russian Revolution* (Princeton NJ: Princeton University Press, 1995); Andrew Wilson, *Virtual Politics: Faking Democracy in the Post Soviet World* (New Haven: Yale University Press, 2005); David M. Aronson, "A Critical Look at NGOs and Civil Society as a Means to an End in Uzbekistan," *Human Organization* 58, no. 3 (1999): 240-250; and Birgit N. Schylter ed. *Prospects for Democracy in Central Asia* (Istanbul: Swedish Consulate, 2005); and Michael McFaul, "Political Transitions: Democracy and the Former Soviet Union," *Harvard International Review* 28, no. 1 (Spring 2006): 40-45.

³⁷ Strobe Talbott, for example, criticizes Bill Clinton for his tendency to equate Boris Yeltsin with reform. Talbott asserts that he warned Clinton about investing too much personal support in Yeltsin, urging, "we should limit ourselves to support of [democratic] 'principles and process.'" See Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2002), 55.

³⁸ See Reddaway and Glinski, *The Tragedy of Russia's Reforms*, 35, 56. They maintain that Yeltsin's policies represented another iteration of "authoritarian modernization," the historically Russian/Soviet tendency to impose "modernization" from above at great cost to the Russian people. The true values of the Russian democratic movement, they argue, were more left-libertarian than liberal and focused upon grassroots participation, local communal governance, and decentralized power.

Russia. Defenders, by contrast, cite insufficient Western aid and poor Russian adherence to IMF conditions as the sources of inflation and macroeconomic instability.³⁹ Others highlight the failures of U.S. efforts to assist Russian privatization, focusing on the shortcomings of USAID's grant-giving model, which relied heavily on private contractors, like the Washington "Beltway Bandits," who possessed little knowledge of Russia. ⁴⁰

While these Cold War and post-Soviet literatures tell us a great deal about U.S. efforts to promote liberalizing trends in the former Soviet Union in the years surrounding its collapse, the picture that emerges is incomplete. The historical rupture of the Soviet collapse has masked the ways in which non-governmental influence in the USSR changed in response to Gorbachev's accelerating reforms in late 1986 and laid the foundation for the post-1991 period.⁴¹

While the Bush administration can be faulted for its unwillingness to support Soviet reform, critics have ignored the significant geostrategic and domestic political constraints that inhibited U.S. policymakers and paved the way for expanded non-state influence. The decentralization and rising pluralism of Soviet society beginning in late 1986 rendered it increasingly opaque and chaotic and demanded nimble adaptation that proved difficult for a large executive bureaucracy with established Cold War imperatives. ⁴² The disintegration of the Soviet

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³⁹ Goldgeier and McFaul, *Power and Purpose*, 95-97.

⁴⁰ The perils of the privatization of aid, anthropologist Janine Wedel argues, were exemplified by the tale of the "Harvard Boys," economists from Harvard University's Institute of International Development (HIID), who served as the United States' primary advisors to Russian privatization, only to be found guilty of abusing their insider roles for personal gain. Wedel concludes that the failure of the "flagship project to reform the Russian economy underscores the pitfalls in outsourcing traditional functions of government to small, well-connected groups that are not fully accountable in serving the public interest." See Janine Wedel, "U.S. Foreign Aid and Foreign Policy: Building Strong Relationships by Doing It Right!," *International Studies Perspectives* 6 (2005): 35–50, 45. See also, Wedel, *Collision and Collusion*; Wedel, "The Harvard Boys Do Russia," *The Nation*, June 1, 1998.

⁴¹ See Nicholas J. Cull, "Speeding the Strange Death of US Public Diplomacy: The George H.W. Bush Administration and the U.S. Information Agency," *Diplomatic History* 34, No. 1 (January 2010): 47-69, 61; Cull *The Cold War and the United States Information Agency: American Propaganda and Public Diplomacy, 1945-1989* (New York: Cambridge University Press, 2008), 483.

⁴² U.S. Ambassador to the Soviet Union Jack Matlock recalls that he viewed 1989 as a year of opportunity for the U.S. to "bring its influence to bear." However, the administration failed to adjust its mission to respond to shifting conditions in the USSR. Rather than "thinking creatively about the ways in which we could benefit from a

state made the provision of state-to-state aid incredibly thorny. The escalating struggle between the "center" and republics after 1989 produced a crisis of authority that significantly complicated the task of directing economic assistance and left the Bush administration understandably wary of pouring large amounts of money into the Soviet Union.⁴³

Meanwhile, establishing contacts with nascent democratic forces or the increasingly powerful Soviet republics threatened to undermine the administration's relationship with Gorbachev and its strategic interest in preserving stability in the USSR. 44 Key members of the Bush administration, including Brent Scowcroft, James Baker, and the president, assigned priority to sustaining cooperation with Gorbachev to end the Cold War, conclude German reunification, and secure Soviet participation in a U.S.-led coalition opposing Iraq's invasion of Kuwait. They also worried about provoking destabilizing nationalism that could lead to Soviet disintegration and produce a "Yugoslavia with nukes." 45

As an NSC strategy paper from mid-1991 contended, it had proven "difficult" for the administration "to find a way to engage with the political and economic reforms [in the Soviet Union] because these processes are so complex." Although NSC strategists cautiously advocated expanding contacts at the "republic, local, and grassroots levels," where "the majority of the

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demilitarized, democratized Soviet Union," policymakers and bureaucrats continued to adhere to Cold War paradigms. See Matlock, *Autopsy on an Empire*, 182.

43 Gorbachev advisor Aleksander Yakovlev, for example, admitted to Secretary of State James Baker that the USSR

⁴³ Gorbachev advisor Aleksander Yakovlev, for example, admitted to Secretary of State James Baker that the USSR had squandered the substantial aid it received from West Germany in return for reunification. The money had fallen through the cracks of a chaotic system. Yakovlev lamented, "it's just gone." See Baker, *The Politics of Diplomacy*, 529.

⁴⁴ On the realism of the Bush administration, see Bartholomew Sparrow, "Realism's Practitioner: Brent Scowcroft and the Making of the New World Order." *Diplomatic History* 34, No. 1 (January 2010): 141-175; Sparrow, *The Strategist: Brent Scowcroft and the Call of National Security* (New York: PublicAffairs, 2015).

⁴⁵ See, for example, Baker, *The Politics of Diplomacy*, 473; Bush and Scowcroft, *A World Transformed*, 541. As will be discussed later, some members of the administration, like Secretary of Defense Richard Cheney, dissented from this strategy and argued that promoting the collapse of communism and the USSR by shifting U.S. support to republican leaders like Yeltsin would likely benefit the interests of the United States. See Paul Wolfowitz, "Shaping the Future: Planning at the Pentagon, 1989-1993," in Melvyn Leffler and Jeffrey Legro, eds. *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11* (Ithaca NY: Cornell University Press, 2011), 56; Seliktar, *Politics, Paradigms and Intelligence Failure*, 165-67.

most energetic and imaginative proponents of reform are to be found," they nevertheless stressed the centrality of the United States' security driven relationship with the center. Alluding to the difficulty of balancing the dueling relationships, the paper emphasized that the United States must develop local contacts carefully to avoid the appearance of "interfering in Soviet internal affairs." ⁴⁶

Non-governmental actors had the capacity to engage all segments of Soviet society in ways that the U.S. government could not. With greater freedom and flexibility to establish contacts "on the ground," they filled the void left by the administration. At the start of the Bush presidency in early 1989, William Brock of the NED argued in a letter to Richard Darman of the Office of Management and Budget (OMB) that the endowment offered the most "cost effective" and "politically palatable" way to "advance U.S. interests and values" in the Soviet empire. While the Bush administration did not want to undermine Gorbachev's authority, the NED's "quasi-governmental status" enabled it to provide U.S. support for democratization in the USSR and Eastern Europe through "*inexpensive* but *very* visible and popular initiatives" not directly tied to the U.S. government. ⁴⁷ [emphasis original]

Fiscal, and domestic political constraints pushed the Bush and Clinton administrations to rely increasingly on non-state actors, private sector groups, and international financial institutions as partners in the (former) Soviet Union. The collapse of communist regimes in Eastern Europe in 1989 and the receding Soviet threat reduced the will of the U.S. public to support sustained global engagement and foreign aid. With the U.S. economy in the midst of a recession by 1990, a growing number of Americans demanded a post-Cold War "peace"

⁴⁶ "US Policy on the U.S.S.R.," folder "USSR Contingency Papers (Past)," OA/ID CF01498-008 Nicholas Burns, Subject Files, National Security Council, Bush Presidential Records, GHWBL.

⁴⁷ Letter from William Brock to Richard Darman, January 30, 1989, Series II, Office of the President, Box 1, Folder 4, "Board of Directors (BOD) William Brock [2]," National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division [hereafter NED].

dividend" and a renewed focus on domestic issues. 48 The traditional state-based organ of public diplomacy aimed at projecting influence in the Soviet Union, the United States Information Agency, lost influence and funding. The waning of ideological struggle seemed to render an institution designed to combat communism both obsolete and unnecessarily expensive.⁴⁹ Thus, U.S. influence grew increasingly privatized.

As part of this process, a nascent "democracy establishment" - a network of quasi- and non-governmental groups, like the NED, foundations, like the Soros Foundations, and government agencies, like USAID, began to supplant the USIA as the institutions chiefly responsible for promoting the spread of democratic values in the former Soviet Union.⁵⁰

Democracy assistance rose in response to a global "Third Wave" of democratization. From the late 1970s to the mid-1980s, the fall of authoritarian regimes in Spain and Portugal, the rise of Polish Solidarity, and the growth of more democratic systems in Latin America and East Asia both fueled and intersected with the resurgence of messianic idealism in U.S. foreign policy. While liberals gravitated toward universal human rights, (neo) conservatives embraced democracy assistance as a weapon to staunch Soviet influence. The waning of ideological competition in the late 1980s elevated the practice from a controversial, anti-communist Cold War weapon to a more legitimate practice aimed at promoting an apparently universal human

⁴⁸ On rising domestic isolationism, see Combs, "U.S. Domestic Politics and the Nunn-Lugar Program;" Jeremy D. Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," SAIS Review 15 no. 1 (Winter/Spring 1995): 15-35; Rosner, The New Tug-of-War: Congress, the Executive Branch, and National Security (Washington DC: Carnegie Endowment for International Peace, 1995).

⁴⁹ On the decline of the USIA, see Cull, "Speeding the Strange Death of US Public Diplomacy;" Cull, *The Decline* and Fall of the United States Information Agency: American Public Diplomacy, 1989-2001 (New York: Palgrave MacMillan, 2012). For histories of early Cold War public diplomacy, see Laura Belmonte, Selling the American Way: U.S. Propaganda and the Cold War (Philadelphia: University of Pennsylvania Press, 2008); Walter Hixson, Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1951 (New York: St. Martin's Griffin, 1997); Cull, The Cold War and the United States Information Agency.

⁵⁰ Sarah Sunn Bush coins the phrase and outlines the parameters of the "democracy establishment" in *The* Democracy Establishment.

aspiration for "freedom." Communism's demise seemed to validate the notion that the institutions of U.S. "civil society," not the state, embodied and were best suited to export American democracy. 52

Despite these deeper historical roots, scholars typically treat democracy assistance as a post-Cold War phenomenon. Its study remains the purview predominantly of political scientists, who seek to evaluate its efficacy and appropriateness as a tool of U.S. influence.⁵³ While valuable, these works generally do not examine the historical process by which democracy assistance institutions and the ideas they export were contested and constructed.⁵⁴ Nor do they assess how democracy assistance has been shaped by mutually influential encounters between donors and recipients, particularly in the practices' formative years.⁵⁵

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⁵¹ Carothers, *Aiding Democracy Abroad*, 6. With communism's collapse, he writes, democracy assistance "mushroomed."

See for example, George Agree to Mark Palmer, April 7, 1982, Folder 17, Box 2, Series I, Democracy Program, NED. In his study of American philanthropy, Olivier Zunz argues that U.S. foundations seized the opportunity to promote the growth of civil society in the former Soviet empire. See Zunz, *Philanthropy in America: A History* (Princeton, NJ: Princeton University Press, 2012), 264.
 Historians have largely shied away from examining the rise of U.S. democracy assistance. The most historical

study of the "democratizing" impulse in U.S. foreign policy is Tony's Smith's *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, NJ: Princeton University Press, 1994). Smith gives only cursory attention to U.S. efforts to promote democracy in the Soviet Union and does not discuss democracy assistance. Another body of work focuses on U.S. efforts to promote democracy in the post-World War II reconstructions of Japan and Germany. However, this period predated the rise of modern democracy assistance. See, for example, Udi Greenberg, *The Weimar Century: German Emigres and the Ideological Foundations of the Cold War* (Princeton, NJ: Princeton University Press, 2014); Michael Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952* (Cambridge: Cambridge University Press, 1987); Michael Schaller, *The American Occupation of Japan: The Origins of the Cold War in Asia.* New York: Oxford University Press, 1985). An exception, however, is Gregory Domber's *Empowering Revolution: America, Poland, and the End of the Cold War* (Chapel Hill: University of North Carolina Press, 2014), which focuses on the role of the NED in Poland. In addition, in *The Democracy Makers*, political scientist Nicolas Guilhot provides an excellent "intellectual genealogy" of some of the ideas, particularly in U.S. academic political science, that undergirded the rise of democracy assistance.

⁵⁴ Critics see democracy assistance as a form of cultural imperialism. See, for example, David Rieff, "Evangelists of Democracy," *The National Interest* (November/December 2012). Others embrace its underlying worthiness, but assess its effectiveness and offer prescriptions for improvement. See Bush, *The Democracy Establishment*; Carothers, *Aiding Democracy Abroad*; Larry J. Diamond, *Developing Democracy: Towards Consolidation* (Baltimore: Johns Hopkins University Press); Gideon Rose, "Democracy Promotion and American Foreign Policy: A Review Essay," *International Security* 25. No 3 (Winter 2000/2001): 186-203.

⁵⁵ An exception is Glenn Robert's essay "Doing the Democracy Dance in Kazakhstan." Roberts employs the analytical framework of "cultural encounter" between U.S. and Kazakh actors.

By contrast, this dissertation historicizes the rise of democracy assistance through the lens of U.S. engagement with the (former) Soviet Union. Although the USSR only became an official recipient of U.S. foreign aid in 1991, it shows that the ad-hoc efforts of Soros and the NED to pioneer democracy aid beginning in 1986 in response to the "opening" of the USSR helped shape the nascent institutional and intellectual contours of the U.S. "democracy establishment" whose influence would expand dramatically in the FSU following the Soviet Union's collapse.

In so doing, this dissertation enhances our understanding of the changing nature of U.S. soft power in several ways. It illuminates the tensions inherent in the public-private partnership that emerged in the USSR. U.S. policymakers and scholars have typically viewed the "dual tracks" of grassroots engagement in the former Soviet Union and cooperation with Moscow as complementary.⁵⁶ A growing literature conceives of the governmental and non-governmental sectors as overlapping and mutually dependent in U.S. foreign policy.⁵⁷ Sarah Stroup goes so far as to contend, "the American government views the private sector as a partner and ally in the projection of American power and interests abroad."⁵⁸ In many ways, this dissertation builds upon this literature. However, it contends that the relationship between official and non-state actors in the (former) Soviet Union was a more complicated blend of partnership and

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⁵⁶ See, for example, McFaul and Goldgeier, *Power and Purpose*, 30.

⁵⁷ Stroup, *Borders Among Activists*, 32. Historians of philanthropy have largely emphasized the ways in which philanthropic foundations helped promote U.S. goals during the Cold War, particularly in the dispensation of foreign development aid. However, many note that they also rebelled at times against the subordination of their broad humanitarian goals to the state's politicized anti-communist agenda. See, for example, Volcker R. Berghahn, "Philanthropy and Diplomacy in the American Century," *Diplomatic History* 23 no. 3 (Summer 1999): 393-419; Inderjeet Parmar, *Foundations of the American Century: The Ford, Carnegie and Rockefeller Foundations in the Rise of American Power* (New York: Columbia University Press, 2012); Olivier Zunz, *Philanthropy in America*; Merle Curti, *American Philanthropy Abroad* (New Brunswick, NJ: Transaction Books, 1963).

⁵⁸ Stroup, *Borders Among Activists*, 36.

antagonism. ⁵⁹ In particular, it shows that the rise of democracy assistance in the USSR caused U.S. policy to assume a contradictory character. Highlighting the tensions in this increasingly diffuse U.S. aid regime, it contributes to a longstanding debate over the relative weight of realism versus idealism in U.S. foreign policy. ⁶⁰

By integrating democracy assistance into a narrative of U.S. engagement with post-Soviet Russia that has focused predominantly on economic reform, this dissertation also examines the relationship between U.S. efforts to promote free markets and open societies. While historians have studied how the ascent of neoliberal economics in the 1980s reshaped the U.S. approach to economic development, they have failed to examine the parallel and related rise of democracy assistance. As part of the general trend toward deregulation and de-statization of the Reagan era, neoliberalism imagined the free market, not the state, to be the key engine of economic development. Liberating free market forces from state control would breed prosperity. Thus, political and economic freedom were considered mutually dependent and constitutive.⁶¹

⁵⁹ On the privatization of foreign aid in the closing decades of the twentieth century see, for example, Carol C. Adelman, "The Privatization of Foreign Aid: Reassessing the National Largesse," *Foreign Affairs* 82 (November-December 2003): 9-14."

⁶⁰ In this way, this dissertation also illuminates the tensions between and contributes to a broader literature examining the relative weight of realism and idealism in U.S. foreign policy. Historians of American foreign relations have long debated the relative importance of idealism – or the missionary impulse to spread American "values" – versus realism as a factor shaping U.S. foreign policy. One school of thought represented by Robert Kagan in Dangerous Nation: America's Place in the World from its Earliest Days to the Dawn of the Twentieth Century (New York: Knopf, 2006) holds that the imperative to "spread liberty" abroad has been a consistent and overarching objective goal of U.S. foreign policy for the past two centuries. "Realist" scholars like George Kennan in American Diplomacy (Chicago: University of Chicago Press, 1951) have criticized this impulse. An alternative interpretation, represented by Walter Lafeber's The New Empire: An Interpretation of American Expansion, 1860-1898 (Ithaca: Cornell University Press, 1963) and William Appleman Williams's The Tragedy of American Diplomacy (Cleveland: World Publishing, 1959) views U.S. foreign policy as based on interests, not ideals. U.S. expansionism has been driven not by a desire to spread liberty, but to secure markets. Others occupy more of a middle ground. N. Gordon Levin, for example, has argued in Woodrow Wilson and World Politics: America's Response to War and Revolution (New York: Oxford University Press, 1968) that the Wilsonian impulse is both idealistic and self-serving. Anders Stephanson in Manifest Destiny: American Expansionism and the Empire of Right. (New York: Hill and Wang, 1995) argues that the U.S. sense of "mission" has been invoked to support both engagement in and retrenchment from the world, with the United States serving both as "missionary" and exemplar. ⁶¹ As Michael Latham argues, modernization theorists of the 1960s maintained that economic development was an essential "precondition" for political democratization. Seeking to export a political-economic model in the style of the "New Deal," they emphasized that development required a strong state capable of implementing change from

Reflecting this thinking, USAID integrated democracy assistance into its development approach in Eastern Europe in 1990 based on "the assumption of recent and current United States policy that societies require open social and political, as well as economic, systems."62 In late 1991, it carried this model to the Soviet Union. This dissertation explores the tension between U.S. efforts to "democratize" Russia while also promoting its economic transformation through radical market reforms requiring a state insulated from democratic opinion.⁶³

Finally, this dissertation examines the cultural and ideological implications of attempting to implant Western style values in a society profoundly shaped by the institutional and historical legacies of communism. Stephen Cohen has issued a particularly virulent condemnation of what he deems a "missionary" foreign policy aimed at "transform[ing] Russia into some facsimile" of the United States.⁶⁴ This dissertation challenges the claim that the United States unilaterally imposed solutions on the Soviet Union. Its focus on non-state actors undermines the frequent depiction of either the "United States" or "the West" as a monolithic entity with a unified

above. Eventually, prosperity would breed a middle class with political interests and the rise of a pluralistic democratic system. However, by the 1970s, modernization theory failed to produce its imagined results. Rather, Latham argues, the state-centered approach gave rise to corrupt authoritarian clients who used U.S. aid to establish "paternalistic bureaucracies instead of free markets." The resulting disillusionment opened a space for emergent "neoliberal" theories, represented by the "Washington Consensus" of the 1980s, to gain influence. To be discussed in chapter five, the Washington Consensus called upon foreign aid recipients to "liberalize, stabilize, privatize." See Michael Latham, The Right Kind of Revolution: Modernization, Development, and U.S. Foreign Policy from the Cold War to the Present (Ithaca, NY: Cornell University Press, 2011),78; Dani Rodrick, "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform," Journal of Economic Literature XLIV (December 2006): 973-987, 873. For more on modernization theory and the history of development, see David Ekbladh, The Great American Mission: Modernization and the Construction of an American World Order (Princeton: Princeton University Press, 2010); David C. Engerman, Nils Gilman, Mark H. Haefele, and Michael E. Latham, eds., Staging Growth: Modernization, Development, and the Global Cold War (Amherst: The University of Massachusetts Press, 2003); Nils Gilman, Mandarins of the Future: Modernization Theory in Cold War America (Baltimore: Johns Hopkins University Press, 2003); Michael Latham, Modernization as Ideology: American Social Science and "Nation Building" in the Kennedy Era (Chapel Hill, NC, 2000).

⁶² See U.S. Agency for International Development, *The Democratic Pluralism Initiative: A Manual for Mission* Application, prepared by Raymond Gastil, April 26, 1990, PN-ABH-433. On the convergence of democracy assistance and economic development, see Thomas Carothers, "Democracy Support and Development Aid: The Elusive Synthesis," Journal of Democracy 21 no. 4 (October 2010): 12-26.

⁶³ On the contradiction between these aims see Jerry F. Hough, *The Logic of Economic Reform in Russia* (Washington DC: The Brookings Institution, 2001). ⁶⁴ Cohen, *Failed Crusade*, 5, 62.

agenda, illuminating instead the fragmented, multifaceted, and internally contested character of U.S. influence.

Moreover, tracing networks of mutual influence between U.S. and Soviet actors, this dissertation shows that the practice of democracy assistance – although intended to transform a foreign society – was in fact shaped by its "encounter" with the Soviet Union. Soviet actors often attached their own meanings to and appropriated democracy aid in unexpected ways for their own purposes in intensifying domestic political battles. As a result, this dissertation contends, the decentralized injection of U.S. aid into a rising Soviet power vacuum had a complex, significant, but heretofore overlooked, impact on the internal Soviet struggles.

The chapters of this dissertation proceed chronologically. In order to understand the ways in which U.S. non-governmental actors adapted in response to Gorbachev's reforms, it is essential first to establish the character of U.S. non-governmental influence in the USSR prior to Gorbachev's ascent to power. Chapter one therefore lays the groundwork for the rest of the narrative. It outlines the aims of key U.S. foundations and NGOs and maps their connections with Soviet actors. It demonstrates that non-state actors in the early and mid-1980s pursued limited agendas. Most groups focused on improving the bilateral relationship, rather than liberalizing the internal character of the Soviet system. However, small, but important changes during this period laid the groundwork for the dramatic expansion of U.S. non-governmental influence in 1987. "Bilateral" foundations and NGOs devoted to promoting peaceful superpower relations amplified their efforts in response to Reagan's initial confrontational approach to the Soviet Union. They sustained and built contacts with "new thinkers" who would gain influence

⁶⁵ Here I draw upon Glenn Roberts' model of conceptualizing democracy assistance as a form of "cultural encounter." See Roberts, "Doing the Democracy Dance in Kazakhstan."

under Gorbachev. At the same time, democracy assistance emerged as a tool of U.S. influence with the establishment of the National Endowment for Democracy (NED).

Beginning with Gorbachev and accelerating in late 1986, everything started to change. Chapter two traces how U.S. actors perceived and sought to take advantage of the "opening" of and the rising pluralism in the Soviet system stemming from Gorbachev's democratizing reforms between late 1986 and late 1989. It charts the pioneering efforts of the NED and George Soros to distribute democracy assistance in the former Soviet Union. It also examines how bilateral foundations exploited their connections with influential "new thinkers," now in Gorbachev's inner circle, while reconfiguring their objectives to focus more on internal Soviet developments. With the Bush administration increasingly invested in promoting Gorbachev's survival by mid-1989, a "dual track" policy began to emerge.

Chapter three moves into a more unstable phase in Soviet history when high hopes for transformation were tempered by the threat of disintegration and looming economic collapse. It focuses on the U.S. response to rising centrifugal nationalism between the summer of 1989 and the fall of 1990. It highlights the efforts of U.S. policymakers and non-state actors to interpret and influence a burgeoning struggle for authority between the center and the republics, focusing on non-governmental organizations' expanded outreach to the republics. It contends that while some efforts by U.S. groups to forge contacts in these unfamiliar regions helped render them legible to policymakers, rising support for republican independence movements and the Boris Yeltsin-led opposition undermined the Bush administration's emphasis on stability and cooperation with Gorbachev. As a result the dual tracks of U.S. policy mirrored and exacerbated a destabilizing center-republic split.

Chapter four traces the influence of two competing non-governmental networks – one associated with the National Endowment for Democracy and the other associated with the Carnegie Corporation – on U.S. policy toward the USSR in the months preceding the coup. It contends that their oft-overlooked non-governmental efforts during this period played an important role in shaping the United States' response to the failed August 1991 coup. Working together with Baltic-American and Ukrainian-American groups, the NED advocated policies aimed at hastening the Soviet collapse. It urged the Bush administration to transfer its support to the republics from Gorbachev and built allies in Congress and the administration who would provide key support for Ukrainian independence following the coup. By contrast the CCNY and its grantees at Harvard, Brookings, and Stanford highlighted the danger of nuclear proliferation associated with the Soviet collapse. Framing aid as an investment in security, the Carnegie Cooperative Security network urged the administration to use U.S. influence to avert economic and political instability in the USSR and prevent the disintegration of its arsenal. The ideas it formulated and connections it forged in Congress played an important role in the network's successful effort to facilitate the post-coup passage of the Nunn-Lugar amendment, which drew funds from the Defense Department budget to aid the safe storage, dismantlement, and destruction of Soviet nuclear weapons.

Chapter five details the post-coup impact of the NED and CCNY networks and the rise of the public-private aid regime following Soviet collapse. As the USSR dissolved into its constituent republics, the Bush administration delegated the task of promoting market and democratic reform in the newly independent states to U.S. private and civil society actors. It relied on the International Monetary Fund to oversee the FSU's economic transformation. It called upon NGOs and private sector groups to assist in the distribution of humanitarian and

technical assistance, and it made USAID, which relied heavily on non-state grantees, the executive agent in charge of bilateral aid in the FSU.

Chapter six outlines the impact and institutionalization of the dual track public-private aid regime during the Clinton years. Tracing the ascent of the "Democracy Establishment" and its influence on U.S. policy toward Russia and the newly independent states (NIS), it illuminates a fundamental tension in U.S. policy between the imperative to build a strategic partnership with Moscow through economic aid to the Yeltsin regime and the imperative to promote democratization in Russia and its former empire.

Chapter One

Cold War Vectors of U.S. Influence, 1981-1986

During Mikhail Gorbachev's first year and nine months in power, from March 1985 to December 1986, U.S.-Soviet relations teetered on the brink between old and new. In many ways, this period was characterized by continuity. Neither the superpower relationship nor the "closed," centralized structure of the Soviet system, which had for so long shaped the character of U.S. influence in the USSR, changed fundamentally. While the vibrant Gorbachev projected a profoundly different image than his ailing predecessors, he too was committed to the Soviet system and appeared unlikely to alter its basic political-economic structure. His initial efforts to revitalize the Soviet economy were limited. Rather than addressing the command-administrative system's underlying flaws, he sought to improve its efficiency through "marginal tinkering." Most Western observers believed that Gorbachev, like past Soviet reformers, would ultimately reject economically necessary, but politically destabilizing, measures like decentralization, reduced military spending, and freer flow of information, that threatened to undermine the party-state's control.²

Efforts by U.S. official and non-governmental groups to promote liberalizing change in the USSR retained their traditional Cold War structure and modest objectives. "State to state" contacts predominated, and the role of non-state actors remained highly circumscribed. The Soviet regime restricted and monitored contacts between Soviet citizens and the outside world.

¹ CIA Assessment, "Gorbachev's Economic Agenda: Promises, Potentials, and Pitfalls," September 1985, *National Security Archives*, http://www2.gwu.edu/~nsarchiv/NSAEBB172/Doc13.pdf.

² See, for example, U.S. Department of State Intelligence Research Report 24, "Gorbachev's Roots: A Retrospective of the Khrushchev Era," September 11, 1986, Folder 8 "Economic Initiatives," RAC Box 12, Stephen Danzansky Files, Ronald Reagan Presidential Library [hereafter RRL]. Or, for a moderate academic perspective, Ed Hewett, "Reform or Rhetoric: Gorbachev and the Soviet Economy," *The Brookings Review* 4, no. 4 (Fall 1986): 13-20.

At the same time, the centralized, hierarchical nature of Soviet power rendered Kremlin politics relatively impervious to pressure from independent Soviet actors, reducing the potential of U.S. non-state avenues of influence to alter Soviet policy.

Yet, even as much remained the same in U.S.-Soviet relations, forces of change lurked just beneath the surface. Global developments undermined the power of states, enhanced the influence of non-governmental actors in international relations, and rendered the world more interdependent. The ideal of individual freedom over state control was ascendant, embodied by the rise of neoliberal economics and universal human rights.³ Trends toward privatization and open, deregulated markets allowed capital to flow with unprecedented ease, while planned economies struggled to foster the innovation required for prosperity in the computer age. A communications revolution and cheaper air travel increased the speed with which people, ideas, and images could be transmitted across borders, eroding the control of states over their populations.⁴ Aided by these technological advances, transnational non-governmental networks proliferated. Between 1973 and 1993, they formed a growing "global civil society" that

This growing emphasis on the importance of individual rights was not restricted to the West. Liberal dissidents in the Soviet Union, like Andrei Sakharov, argued that intellectual freedom, technological progress, and world peace were mutually interdependent. Historian Benjamin Nathans has documented a shift in the 1970s in Soviet conceptions of rights as "historically specific" and "emanating" from the particular character of the socialist welfare state to a more liberal conception of rights as natural, innate, and universal. See Nathans, "Soviet Rights Talk in the Post-Stalin Era," in *Human Rights in the Twentieth Century*, Stefan-Ludwig Hoffman, ed. (New York: Cambridge University Press, 2011): 166-190, 181. For the rise of the transnational human rights movement and its role in ending the Cold War, see Sarah Snyder, *Human Rights Activism and the End of the Cold War: A Transnational History of the Helsinki Network* (New York: Cambridge University Press, 2011); Akira Iriye, Petra Goedde, and William Hitchcock, eds., *The Human Rights Revolution: An International History* (New York: Oxford University Press, 2012); Daniel C. Thomas, *The Helsinki Effect: International Norms, Human Rights, and the Demise of Communism* (Princeton, NJ: Princeton University Press, 2001).

⁴ For general histories of these well-documented economic and political trends, see Niall Ferguson, Charles Maier, Erez Manela, and Daniel Sargent, eds., *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2010); Bruce Mazlish and Akira Iriye, eds., *The Global History Reader* (London: Routledge, 2005); Mark Mazower, *Governing the World: The History of an Idea* (New York: Penguin Press, 2012); Alastair Roberts, *The Logic of Discipline: Global Capitalism and the Architecture of Government* (New York: Oxford University Press, 2010); Daniel T. Rodgers, *Age of Fracture* (Cambridge MA: Harvard University Press, 2011); Daniel Sargent, *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (New York: Oxford University Press, 2015).

challenged states with increasing success to comply with "universal" moral norms on issues like human rights, democracy, and peace.⁵

Between 1981 and 1986, the Reagan administration sought to harness and accelerate these trends toward individual freedom, human rights, and openness to achieve its shifting goals vis-à-vis the Soviet Union. Initially, the administration pursued a confrontational strategy, wielding human rights and democracy as ideological weapons with which to undermine communist influence and legitimacy. However, led by Secretary of State George Shultz, the administration's approach started to shift in 1984 and 1985 toward a more moderate policy. ⁶ Employing U.S. strength not to destabilize the Soviet Union, but to improve superpower relations through tough negotiation, Shultz linked progress on issues like arms control to Soviet compliance with human rights norms and expanded openness. ⁷ In this way, the administration worked to promote gradual liberalizing trends in the USSR. ⁸

At the same time, non-governmental and private sector groups began to play a more prominent role in U.S. foreign policy toward the Soviet Union. The establishment in 1983 of the independent, quasi-governmental National Endowment for Democracy (NED) reflected a

⁵ Margaret Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca NY: Cornell University Press, 1998), 8-11; and Manuell Castells, "The New Public Sphere: Global Civil Society, Communications Networks, and Global Governance," *Annals of the American Academy of Political and Social Science* 616 (March 2008): 78-93.

⁶ A number of scholars have noted this tension in the Reagan administration between hardliners, who advocated confrontational policies aimed at undermining Communism's legitimacy and moderates, led by Shultz, who endeavored to engage the Soviet Union. See, for example, Raymond Garthoff, *The Great Transition: American Soviet Relations at the End of the Cold War* (Washington DC: The Brookings Institution, 1994); *Tony Smith, America's Mission: The United States and the Worldwide Struggle for Democracy* (Princeton NJ: Princeton University Press, 1994); and James Graham Wilson, *The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca NY: Cornell University Press, 2014).

⁷ Anatoly Adamishin and Richard Schifter, *Human Rights, Perestroika, and the End of the Cold War* (Washington DC: United States Institute of Peace Press, 2009) and Snyder, *Human Rights Activism and the End of the Cold War*, both emphasize the importance of this strategy of linking human rights to improvements in other areas in pushing Gorbachev to embrace human rights. "Nevertheless," Snyder maintains, the key factor Gorbachev himself, who as a result of his changing internal beliefs and Western pressure "engage[d] in genuine negotiations." (12)

⁸ See David Foglesong, *The American Mission and the "Evil Empire": The Crusade for a Free Russia since 1881* (New York: Cambridge University Press, 2007), 185-7; and George P. Shultz, *Turmoil and Triumph, My Years as Secretary of State* (New York, Charles Scribner and Sons, 1993), 266, 275-76.

growing belief that the representatives of "civil society," not the state, were the best purveyors of U.S. values abroad. Meanwhile, as the Reagan administration cut funding for initiatives like U.S.-Soviet exchanges in the early 1980s, the non-governmental sector filled the void. U.S. foundations like Ford, Carnegie, and Rockefeller devoted increased funding to a growing number of academic and non-governmental initiatives that aimed to sustain U.S.-Soviet contacts, reduce tension, and ameliorate the danger of nuclear war. 10

However, neither global trends that empowered non-state actors and challenged the state-centered Soviet model, nor the Reagan administration's evolving approach were sufficient to transform either the Soviet Union or the character of U.S. influence there. Instead, the catalyst was Gorbachev. Gorbachev did not pursue radical reform between March 1985 and the end of 1986. Yet, relying increasingly on the advice of Western-oriented "in-system" Soviet reformers, he made several important intellectual leaps. By the end of 1986, these changes in his outlook impelled him to embark upon a course that would transform the USSR into an increasingly decentralized, open, and pluralistic society. ¹¹

⁹ Nicholas Cull, *The Cold War and the United States Information Agency: American Propaganda and Public Diplomacy, 1945-1989* (New York: Cambridge University Press, 2008), 405. In reality, the NED's "independent" status was incomplete and a subject of contention. Yet, in the two decades following its founding, "democracy assistance" by independent, non-governmental groups, a new phenomenon at the time, exploded into an increasingly professionalized cottage industry in the United States, that Sarah Bush has termed "the democracy establishment." See Sarah Sunn Bush, *The Democracy Establishment*, Ph.D. Dissertation, Princeton University, 2011.

¹⁰ For general accounts of the Reagan administration's reduction of funding to the non-governmental sector and its

¹⁰ For general accounts of the Reagan administration's reduction of funding to the non-governmental sector and its impact on think tanks and foundations see Joan E. Spero, *The Global Role of U.S. Foundations* (New York: The Foundation Center, 2010); R. Kent Weaver, "The Changing World of Think Tanks," *PS: Political Science and Politics* 22, no. 3 (September 1989): 563-578; and Olivier Zunz, *Philanthropy in America: A History* (Princeton NJ: Princeton University Press, 2012), 247-54.

¹¹ Scholars have emphasized the importance of a class of Western oriented Soviet elites at academic institutes and ministries, like the Ministry of Foreign Affairs and the International Department, in contributing to the rise of new thinking and shaping Gorbachev's outlook. See Robert English, in *Russia and the Idea of the West: Gorbachev, Intellectuals and the End of the Cold War* (New York: Columbia University Press, 2000); Englis, "The Sociology of New Thinking: Elites, Identity Change, and the End of the Cold War," *Journal of Cold War Studies* 7, no. 2 (Spring 2005): 43-80; Allen Lynch, *The Soviet Study of International Relations* (New York: Cambridge University Press, 1987).

Ultimately, these changes would allow the role and influence of non-governmental actors in U.S. policy toward the Soviet Union to expand significantly after 1986. This chapter lays the foundation for that post-1986 narrative by delineating the scope, goals, and impact of U.S. official and non-governmental efforts to promote liberalizing change in Soviet foreign and domestic policy from 1981 through the end of 1986. Situating U.S. non-governmental actors within the overarching framework of U.S. policy toward the USSR, it maps both their connections in the Soviet Union and their relationship to the evolving goals and strategies of the Reagan administration.

It thus provides a "before" snapshot of traditional Cold War strategies to influence the highly centralized, "closed" Soviet system on the eve of Gorbachev's move toward radical reform, while at the same time delineating developments that would set the stage for transformational changes in US Soviet relations beginning in 1987. The chapter is divided into three sections. Section one outlines the ways in which the Reagan administration's strategy for promoting change in Soviet foreign and domestic policy evolved from the administration's early years through 1986, focusing particularly on public diplomacy and human rights. Section two provides a portrait of the rising influence of non-governmental organizations in U.S. policy toward the Soviet Union during these years, tracing their relationship to the Reagan administration's goals. Finally, section three chronicles the evolution of Gorbachev's outlook.

The Reagan Administration's Shifting Strategy

Throughout the Cold War, U.S. policymakers' and Soviet experts' perceptions of the internal character of the Soviet system shaped their strategies for engaging the USSR. At the start

of the Reagan years, two competing schools of thought framed the debate. ¹² On one end of the spectrum were conservative and neo-conservative anti-communists who rejected détente and viewed the Soviet regime as totalitarian, monolithic, and incapable of reform. The regime's ultimate end, they argued, was the perpetuation of its own power, which it sustained through coercion. Lacking domestic support, Soviet leaders used Marxism-Leninism's threat of confrontation with a hostile West to legitimize militarization, centralization, political repression, and isolation of the Soviet public from external subversion. As the regime's power was premised upon this "hostile isolationist" orientation, true reduction of tensions was an impossibility. ¹³

By this logic, détente represented a counterproductive strategy that would not produce genuine change in Soviet foreign policy, but provide respite for a fragile regime. The United States should instead seek to destabilize the regime by exploiting its economic weakness, fomenting latent popular discontent, and stoking nationalist unrest. A September 1980 letter from General William Odom to president Jimmy Carter's National Security Advisor Zbigniew Brzezinski encapsulated this hardline approach. Rejecting "passive containment," Odom argued that, while the USSR was "militarily strong it . . . suffers enormous centrifugal political forces,"

¹² For analyses of the debates between the "totalitarian" and "revisionist" schools, see David Engerman, *Know Your Enemy: The Rise and Fall of America's Soviet Experts* (New York: Oxford University Press, 2009); and Ofira Seliktar, *Politics, Paradigms and Intelligence Failure: Why So Few Predicted the Collapse of the Soviet Union* (London: M.E. Sharpe, 2004).

¹³ English develops this concept of "hostile-isolationism" in *Russia and the Idea of the West*. Leading proponents of this school were Zbigniew Brzezinski, who along with Carl Friedrich, helped pioneer the totalitarian paradigm in their work *Totalitarian Dictatorship and Autocracy* (Cambridge MA: Harvard University Press, 1965), and Harvard scholar Richard Pipes, the top Soviet expert in the Reagan administration NSC from 1981-1982. In his article "Can the Soviet Union Reform?" *Foreign Affairs* 63 no.1 (Fall 1984): 47-61, Pipes criticized Western observers for "disregarding the insights of the most outstanding dissidents ... who see the root of Soviet aggressiveness ... in the internal conditions prevailing in the communist bloc." (pg. 48) "Totalitarian" scholars drew heavily upon dissident critiques, like Yugoslav Milovan Djilas's *The New Class: An Analysis of the Communist System* (New York: Frederick Praeger, 1957). Djilas argued that the corrupt, bureaucratic Soviet regime differed little from its tsarist predecessor. The Kremlin invoked the ideal of socialist egalitarianism to mask its exploitation of the Soviet people.

particularly nationalism.¹⁴ Thus, he advised promoting trends that might ultimately lead to "the dissolution of the Soviet Empire . . . not a wholly fanciful prediction for later in this century."¹⁵

By contrast, a second view that rose to prominence during the 1970s challenged the "totalitarian" paradigm and supported a policy of "detente." "Revisionists" like Jerry Hough of Duke and Stephen Cohen of Princeton argued that the Soviet regime did in fact possess domestic legitimacy, maintaining its power not simply through coercion, but also through consent. The Soviet people embraced the regime's social contract, trading political liberties for economic security. Moreover, the Soviet system was capable of evolution. The communist party was not monolithic, but composed of competing conservative and reform factions. Thus, hardline U.S. policies were counterproductive and dangerous, as they undermined party reformers, empowered reactionaries, and increased the risk of nuclear war. "Revisionists," therefore, advocated using a more conciliatory foreign policy to foster internal trends toward reform.

Between 1981 and late 1986, the Reagan administration's strategy evolved from an initially hardline, confrontational approach aimed at destabilizing the Soviet Union to one that increasingly recognized the legitimacy of and sought "constructive engagement" with the Soviet

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Odom, who served in the Reagan administration as a high-level army intelligence officer and as director of the National Security Agency, was not the only one to emphasize nationalism as an important source of Soviet weakness and force of opposition to the Soviet regime. Pipes, Brzezinski, and Hoover Institution scholar John Dunlop agreed. See Brzezinski, "Political Implications of the Soviet Nationality Problem," in *Soviet Nationality Problems*," E. Allworth, ed. (New York: Columbia University Press, 1971); Pipes, "Introduction: The Nationality Problems," *In Handbook of Major Soviet Nationalities*, ed. Zev Katz (Riverside NY: The Free Press, 1975); Dunlop, *The Faces of Contemporary Russian Nationalism* (Princeton NJ: Princeton University Press, 1983).
 William Odom to Zbigniew Brzezinski re: "East-West Relations: A Formula for U.S. Policy in 1981 and Beyond," September 3, 1980, Folder "USSR – General [1981-1983] [1]," Box 26, Jack Matlock Files, RRL. For scholarship discussing this memorandum, see Olav Njolstad, "The Carter Legacy: Entering the Second Era of the Cold War" in Olav Njolstad, ed., *The Last Decade of the Cold War: From Conflict Escalation to Conflict Transformation* (New York: Frank Cass, 2004); Christian Philip Peterson, "The Carter Administration and the

Promotion of Human Rights in the Soviet Union, 1977-1981," *Diplomatic History* 38 no. 4 (2014): 628-656. Seliktar, *Politics, Paradigms and Intelligence Failures*, 37-45.

¹⁷ In his famous book on Nikolai Bukharin, *Bukharin and the Bolshevik Revolution: A Political Biography, 1888-1938* (New York: A.A. Knopf, 1973), Stephen Cohen argued that Bukharin represented the true, social democratic vision of the socialist revolution, which had been hijacked by Stalinists. The Soviet system, therefore, was not inherently oppressive, but rather could be reformed along the lines envisioned by Bukharin.

¹⁸ Jerry Hough was the leading proponent of this "pluralist" view of the Soviet Union. See, for example, Hough, "The Soviet System: Petrification or Pluralism?" *Problems of Communism* 21:25-45.

regime.¹⁹ As a number of scholars have shown, the expanded influence of Secretary of State George Shultz combined with Gorbachev's rise to power, pushed Reagan to pursue opportunities to work with the Soviet Union to reduce superpower tensions and the danger of nuclear war.²⁰ Although the administration did not cease endeavoring to foster domestic liberalization in the USSR, its strategy for doing so became less confrontational.²¹

Upon assuming the presidency, Ronald Reagan endeavored to reassert American military and ideological strength vis-à-vis the Soviet Union. The president and his advisors, many of whom embraced the hardline, "totalitarian" view outlined above, believed that the policies of détente had caused the United States to fall behind the Soviet Union both in the arms race and in the global battle for ideological influence. As Reagan stated in a March 1983 speech announcing the launch of the Strategic Defense Initiative, the United States had allowed its defenses to atrophy, while the Soviet Union had developed "weapons as sophisticated and modern as our own" to complement its conventional superiority. Containing an "emboldened" Soviet Union, therefore, required "rebuild[ing] America's defenses."

What's more, the United States had lost ground in the global "war of ideas." An administration study in late 1982 concluded that resources devoted to U.S. public diplomacy were "fundamentally inadequate." Not only did Soviet international broadcasting and cultural exhibitions "retain a significant advantage over the West," the USSR's covert and semi-covert

¹⁹ Both James Wilson in *The Triumph of Improvisation* and Tony Smith in *America's Mission* emphasize the administration's growing willingness to accept the legitimacy of the Soviet regime. From the outset, Wilson argues, a tension existed in Reagan's mind between his desire to vanquish communism through an ideological crusade and his desire to negotiate on nuclear issues, which required acknowledging the regime's legitimacy and right to exist. Increasingly, he indulged the latter impulse. (pp.11-15) Similarly, Smith maintains, the administration moved away from the Kirkpatrick Doctrine, premised on the unreformability of communist states, toward "constructive engagement," a strategy whose "essence" was its "commitment to assist authoritarian regimes trying to democratize by aiding them through a difficult transition process." (pp. 284)

²⁶ Wilson in *The Triumph of Improvisation* and Garthoff in *The Great Transition: American Soviet Relations at the End of the Cold War*, both emphasize the crucial impact of Shultz.

²¹ Shultz, Turmoil and Triumph, 266, 275-6.

²² Ronald Reagan, "Address to the Nation on Defense and National Security," March 23, 1983, *The American Presidency Project*, http://www.presidency.ucsb.edu/ws/index.php?pid=41093&st=&st1=.

political "active measures" were undermining U.S. influence globally. In Western Europe, Soviet peace and environmental propaganda capitalized on "a sharp shift to the left on the part of European intellectual and political elites." ²³ The United States was also ill-equipped to compete in the sphere of "political development" in the Global South, Secretary of State Alexander Haig warned Reagan in March 1982. While the United States furnished substantial military and economic aid to non-communist forces, it had "no institutions devoted to political training and funding" that would enable these forces to "become as effective as the communists in the struggle to take and maintain power." ²⁴

Yet, where the administration perceived danger, it also grasped opportunity. Despite the USSR's military strength and robust international propaganda program, it was experiencing economic weakness and ideological decay in its own empire. A central goal of the administration's early Soviet policy, as articulated in National Security Decision Directive (NSDD) 75 of January 1983, was to exploit these vulnerabilities. Key architect of this policy, NSC Soviet expert Richard Pipes, argued in May 1981 that the Soviet Union's external aggression stemmed from the internal character of its system. Increasing U.S. military strength would force Soviet leaders to make difficult choices between "guns" and "butter." At the same time, NSDD 75 asserted, the United States should wield public diplomatic tools to "promote"

²³ Memorandum from Robert Kimmitt re: "NSSD 2-83 on US International Information Policy and Accompanying NSDD," December 12, 1983, Folder "Project Democracy, Public Diplomacy and NED: December 1983," RAC Box 7, Walter Raymond Files, RRL.

²⁴ Memorandum from Alexander Haig to Reagan re: Strategy for Building Democracy in Communist and Non-Communist Countries, March 8, 1982, Folder 5 "Project Democracy," Box OA 90304, Robert Kimmitt Files, RRL. ²⁵ In his autobiography *An American Life* (New York: Simon and Schuster, 1990), Ronald Reagan recalls receiving the impression in 1982 briefings that the Soviet economy was "a basket case." "Even if I hadn't majored in economics in college it was plain to me that Communism was doomed to fail as an economic system." (page 552) ²⁶ Memorandum from Richard Pipes to Richard V. Allen re: "A Reagan Soviet Policy," with attached paper "A Reagan Soviet Policy," May 21, 1981, Folder "US Policy – General," Box 39, Jack Matlock Files, RRL.

within the narrow limits available to us, the process of change in the Soviet Union toward a more pluralistic society in which the power of the privileged elite is gradually reduced."²⁷

Despite the difficulties of penetrating a "closed" society, the administration sensed significant opportunities to promote internal Soviet liberalization. The USSR, an administration study concluded in late 1982, represented a prime target for U.S. information programs. "The continuing decline in strength of Communist ideology . . . the widespread religious revival, and the growth of ethnic and national identities offer major opportunities for expanding the effectiveness of the U.S. broadcasting effort," the report maintained. ²⁸ Soviet emigre Vladimir Bukovsky echoed these sentiments. In an August 1982 letter to Deputy Assistant Secretary of State Mark Palmer, he urged the administration to tap into "the enormous potential of people's desire for freedom, well-being, and national independence."

Seeking to strengthen its public diplomatic tools, the Reagan administration endeavored to revive the robust, top-down state apparatus of the early Cold War. Between 1981 and 1984, the administration increased the budget of the United States Information Agency (USIA) by seventy-four percent and created a high level interagency Special Planning Group to ensure that public diplomacy was better integrated into its national security strategy.³⁰ Meanwhile, USIA

²⁷ Reagan Library, National Security Decision Directive 75, "US Relations with the USSR" January 17, 1983, http://www.fas.org/irp/offdocs/nsdd/nsdd-077.htm

²⁸ "NSSD 2-83 on U.S. International Information Policy and Accompanying NSDD," RRL.

²⁹Letter from Vladimir Bukovsky to Mark Palmer, August 1982, Folder 7 "Bukovsky," Box 3, Series II, Office of the President, NED.

³⁰ Cull, *The USIA and the Cold War*, 405, 409-10, 426, 441; NSSD 2-83 on US International Information Policy and Accompanying NSDD," RRL; Reagan Library, National Security Decision Directive 77, "Management of Public Diplomacy Relative to National Security," January 14, 1983, http://www.fas.org/irp/offdocs/nsdd/nsdd-077.htm. During this period the USIA changed its name back to USIA from USICA. I will refer to it throughout the chapter as USIA.

director Charles Wick worked to modernize international broadcasting and incorporate new information technologies into U.S. public diplomacy.³¹

The Reagan administration altered not only the structure but the ideological tone of U.S. public diplomacy. Rejecting Vietnam-inspired doubts about the global appeal of American-style political-economic values, it embraced a policy that "clearly affirms the superiority of U.S. and Western values of individual dignity and freedom, a free press, free trade unions, free enterprise, and political democracy over the repressive features of Soviet communism."

The centerpiece of this effort was the "Democracy Initiative."³³ Reagan embraced democracy as an anti-communist alternative to his liberal predecessor Jimmy Carter's emphasis on human rights. ³⁴ In a landmark speech at Westminster Abbey in June 1982, Reagan announced his intention to reengage the Soviet Union in the "war of ideas." The United States would vanquish communism by building a global "infrastructure of democracy," backing democratic forces against Soviet sponsored leftist groups. Democracy, the president optimistically declared, represented the wave of the future. After a decade of doubts about its global appeal, the rise of dissident movements in the Soviet bloc and Solidarity in Poland signified both democracy's

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³¹Nicholas Cull argues that USIA director Charles Wick had strong influence on Reagan because of their personal friendship. See Cull, *The USIA and the Cold War*, 404.

³³ Robert McFarlane to Lawrence Eagleburger, "Public Diplomacy/Democratic Initiative Press Briefing," February 4, 1983, Folder 3 "Project Democracy," Box OA 90304, Robert Kimmitt Files, RRL. McFarlane refers to the Democracy Initiative as "what is really new and important about the Public Diplomacy Framework."

³⁴ On Carter's embrace of human rights, see Snyder, *Human Rights Activism and the End of the Cold War*, 81; On Reagan's desire to harness human rights idealism behind the defeat of communism, see Memorandum from Alexander Haig to Reagan re: Strategy for Building Democracy in Communist and Non-Communist Countries, March 8, 1982, RRL. Also, Thomas Carothers makes this argument in *Aiding Democracy Abroad: The Learning Curve* (Washington DC: Carnegie Endowment for International Peace, 1999), 29.

resurgence and its capacity to corrode fragile communist regimes.³⁵ "From Stettin on the Baltic to Varna on the Black Sea," Reagan asserted, "regimes planted by bayonets do not take root."

Although Reagan intended the central component of the Democracy Initiative to be the state-centered, USIA-run "Project Democracy," the initiative resulted in the expanded role of non-state actors in U.S. foreign policy. ³⁷ In the lead-up to Reagan's Westminster speech, Alexander Haig urged the president to establish a non-governmental "democracy institute." The institute, Haig wrote, would combat communism by providing "financial assistance and training" to democratic forces globally and within the Soviet Union itself. "We can help to keep the Soviets preoccupied with the problems inside their existing empire (rather than expanding further) by giving practical assistance to democratic and nationalist forces." Haig also argued that institute's independent status would insulate the U.S. government from "charges of interference." Unlike "government to government aid and covert activities," National Security Advisor William Clark argued in a letter to Reagan, this independent status would allow the United States to "nurture democratic institutions abroad without being susceptible to the vicissitudes of our bilateral relationships."

Pushed by Haig and Clark, the administration sponsored a study by the American Political Foundation (APF) to assess how non-governmental forces could be incorporated into

³⁵ "Outside a handful of North Atlantic countries," Daniel Patrick Moynihan lamented in 1975, "liberal democracy simply has no relevance to the future." Daniel P. Moynihan, "The American Experiment," *The Public Interest* (Fall 1975), 6-7.

³⁶ Ronald Reagan, "Address to Members of the British Parliament," June 8, 1982, The American Presidency Project, available online < http://www.presidency.ucsb.edu/ws/index.php?pid=42614&st=&st1=>.

³⁷Reagan, "Address to Members of the British Parliament," June 8, 1982.

³⁸ Memorandum from Alexander Haig to Reagan re: Strategy for Building Democracy in Communist and Non-Communist Countries, March 8, 1982, RRL.

³⁹ Memorandum from William Clark to Ronald Reagan re: Strategy for Building Democracy in Communist and Non-Communist Countries, April 27, 1982, Folder 5 "Project Democracy," Box OA 90304, Kimmitt Files, RRL.

U.S. efforts to promote democracy abroad. APF leaders agreed with Clark and Haig that promoting democracy was a task best accomplished not by states but by "peoples . . . and the institutions of democratic expression of peoples, namely political parties and other voluntary associations of free individuals." These independent groups represented the defining strengths of the democratic system and were best equipped to nurture their repressed and embattled counterparts in communist systems. Moreover, their independent status afforded them freedom to pursue provocative initiatives. As APF leaders argued in a June 1982 letter to Reagan, the federally funded, but autonomous West German political party foundations, or *Stiftungen*, had dispensed political assistance for years without being seen as an arm of the state. The APF-sponsored study recommended establishing the "quasi-governmental" National Endowment for Democracy, modeled loosely on the *Stiftungen*.

In the contentious legislative battle that followed, Congress rejected "Project Democracy," the state-run component of the Democracy Initiative, in favor of establishing the independent NED. Congress reasoned that political aid – which could be seen as a form of interference in other countries' affairs – should be disbursed through unofficial channels not directly affiliated with the U.S. government.⁴³ Incorporated in November 1983, the NED would receive congressional appropriations to be doled out to each of its four grant-giving subsidiaries – representing labor, business, the Republican Party, and the Democratic Party – but would

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⁴⁰ Memorandum from Paul Bremer to William Clark, April 13, 1982, Folder 5 "Project Democracy," Box OA 90304, Kimmitt Files, RRL.

⁴¹ Letter from George Agree to Mark Palmer, April 7, 1982, Folder 17, "Letter to President Reagan, Drafts," Box 2, Series I, Democracy Program, National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division [hereafter NED].

⁴² Charles Manatt, William Brock, and Richard Richards to Ronald Reagan, June 4, 1982," Box 2, Series I, Office of the President, NED.

⁴³ See, for example, Bernard Gwertzman, "Skeptics Pelt Shultz with Queries on Reagan's 'Project Democracy," February 24, 1983, *New York Times*; and USIA Information Memo "Testimony of Secretary of State George Shultz before the House Foreign Affairs Subcommittee on International Organizations, February 23, 1983," Folder 2 "Project Democracy," OA 90304, Robert Kimmitt Files, RRL.

operate independently of the government, distributing grants to parties it deemed worthy. While the private non-profit corporation would receive its funding through the USIA, its independence was established in legislation stating "nothing in this title shall be construed to make the Endowment an Agency of the United States government." Thus, democracy assistance was born as an anti-communist, quasi-governmental form of political aid.

Yet, the deeply anti-communist agenda of the Reagan administration upon which the NED had been formed began to give way to a more moderate policy even before Mikhail Gorbachev came to power. A key force behind the change was Secretary of State George Shultz, who replaced Alexander Haig in June 1982. Over the course of the next three years, Shultz gained ground on his hardline counterparts, including Secretary of Defense Caspar Weinberger and CIA chief William Casey, in the battle for influence over the president's foreign policy. In addition, in mid-1983, Jack Matlock replaced hardliner Richard Pipes as the NSC's chief Soviet expert, while the more moderate Robert McFarlane replaced William Clark as national security advisor. November 1984, Reagan recorded in his diary that Shultz, not Weinberger or Casey, was the one truly "carrying out my policy."

Unlike the hardliners, Shultz believed that it was both possible and necessary to improve relations with the Soviet Union. During his time as secretary of the treasury under Nixon, he had developed a respect for the Soviets as negotiators. While they were "tough," they kept their promises and were willing to make deals that were "mutually advantageous." Moreover, Shultz believed, returning "to pre-détente estrangement" with a country that "could wipe us out in thirty

⁴⁴ David Lowe, "Idea to Reality: The NED at 25," available online http://www.ned.org/about/history#14.

⁴⁵ For accounts of Shultz's rising influence and the impact of these personnel changes see Wilson *The Triumph of Improvisation*; Garthoff *The Great Transition*; Ronald Reagan, *An American Life and The Reagan Diaries* (New York: Harper Collins, 2007); Kristen Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of 'Getting it Right," available online, http://216.12.139.91/Reagan/19950601.pdf.

⁴⁶ Shultz regarded Matlock's appointment as "a big step forward." See Shultz, *Turmoil and Triumph*, 117.

⁴⁷ Reagan, Reagan Diaries, 277.

minutes" was both "unwise and self-defeating." Thus, in early 1983, he began to develop an alternative strategy to the confrontational NSDD 75. On January 19, he stressed the importance of "intensified dialogue" and outlined a four-part framework for engaging the Soviet Union: human rights, arms control, bilateral issues, and regional conflicts. ⁴⁹ In a key March memo, he argued that the United States had "a chance to go beyond this minimum objective and make some progress toward a more stable and constructive U.S.-Soviet relationship."50

Shultz believed that the United States should use its strength to engage the USSR in productive negotiations that would serve American interests, not to destroy or destabilize the Soviet Union. As part of this strategy, he hoped to foster internal liberalizing trends that would ultimately produce a less hostile USSR. ⁵¹ Shultz placed heavy emphasis on human rights, linking progress on that issue to improved relations in other areas.⁵² However, he insisted on dealing with the subject quietly to avoid embarrassing the USSR. "We could not," he wrote, "continue simply to vilify the Soviets publicly and expect them to respond by doing the things we wanted."53

Shultz also emphasized the importance of expanding U.S.-Soviet contacts at all levels. In particular, he wanted to revive the suspended cultural exchange agreement.⁵⁴ Hardliners in the administration opposed the idea. 55 They believed that the Soviets would take advantage of U.S. openness to spread propaganda and gain technological know-how, while allowing the United

⁴⁸ Shultz, Turmoil and Triumph, 117.

⁴⁹ *Ibid.*, 162.

⁵⁰ *Ibid.*, 265.

⁵¹ *Ibid.*, 265-66.

⁵² See Adamishin and Schifter, Human Rights, Perestroika, and the End of the Cold War; Snyder, Human Rights Activism and the End of the Cold War. 53 Shultz, Turmoil and Triumph, 168.

⁵⁴ *Ibid.*, 275.

⁵⁵ *Ibid.*, 274. See also, for example, Memorandum for the President from William P. Clark re: "A Proposed U.S. Soviet Exchange Agreement, Folder 5 "US-Soviet Relations Papers: Working File," William Clark Files, RRL.

States only superficial access to the USSR.⁵⁶ Shultz, however, argued that the United States could "increase our ideological impact inside the Soviet Union through expanded exchange programs and access of Americans to Soviet society."⁵⁷

Wick, Matlock, and Soviet ambassador Arthur Hartmann supported Shultz's view.⁵⁸ In February 1983, Hartmann cabled that the United States was "cutting ourselves off from important knowledge about the Soviet Union, as well as from access to the Soviet people." An exchange agreement would provide "more ammunition for the competition for peoples' minds – a competition which we are bound to win." Matlock too believed that the best way to influence the Soviet regime was not to attack it directly, but to win over its people gradually. By expanding contacts with the USSR, the United States could help create an "informed Soviet public," which served as the best "check" on the Soviet regime's "aggressive tendencies." ⁶⁰

By late 1984 and early 1985, president Reagan unevenly but increasingly embraced this approach. Following the resumption of work on the exchange agreement in June 1984, the president congratulated the Woodrow Wilson Center and Carnegie Corporation for "finding ways to reach out and establish better communication with the people and the government of the Soviet Union." Even when official relations remained tense, the president argued, it was essential to "broaden opportunities for Americans and Soviet citizens to get to know each other better."

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⁵⁶ For an analysis of this debate, see Yale Richmond, *Soviet-American Cultural Exchanges: Ripoff or Payoff?* (Washington DC: Woodrow Wilson Center, 1984); Richmond, *Cultural Exchange and the Cold War: Raising the Iron Curtain* (University Park, PA: Penn State University Press, 2003), 210-25.

⁵⁷ Shultz, *Turmoil and Triumph*, 266.

⁵⁸ See David Foglesong, *The American Mission and the Evil Empire*, 185-7.

⁵⁹ Cable from Arthur Hartmann to George Shultz and Lawrence Eagleburger re: "US/Soviet exchanges," February 1983, Folder 2 "USSR-Diplomatic Contacts," Box 22, Jack Matlock Files, RRL.

⁶⁰ Jack Matlock, *Autopsy on an Empire: The American Ambassador's Account of the Collapse of the Soviet Union* (New York: Random House, 1995), 670.

⁶¹ James Mann argues that by 1986, Reagan "rebelled against the forces and ideas that made the Cold War seem endless and intractable." See Mann, *The Rebellion of Ronald Reagan: A History of the End of the Cold War* (New York: Penguin, 2009), xvi.

⁶² Ronald Reagan, "Remarks to Participants in the Conference on United States-Soviet Exchanges," June 17, 1984, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=40102&st=&st1=.

Yet, this new strategy only began to make headway when Gorbachev came to power. Throughout 1985 and 1986, the administration struggled to interpret the new general secretary's motives. Hardliners and moderates agreed that while Gorbachev was more vibrant than past Soviet leaders, he was nevertheless a devoted communist whose objectives were unlikely to differ fundamentally from his predecessors. Headan viewed Gorbachev as highly intelligent leader totally dedicated to traditional Soviet goals. Hardliners and moderates disagreed, however, over whether Gorbachev's stated desire to reduce tensions, end the arms race, and improve the Soviet economy represented a genuine opportunity to improve relations. Weinberger, Casey, and others dismissed out of hand the possibility that Gorbachev was operating in good faith. They argued that he sought "breathing space" to rebuild the USSR's capacity to advance its expansionist "foreign and strategic goals."

By contrast, Reagan, Shultz, and Matlock cautiously saw opportunity, although they too were skeptical of Gorbachev's motives, particularly of his nuclear test ban and disarmament initiatives. Reagan feared that the Soviet leader was trying to "continue weaning our European friends away from us" by "making us look like the threat to peace" through his calls for

⁶³ Indeed, interpreting internal developments in the USSR during these years was fraught with difficulty. Kremlin politics remained opaque and U.S. intelligence services "lack[ed] a good social theory for describing the behavior of a society that is far from fitting the old 'totalitarian model' but nevertheless is still ruled by a regime that strives to fulfill that model's features."

See National Intelligence Estimate, "Domestic Stresses on the Soviet System," November 18, 1985 available online http://www.foia.cia.gov/sites/default/files/document-conversions/89801/DOC_0000681980.pdf, pp. 1.

⁶⁴ After his first meeting with Gorbachev in Moscow in March 1985, Shultz believed that Gorbachev "displayed a breadth of view and vigor ... but his basic positions were ones we had heard before." See *Turmoil and Triumph*, 530. Hartmann, meanwhile, saw Gorbachev as "energetic and intelligent" but "a committed defender of the Soviet system and its worldview." Cable from Arthur Hartmann to George Shultz, re: "Impressions of Gorbachev," September 1985, Folder 3 "Bio Analyses of USSR Officials, Box 21, Jack Matlock Files, RRL.

⁶⁵ Ronald Reagan, "Gorbachev" attached to memorandum from Jack Matlock to Fritz Ermarth re: "Odds and Ends," December 31, 1986, Folder 3 "Important History Pre-1987," Box 27, Jack Matlock Files, RRL.

⁶⁶ "Domestic Stresses on the Soviet System," 19. This view was expressed in a footnote, dissenting from the report's conclusion, which argued that Soviet economic weakness had "sharply heightened the desire of the Gorbachev regime to achieve some restoration of an atmosphere of détente seen in the early 1970s." On this intelligence debate, see Lundberg, "CIA and the Fall of the Soviet Empire."

disarmament.⁶⁷ Given this uncertainty, Matlock recalls, it was essential to "find a policy that would protect you if [true reform] didn't happen, but would take advantage if it did."⁶⁸

Reagan and Shultz believed that they could leverage Gorbachev's desire for economic recovery and a reduced arms burden to push him to improve Soviet human rights practices and increase the Soviet Union's openness to and contact with the West. Expanded trade would be tied to progress on human rights. The Soviets, Reagan wrote prior to his first summit with Gorbachev in Geneva in November 1985, "hunger for some trade and technology transfers.

There is no question but that we have a tremendous advantage on that front . . . trade for us is a major bargaining chip." In May 1985, Reagan sent Secretary of Commerce Malcolm Baldridge to Moscow to convey the message that "fundamental improvements in the trade relationship cannot take place apart from parallel improvements in other aspects of the relationship," particularly human rights. ⁷⁰

Shultz and Reagan also stressed that open, liberal societies were more economically competitive in the information age.⁷¹ "Economic progress," Shultz contended in *Foreign Affairs* in the spring of 1985, "is related to a political environment of openness and freedom." Thus, he asserted in his UNGA address on September 23, 1985 "those political systems that try to stand in the way of the free flow of knowledge and information will relegate their citizens to second class status." Americans traveling to the USSR conveyed similar viewpoints. At the

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⁶⁷ Reagan, "Gorbachev," attached to memorandum from Jack Matlock to Fritz Ermarth re: "Odds and Ends," December 31, 1986, Folder 3 "Important History Pre-1987," Box 27, Jack Matlock Files, RRL.

⁶⁸ Quoted from an interview in Lundberg, "CIA and the Fall of the Soviet Empire," 7.

⁶⁹ Reagan, "Gorbachev," attached to memorandum from Jack Matlock to Fritz Ermarth re: "Odds and Ends," December 31, 1986, Folder 3 "Important History Pre-1987," Box 27, Jack Matlock Files, RRL.

⁷⁰ Malcolm Baldridge "Soviet-American Trade Can and Should Grow," Folder 4 "Soviet Union – Economic Initiatives," RAC Box 12, Stephen Danzansky Files, RRL; Shultz, *Turmoil and Triumph*, 537, 887.

⁷¹ James Wilson underscores the importance of this approach in *The Triumph of Improvisation*.

⁷² George Shultz, "New Realities and New Ways of Thinking," *Foreign Affairs* 63 no. 4 (Spring 1985): 705-21, 719.

⁷³ USIA Cable to U.S. Embassies re: "Public Affairs – Free Flow of Information," November 1985, Folder "Project Truth, Project Democracy, Public Diplomacy, and the NED," Box 27, Walter Raymond Files, RRL.

Issyk-Kul Forum in December 1986, organized by Soviet writer Chingiz Aitmatov and attended by Gorbachev and a number of prominent foreigners, American Alvin Toffler, author of bestselling book of futurology *The Third Wave*, argued that "no economic reform was possible anywhere" without "freedom of information" because "new economics is based to a great extent on the use of information technology." ⁷⁴

Reagan and Shultz also used the Soviet desire for arms control agreements as leverage to push Gorbachev toward internal liberalization. Greater openness and respect for human rights, they argued, were essential to win the trust of the West. In an address preceding the November 1985 Geneva Summit, at which the cultural exchange agreement was finally signed, Reagan implored Gorbachev to build confidence by expanding contacts and ending jamming of Western broadcasts. "True peace," Reagan argued, "rests on the pillars of individual freedom, human rights, national self-determination, and respect for the rule of law." Nations that did not abide by these principles domestically could not be trusted internationally. Repeating this theme prior to the Reykjavik summit the following year, Reagan vowed "to make it amply clear to Mr. Gorbachev that unless there is real movement on human rights, we will not have the kind of political atmosphere necessary to make lasting progress on other issues."

Ultimately, 1986 concluded on an uncertain note of limited progress. Yet, one important development was discernable. The administration's new policy of using human rights and human contacts to promote improved relations with and the gradual liberalization of the USSR aligned increasingly with the objectives of non-governmental groups that it had previously alienated.

⁷⁴ The Issyk-Kul Forum: A New Way of Thinking (Moscow: Novosti, 1987), 10-11.

⁷⁵ Ronald Reagan, "Address to the Nation on the Upcoming Soviet –United States Summit Meeting at Geneva," November 14, 1985, http://www.presidency.ucsb.edu/ws/index.php?pid=38068&st=&st1=

⁷⁶ Bernard Weinraub, "President Links Rights in Soviet to Summit Success," October 8, 1986, New York Times.

U.S. Non-Governmental Influence in the Soviet Union

Over the course of the Cold War, a public-private matrix of official and non-state organizations devoted to the successful management of the United States' geopolitical rivalry with the Soviet Union had emerged. This network connected policymakers and government institutions with private philanthropic foundations, think tanks, universities, and nongovernmental organizations.⁷⁷ Generally, the private, unofficial sector did not work in opposition to the government, but rather in concert with its two overarching Cold War objectives: 1) containing the global spread of communist influence while 2) avoiding nuclear war. ⁷⁸ With the onset of superpower conflict, U.S. foundations, particularly the liberal internationalist triad of Ford, Carnegie, and Rockefeller, rallied behind the Cold War objectives of the United States government. 79 In the developing world, they underwrote programs to reduce poverty aimed at undermining communism's appeal. However, the inaccessibility of the Soviet system prohibited direct aid or permanent "on the ground" presence. As a result, the U.S. government and philanthropic foundations devoted significant resources to "knowledge production," funding the growth of U.S. academic expertise on the USSR, "second track diplomacy," or alternative dialogue between unofficial, influential citizens aimed at reducing tensions, and cultural

⁷⁷ Olivier Zunz argues that the United States developed a unique "institutional matrix" connecting "business ... research universities and institutes, government agencies, and foundations" that "allowed producers, brokers, and users of knowledge to interact with each other." This matrix was a key source of growing U.S. domestic and global strength in the 20th century. See Zunz, *Why the American Century?* (Chicago: University of Chicago Press, 1998), 4. The For accounts how NGOs and research institutions served the goals of U.S. Cold War policy, see for example, James Voorhees, *Dialogue Sustained: The Multilevel Peace Process and the Dartmouth Conference* (Washington DC: Charles Kettering Foundation, 2002), 10; Engerman, *Know Your Enemy*, 43-70; Evangelista, *Unarmed Forces*. See Zunz, *Philanthropy in America*, 146-159; Spero, *The Global Role of U.S. Foundations*, 2-6; Volker R. Berghahn, "Philanthropy and Diplomacy in the American Century," *Diplomatic History* 23 no. 3 (Summer 1999): 393-419; Inderjeet Parmar, *Foundations of the American Century: The Ford, Carnegie and Rockefeller Foundations in the Rise of American Power* (New York: Columbia University Press, 2012).

diplomacy, such as citizen and academic exchanges designed to enhance mutual understanding and U.S. influence.⁸⁰

During the détente era, unofficial contacts between the United States and the Soviet Union grew. The improved East-West atmosphere and the 1975 signing of the Helsinki Final Act drove this development. In return for recognition of post-World War II European borders, the Soviet Union promised to allow expanded East-West contacts and to comply with the human rights norms enshrined in the 1948 U.N. Universal Declaration. This promise resulted in the rise of a transnational human rights movement connecting Soviet dissidents with Western governments and NGOs devoted to monitoring Soviet compliance.⁸¹

The resurgence of superpower tensions following the 1979 Soviet invasion of Afghanistan combined with Reagan's election produced a backlash against these détente era developments. As a result, U.S. non-governmental organizations, academic groups, and foundations seeking either to promote improved bilateral relations or universal human rights in the Soviet Union faced significant challenges. Their already limited access to the USSR was reduced. As one citizens' exchange group complained, the administration "refused to renew the cultural exchange agreement, cut the budget of many other exchange programs, [and] denied visas to a number of would-be Soviet visitors." At the same time, ideological differences with and funding cuts by the Reagan administration decreased their sway domestically and threatened their survival. A conservative counterrevolution gave rise to an alternative network of foundations and think tanks that rejected détente and universal human rights in favor of robust

⁸⁰ Carnegie, Ford, and Rockefeller gave \$2 million dollars to the Columbia and Harvard Russian research centers during their first decade of existence. See, for example Engerman, *Know Your Enemy*, 71; Zunz, *Philanthropy in America*, 149.

⁸¹ See, for example, Snyder, Human Rights Activism and the End of the Cold War.

⁸² Gale Warner and Michael Schuman, *Citizen Diplomats: Pathfinders in Soviet American Relations – and How You Can Join Them* (New York: The Continuum Publishing Company, 1987), 16.

anti-communism and, in the name of fiscal conservatism, advocated the federal defunding of the non-profit sector, particularly "liberal, internationalist" organizations. Spurred by groups like the Heritage Foundation, the Hoover Institution, and the American Enterprise Institute, the administration cut funding for the non-profit sector in real terms by 25-30 percent between 1981 and 1986.

Despite these difficulties, and in response to the ratcheting up of superpower tensions in the early 1980s, a number of U.S. foundations, particularly the Carnegie Corporation (CCNY), the Ford Foundation, and the Rockefeller Brothers Fund (RBF), devoted increased funding to a growing number of U.S. non-state organizations that sought to improve the U.S. Soviet relationship and reduce the danger of nuclear war through maintaining contacts and dialogue. The Ford Foundation also supported the Helsinki Watch, rejecting the Reagan administration's turn away from universal human rights toward NED-style anti-communist democracy promotion. These efforts sustained and, in some cases, expanded détente era connections between U.S. non-governmental and academic organizations and their Soviet counterparts, even as state- to-state relations were in retreat. As such, they created the infrastructure upon which U.S.-Soviet collaboration in the later Gorbachev years would be built.

In the early 1980s, the Carnegie Corporation, Rockefeller Brothers Fund, and Ford Foundation recalibrated their strategies to respond to an increasingly "interdependent" world. Under the leadership of new president David Hamburg, Carnegie began to focus on "world".

⁸³ Zunz, *Philanthropy in America*, 253; Alice O'Connor, "Financing the Counter Revolution" in *Rightward Bound: Making America Conservative* in the 1970s, eds. Bruce Schulman and Julian Zelizer (Cambridge MA: Harvard, 2008) 153.

⁸⁴ Zunz, *Philanthropy in America*, 252-53; Weaver, "The Changing World of Think Tanks," 564. The administration and also reduced funding for social science research.

⁸⁵ A number of groups besides the ones discussed in this chapter were formed in an effort to ameliorate rising superpower tensions. They included the Institute for East West for Security Studies, an organization devoted to Second Track Diplomacy and Founded the International Physicians for the Prevention of Nuclear War, a group devoted to disarmament, both established in 1980. The Institute received funding from both Ford and CCNY.

interdependence and scientific and technological change" in 1983. Ford integrated its domestic and international programs in 1980, and the Rockefeller Brothers Fund adopted a "one world" program in June 1983. For different program in June 1983.

All three foundations were particularly concerned about the rising danger of nuclear war. ⁸⁸ In his 1981 annual address, Ford Foundation president Franklin Thomas declared "no challenge facing the world is greater than promoting peace and understanding in the nuclear era," while the CCNY deemed the "the possibility of nuclear holocaust" the overriding problem facing humanity today." ⁸⁹ Hamburg founded the CCNY's influential "Avoiding Nuclear War" (ANW) program dedicated to "mobilizing the best possible intellectual, technical, and moral resources" to avoid superpower confrontation. ⁹⁰ The Rockefeller Brothers' Fund endeavored to reduce superpower tensions by funding "public information and education, exchanges, internships and joint work with the Soviet Union … on substantive fields of mutual interest." ⁹¹

Ford, Rockefeller, and the CCNY led the way in providing philanthropic support for an overlapping group of non-governmental organizations, think tanks, and academic institutions devoted to improving U.S.-Soviet relations. These groups can be loosely divided into four major categories: 1) NGOs focused on "second track" diplomacy; 2) academic experts at institutions like Harvard, Princeton, Stanford, MIT, the Brookings Institution, and RAND, who researched and collaborated with their Soviet counterparts on nuclear and crisis management issues; 3)

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⁸⁶ Carnegie Corporation of New York, *Annual Report* 1983 (New York: Carnegie Corporation, 1983), 25.

⁸⁷ Ford Foundation, *Annual Report* 1980, vi; Rockefeller Brothers Fund, *Annual Report* 1985 (New York: Rockefeller Brothers Fund, 1985), 14.

⁸⁸ This trend was not restricted to these three foundations. MacArthur and C.S. Mott created programs in 1984 to address the dangers posed by the U.S.-Soviet arms race. See Spero, *The Global Role of U.S. Foundations*, 6. For an insider's account on the activities of smaller foundations see John Tirman, *Making the Money Sing: Private Wealth and Public Power in the Search for Peace* (Lanham, MD: Rowman and Littlefield, 2000).

⁸⁹ Ford Foundation, Annual Report 1981, v.

⁹⁰ Carnegie Corporation, Annual Report 1983, 5-9.

⁹¹ Rockefeller Brothers Fund, Annual Report 1984 (New York: Rockefeller Brothers Fund, 1984), pp. 21.

organizations promoting academic and citizens' exchanges; and 4) domestic pro-détente advocacy organizations, like the American Committee on US-Soviet Relations (ACUSSR).

One of the oldest and most influential organizations committed to "second track diplomacy" was the Dartmouth Conference. The brainchild of liberal peace and anti-nuclear activist Norman Cousins, the conference was established in 1960. It won support from president Dwight Eisenhower and the Soviet Peace Committee and funding from the State Department and the Ford Foundation (by the 1980s, it was funded primarily by the Kettering and Rockefeller Foundations, with support from CCNY). Pollowing its first meeting in Hanover, New Hampshire, the Dartmouth Conference held large bi-annual plenary sessions in the United States and the Soviet Union for the next thirty years. Its goal was to open an alternative channel of dialogue through which influential, but independent, U.S. and Soviet citizens could speak about issues often too contentious to be discussed in official settings and, in so doing, help create "a readiness on the part of governments to consider moving toward" resolution of these issues. 93

While Dartmouth was similar in many ways to the more famous Pugwash Conference, established in 1957, it had several distinguishing characteristics that rendered it particularly effective. Above all, its format fostered deep and abiding ties between U.S. and Soviet participants. Unlike Pugwash, which was international, public, and focused exclusively on nuclear issues, Dartmouth was a confidential U.S.-Soviet dialogue on a range of issues. Privacy fostered greater openness and, U.S. and Soviet participants have emphasized that the conference's stable membership enabled them to form enduring personal relationships.

⁹² Philip D. Stewart, "Informal Diplomacy: The Dartmouth Conference Experience" in *Private Diplomacy with the*

Soviet Union, David D. Newsom, ed. (Lanham, MD: University Press of America, 1987), 7-8, 26-27.

⁹³ *Ibid.*, 9. ⁹⁴ Voorhees, *Dialogue Sustained*, 10-12.

⁹⁵ See, for example, accounts in Paloma Dallas and Melinda Gilmore, eds. *Dartmouth Conference: The First Fifty Years* (Washington DC: Kettering Foundation, 2010) and Alice Bobrysheva, *Thanks for the Memories: My Years with the Dartmouth Conference* (Washington DC: Charles F. Kettering Foundation, 2003), 71-72.

Dartmouth Conference participants had significant connections with and capacity to influence policymakers. As one Carnegie Corporation grant recommendation opined, the conference had long "involv[ed] prominent public leaders . . . who are not government officials, but are nonetheless well equipped to state their nation's viewpoints and to draw the attention of their governments to the results of the Conference." This was particularly true of the American side. U.S. participants included influential policymakers like Brent Scowcroft and Cyrus Vance, prominent philanthropists like David Rockefeller, successful businessmen like Donald Kendall, nuclear experts like RAND's Arnold Horelick, and scholars Seweryn Bialer and Marshall Shulman. 97

Perhaps the most influential Soviet participant was chief Soviet Americanist and head of the Institute of the United States and Canada (ISKAN), Georgii Arbatov. Serving as Conference co-chairman from 1969-1990, Arbatov was a ubiquitous figure in U.S.-Soviet exchanges for two decades, and his institute served as the chief nexus of unofficial contacts. An advocate of reducing U.S.-Soviet tensions, he was an influential contributor to Brezhnev's détente policy. 99

Yet, Arbatov was in many ways an exception. Prior to the Gorbachev years, Soviet participants, while elite, were generally less able to shape the policymakers' views than their U.S. counterparts. Because of the centralized, insulated structure of Soviet power, U.S. participant Philip Stewart lamented, the "for Soviet citizens not holding a high official position to influence policy" were "extremely limited." Nevertheless, both Dartmouth and Pugwash contributed significantly to the rise of new thinking among Soviet participants, Arbatov argues in

⁹⁶ Grant Recommendation, "For the Political Relations Task Force of the Dartmouth Conference," August 28, 1987, Box 1227, Folder 6, Kettering Foundation, Series III.A, Grants, Records of the Carnegie Corporation of New York. [hereafter CCNY]

^{§7} See Landrum R. Bolling, "The Dartmouth Conference: Subjective Reflections," in *Private Diplomacy*, 41; and Voorhees, *Dialogue Sustained*.

⁹⁸ Stewart, "Informal Diplomacy," 19.

⁹⁹ English, Russia and the Idea of the West, 154-55.

¹⁰⁰ Stewart, "Informal Diplomacy," 21.

his memoirs.¹⁰¹ These dialogues helped cultivate a generation of Western-oriented "in system" reformers at places like ISKAN and the Institute of the World Economy and International Relations (IMEMO) who were committed to a "liberal-integrationist" worldview that stressed common human interests over ideology in foreign affairs.¹⁰² Relegated to the margins in the late Brezhnev years, many rose to prominence under Gorbachev. They included Yevgeny Primakov, who joined in 1971, Georgii Shaknazarov, Andrei Grachev, Yevgeny Velikhov, Andrei Kokoshin, Roald Sagdeev, and Alexei Arbatov (Georgii's son).¹⁰³

In 1981, however, the future value of the Dartmouth Conference was very much in question. U.S. Dartmouth members lacked their usual connections within the new administration, and Reagan's hardline agenda seemed incompatible with a productive dialogue. The administration endeavored to use the conference only as a tool to reaffirm its "toughness" in the eyes of Soviet leaders. In October 1981 Haig advised U.S. Dartmouth participants to convey to their Soviet counterparts the administration's unwavering commitment to defense buildup, emphasizing the fact that this policy reflected the will of the American people. ¹⁰⁵

The administration worried that dialogues like Dartmouth and Pugwash were helping give rise to a U.S.-Soviet anti-nuclear movement. In response to SDI in 1983, Dartmouth members Yevgeny Velikhov, vice president of the Soviet Academy of Sciences, scientist Roald Sagdeev, and ISKAN deputies Andrei Kokoshin and Alexei Arbatov formed the Committee of

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¹⁰¹ See Arbatov, *The System* (New York: Random House, 1992), 310; Voorhees, *Dialogue Sustained*, 277, 361; Arbatov credits Pugwash with popularizing the idea of "reasonable defensive sufficiency" among Soviet participants.

Robert English, in *Russia and the Idea of the West* argues that "liberal integrationism" was the opposite of "hostile isolationism." Whereas one view was based upon the notion that inevitable conflict between the socialist and capitalist camps required massive military buildup and ideological competition, the other asserted that universal human values should trump class interests in international affairs, while the arms race endangered humanity and undermined socialism's economic viability.

¹⁰³ See Voorhees, *Dialogue Sustained*.

¹⁰⁴ *Ibid.*, 139-40.

¹⁰⁵ *Ibid.*, 144.

Soviet Scientists for Peace and Against the Nuclear Threat, which worked closely with likeminded U.S. members of Dartmouth, Pugwash, the Federation for American Scientists,

International Physicians for the Prevention of Nuclear War, and the Natural Resources Defense

Council. 106 Even Shultz, who generally championed U.S.-Soviet contacts, feared that this

development would undermine support in the Western alliance for strong defense. In a March 19,

1984 letter to Reagan, he warned, "as government-to-government contacts increase, we can also

expect visits to Moscow by American political figures, academics and private 'peace groups,"

along with reciprocal visits to the U.S. by their Soviet counterparts." These private actors,

particularly "U.S. and Soviet scientists who . . . publicized the 'nuclear winter' concept," would

likely attack the Reagan administration's policies. 107

Nonetheless, as the administration's interest in engaging the USSR in productive negotiations increased, the Dartmouth Conference became a useful tool. In early 1984, Shultz used Dartmouth Conference member Brent Scowcroft to make backchannel contact with new Soviet leader Konstantin Chernenko. Then in April 1984, Jack Matlock, Lawrence Eagleburger, and Thomas Simons advised Dartmouth Conference members to tell their Soviet counterparts that, having completed its first two priorities of securing economic recovery and defense buildup, the Reagan administration was now ready to work with the USSR. 109

By the end of 1986, U.S. Dartmouth participants perceived that new opportunities to influence Soviet foreign policy might be emerging. The Soviet Union, Philip Stewart observed,

¹⁰⁶ See *Weaponry in Space: The Dilemma of Security*, eds. Yevgeny Velikhov, Roald Sagdeev, and Andrei Kokoshin (Moscow: Mir, 1986), 11-12; and Matthew Evangelista, *Unarmed Forces: The Transnational Movement to End the Cold War* (Ithaca NY: Cornell University Press, 1999), 239.

¹⁰⁷ Memorandum from George Shultz to the President re: "Forthcoming Visits to Moscow," March 19, 1984, Folder 1 "USSR General 1984-1986," Box 26, Jack Matlock Files, RRL. On the rise and significance of the "nuclear winter" theory, see Allen Lynch, *Political and Military Implications of the "Nuclear Winter" Theory* (New York: Institute for East-West Security Studies, Occasional Paper no.5, 1987).

¹⁰⁸ Garthoff, The Great Transition, 148.

¹⁰⁹ Voorhees, *Dialogue Sustained*, 165-66.

had started to include in its delegation more "participants from important political institutions," a sign that the regime increasingly perceived Dartmouth as a "useful policy dialogue." ¹¹⁰ In November 1986, Vadim Zagladin, first deputy of the International Department and a close Gorbachev advisor, met with the Dartmouth's Regional Conflicts Task Force for an unusually candid discussion of Soviet involvement in Afghanistan. ¹¹¹ In addition, the Political Relations Task Force, established in January 1986 and co-chaired by Georgii Arbatov and Seweryn Bialer, proved an especially influential channel of dialogue. Its first three meetings, one participant observed, "demonstrated convincingly that Gorbachev and some of his supporters are going through a process of rethinking many of the most basic assumptions that have underpinned Soviet foreign policy." The task force was "perhaps the primary Soviet-American forum in which new ideas in foreign policy are being elaborated, tested, debated and their possible implications for Soviet-American relations considered."112 Moving forward, the Dartmouth Conference represented a key tool for interpreting and perhaps influencing Soviet foreign policy debates that would likely "determine the future character of U.S.-Soviet relations." ¹¹³

Between 1981 and 1986, U.S. NGOs and foundations also fought to sustain low-level "citizen to citizen" exchanges. A key organization devoted to this goal was the Institute for Soviet-American Relations (ISAR). Established in 1983, ISAR received funding from the RBF. Prior to the Geneva Conference, ISAR's chief objective was to "improve relations" between the two superpowers by "expand[ing] the quality and quantity" of exchanges with the USSR.

¹¹⁰ Stewart, "Informal Diplomacy," 20.

¹¹¹ Vorhees, *Dialogue Sustained*, 193-94.

¹¹² Letter from David Matthews to Frederick Mosher, August 4, 1987, Box 1227, Folder 6, Kettering Foundation, Series III.A. Grants. CCNY.

¹¹³ Carnegie Corporation, Grant Recommendation "For the Political Relations Task Force of the Dartmouth Conference," August 28,1987, Box 1227, Folder 6, Kettering Foundation, Series III.A, Grants, CCNY.

ISAR advocated reviving the cultural exchange agreement and expanding government funding for U.S.-Soviet exchanges. ¹¹⁴ In the interim, it endeavored to fill the void left by State Department's abolition of its U.S.-Soviet exchange office by serving as a "clearinghouse" for non-governmental groups interested in the USSR. ¹¹⁵ In 1983, ISAR published a handbook outlining the contacts and nature of activities of 131 U.S. unofficial groups involved with the Soviet Union. ¹¹⁶ Frustrated by official inaction, ISAR president Harriet Crosby also sought to build alternative "organizational structures" to facilitate citizen exchange. ¹¹⁷ On a trip to the USSR in February and March of 1985, right before Gorbachev assumed power, Crosby investigated the possibility of establishing a joint U.S.-Soviet Moscow "base" for private sector exchange groups. Additionally, she collaborated with Yevgeny Velikhov, Georgii Arbatov, and U.S. Senator George Brown to study the potential of setting up satellite "spacebridges" between American and Soviet citizens. ¹¹⁸

Following the Geneva summit, ISAR began to work in partnership with the Reagan administration, rather than as an alternative to it. "Since the [Geneva] Summit," Crosby wrote in December 1985, "ISAR has been asked by officials at the State Department and the USIA to help in the process of implementing the agreements reached by Reagan and Gorbachev." ISAR assisted Charles Wick in "setting up a new office at USIA to coordinate the President's Peopleto-People Initiatives and private sector exchange groups." And, through its connections to a vast array of non-governmental groups involved in the USSR, ISAR worked to bring "new ideas and

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 [&]quot;What ISAR Does," June 21, 1984, Folder 2907 "ISAR, 1983-84," Box 478, Record Group III.1, Grants,
 Rockefeller Brothers Fund Archive, Tarrytown, NY. [hereafter RBF]
 Ibid.

¹¹⁶ Institute for Soviet American Relations, *Organizations Involved in Soviet American Relations* (Washington DC: ISAR, May 1983).

Memorandum from Harriett Crosby to Select Colleagues re: "Need for A Joint Soviet American Office in Moscow to Facilitate Contacts, April 19, 1984, Box 478, Record Group III.1, Grants, RBF.

¹¹⁸ Letter from George Brown and Timothy Wirth to Georgii Arbatov and Yevgeny Velikhov, June 21, 1984, Box 478, Record Group III.1, Grants, RBF.

new ways of thinking" derived through citizen exchanges "to the attention of the decision makers in Congress and the White House." When ISAR published its second handbook in 1986, the number of U.S. organizations in USSR had doubled from 131 to 232. 120

U.S. foundations also fought to maintain academic contacts in the face of reduced federal funding and high superpower tensions in the early Reagan years. In 1984, the CCNY began funding the International Research and Exchanges Board (IREX) for the first time. Since its establishment in 1968, IREX had served as the "main mechanism for organizing and managing scholarly exchanges" between the United States and USSR. The Carnegie Corporation focused on sustaining joint U.S.-Soviet commissions that brought together U.S. and Soviet experts to work on "topics of mutual concern." ¹²¹

One particularly significant initiative was the Joint Study on Crisis Prevention undertaken by Harvard University's John F. Kennedy School of Government and ISKAN. ¹²² Upon becoming president of CCNY in 1982, David Hamburg orchestrated the project. Drawing upon connections forged at a 1978 Pugwash workshop on crisis prevention, Hamburg encouraged attendees Graham Allison of Harvard and Georgii Arbatov to establish "a joint U.S.-Soviet study on crisis prevention."

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¹¹⁹ Memorandum from Harriett Crosby re: Eleventh Trip to the Soviet Union, December 20, 1985, Folder 2907, Box 478, Record Group III.1, Grants.

¹²⁰ Institute for Soviet American Relations, *Organizations Involved in Soviet American Relations* (Washington DC: ISAR, June 1986), 1.

¹²¹ IREX, "The US-USSR Commissions of the American Council of Learned Societies, "March 1988, Box 1219, Folder 4, IREX, Series III.A, Grants, CCNY; Fritz Mosher, Grant Recommendation Memo, "Toward Support and Facilitation of Meetings Involving United States, Soviet And East European Scholars and Policy Experts, Box 1219, Folder 5, IREX, Series III.A, Grants, CCNY.

¹²² Carnegie Corporation, Grant Recommendation, Recipient: IREX "For Support of the US Soviet Joint Study on Crisis Prevention and Settlement," April 26, 1985, Box 1220, Folder 6, Harvard University – Crisis Prevention, Series III.A, Grants, CCNY.

¹²³ David Hamburg, "Foreword," in *Windows of Opportunity: From Cold War to Peaceful Competition in U.S.-Soviet Relations*, eds. Graham Allison and William Ury with Bruce Allyn (Cambridge, MA: Ballinger, 1989), ix-xi.

The Joint Study convened three times between May 1984 and April 1986, seeking to find mechanisms to prevent inadvertent nuclear war, a danger that American participants believed the USSR neglected. While the Soviets emphasized improving bilateral relations, U.S. participants "stressed the development of institutional mechanisms for preventing and settling crises." In a 1986 book that emerged from the Joint Study, Allison, Albert Carnesale, and Joseph Nye argued that arms control was insufficient to prevent nuclear war. While "hawks" and "doves" weighed rational strategic factors, debating the advantages of strength and conciliation, neither side acknowledged the role that "irrational," accidental factors might play. 125

Gorbachev's emphasis on crisis prevention at the 27th party Congress in early 1986 represented a shift in Soviet thinking that seemed to demonstrate the growing influence of Soviet members of the Joint Study on the general secretary. Many Soviet members moved from "scholar to official" in the early Gorbachev years. By early 1987, key Soviet figures including Georgii and Alexei Arbatov, Yevgeny Primakov, Georgii Shaknazarov, Fyodor Burlatsky (editor of *Literaturnaya Gazeta*), and Alexander Bessmertnykh (future ambassador to the United States) had participated in the Joint Study. Over time, these connections would deepen and expand as the Joint Study moved into its "second phase" in late 1987, "exploring the possibilities of fundamental change in the U.S.-Soviet relationship."

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¹²⁴ Joint Study on Crisis Prevention and Settlement, Report on Grant, September 1987, Box 1220, Folder 6, Harvard University – Crisis Prevention, Series III.A, Grants, CCNY.

¹²⁵ Graham Allison, Albert Carnesale, and Joseph Nye, eds. *Hawks, Doves, and Owls: An Agenda for Avoiding Nuclear War* (New York: W.W. Norton, 1986). Along these lines, in his 1985 work, *Beyond the Hotline*, Joint Study participant William Ury advocated the establishment of jointly administered crisis centers in the Soviet Union and the United States that would be employed to prevent and manage escalating nuclear crises. See William Ury, *Beyond the Hotline: How Crisis Control Can Prevent Nuclear War* (Boston: Houghton Mifflin, 1985).

¹²⁶ Joint Study on Crisis Prevention and Settlement, Report on Grant, September 1987; Gorbachev, *Political Report* of the CPSU CC to the 27th Party Congress.

¹²⁷ Joint Study on Crisis Prevention and Settlement, Report on Grant, September 1987.¹²⁸ *Ihid*

The improved post-Geneva atmosphere expanded opportunities for IREX generally. "Having sustained channels of communication at the time of severe cutbacks," IREX was "in a position to make maximum use of these new opportunities for high level U.S. Soviet projects," a CCNY grant recommendation asserted. 129 In December 1985, the American Council of Learned Societies (ACLS) and the Soviet Academy of Sciences signed a new agreement doubling the number of collaborative projects they undertook. Wick hoped that these IREX sponsored exchanges might prove a powerful conduit of U.S. influence. 130 IREX president Allen Kassof wrote to David Hamburg in April 1986, Geneva had created "a window of opportunity," as Soviet co-chair of the ACLS-Academy of Sciences Commission Georgii Arbatov was "clearly in a powerful position now." ¹³¹ By the end of 1986, IREX participants, including reformers Abel Aganbegyan, Tatyana Zaslavskaya, Yuri Afanasiev, Yevgeny Primakov, Oleg Bogomolov, and Aleksandr Yakovlev were gaining influence in Soviet politics. 132

The rise of prominent reformers in Gorbachev's inner circle by 1986 also created new opportunities for the American Committee on U.S.-Soviet relations (ACUSSR). Founded during the détente era by three of Dartmouth's most prominent participants, diplomat George Kennan, economist John Kenneth Galbraith, and businessman Donald Kendall "to support the general policy of seeking stable, peaceful relations" between the United States and the USSR, the ACUSSR was composed of foreign policy elites with ties to "in system" Soviet reformers. 133 Initially, the organization served as a "high level cheering squad" for détente. Engaging in various forms of advocacy - writing op-ed pieces, offering congressional testimony, and making

¹²⁹ Carnegie Corporation, Grant Recommendation "Toward Support and Facilitation of meetings involving United States and Soviet scholars and Policy Experts," April 25, 1986, Box 1219, Folder 4, IREX Series III.A, Grants, CCNY.

¹³⁰ Cull, The USIA and the Cold War, 454.

¹³¹ Letter from Allen Kassof to David Hamburg, April 9, 1986, Box 1219 Folder 5, IREX, Series III.A, Grants,

¹³² IREX, "The US-USSR Commissions of the American Council of Learned Societies.

¹³³ Initially the ACUSSR was called the American Committee on East West Accord.

television appearances – the ACUSSR endeavored to build a stable coalition around this policy. As ACUSSR President William Green Miller wrote, the Committee was founded upon the idea "that a liberal Democratic – centrist moderate Republican coalition could be formed which would foster a continued effort to pursue and deepen official popular support for détente." ¹³⁴

Alienated during the early Reagan years, as conservative advocacy groups and think tanks like Heritage, the Hoover Institution, AEI, and the Committee on the Present Danger gained influence, the ACUSSR began to transform its mission with the rise of Gorbachev. It started to move from advocacy toward engagement with "Gorbachev's inner circle." Mobilizing the expertise of its members, many of whom participated in the Dartmouth and Pugwash dialogues, the ACUSSR focused increasingly on the assessment of internal policy developments in the Soviet Union.

Notwithstanding these promising developments, the goals of the ACUSSR, Dartmouth, IREX, the Harvard-ISKAN group, ISAR, and the foundations that funded them did not fundamentally change in 1985 and 1986. A 1986 Carnegie report noted that, while the Geneva summit "brought some improvement in the atmosphere in which the U.S.-Soviet relationship is conducted," it had not altered "the fundamental nature of the relationship, which is based on mistrust and suspicion." Along similar lines, Dartmouth's Philip Stewart believed in late 1986 that while his organization had made "some modest progress toward eroding the ideological barriers dividing" the superpowers, it was impossible to tell how effective it had been in bringing

Letter from William Green Miller to Fritz Mosher, February 22, 1990, Box 1431, Folder 6, ACUSSR–Assessment of Developments in the Soviet Union and the U.S. Soviet Relationship, Series III.A, Grants, CCNY.
 Ibid. Also, the Ford Foundation began funding the ACUSSR in 1982. See Ford Foundation *Annual Report* 1982.
 American Committee on U.S.-Soviet Relations," Report on Grant, March 6, 1991, Folder 6, ACUSSR–Assessment of Developments in the Soviet Union and the U.S. Soviet Relationship, Series III.A, Grants, CCNY.
 CCNY, Grant Recommendation "Toward Support and Facilitation of meetings involving United States and Soviet scholars and Policy Experts," April 25, 1986.

about changes in the Soviet worldview.¹³⁸ In this climate of uncertainty, the overriding goal of these groups remained unchanged: to create an improved bilateral relationship through exchange, research, and dialogue in order to prevent the outbreak of nuclear war.

By contrast, the Helsinki Watch and the National Endowment for Democracy were not concerned primarily with the character of the bilateral relationship, but with effecting internal change in the USSR. Unlike the members of the ACUSSR, Dartmouth, and the Harvard Study, who worked with elite reformers inside the Soviet system, Helsinki and the NED forged connections with and endeavored primarily to aid dissidents and emigres, who were outside the system. Both groups vociferously criticized the Soviet Union's stifling of human rights, intellectual and religious freedom, and freedom of movement. Nonetheless, Helsinki and the NED represented two different visions. The Helsinki Watch rejected the politicization of human rights for anti-communist ends, while the NED used democracy as a tool to promote anti-communist opposition within the Soviet Union.

Joshua Muravchik aptly characterized the National Endowment for Democracy as the institutional embodiment "of the renewed spirit of democratic idealism," representing "the synthesis of Jimmy Carter's moralism and Ronald Reagan's nationalism." Once established in late 1983, the NED served as a nexus between the Reagan administration and non-governmental anti-communist and (neo) conservative forces in the United States, from Soviet emigres, like Vladimir Bukovksy, to organizations like the Hoover Institution, and the American Enterprise Institute, and center-right human rights groups like Freedom House. 140

¹³⁸ Stewart, "Informal Diplomacy," 27.

¹³⁹ Joshua Muravchik, "U.S. Political Parties Overseas," *Washington Quarterly* 12 no. 3 (Summer 1989): 91-100, 92.

¹⁴⁰ Carl Bon Tempo discusses this network in his essay "From the Center-Right: Freedom House and Human Rights in the 1970s and 1980s," in Iyire, Goedde, and Hitchcock, eds. *The Human Rights Revolution*, 223-44.

Despite its "independent" status, the NED initially worked closely with the administration. Even prior to its creation, Reagan sought to ensure that the proposed "democracy institute" would "[act] in a complementary way to government policies." He was especially concerned that it not undermine U.S. relationships with "non-democratic countries which are friendly to the United States." ¹⁴¹ Thus, the administration collaborated with the American Political Foundation study to shape the character of the new "democracy institute." ¹⁴²

Upon its establishment, the NED began monitoring opportunities to promote the "democratic trends" in the Soviet Union and Eastern Europe at the behest of the Reagan administration. An October 1984 conference on "how to open closed societies" at the Hoover Institution served as a key forum for establishing the Endowment's strategy. Conference participants included Soviet emigres, led by Vladimir Bukovksy, as well as anti-communist American intellectuals and the USIA's Walter Raymond. Participants concluded that, while prospects for democratization remained limited, the key to changing the Soviet system was fostering the growth of independent opinion "via a tissue of contacts ... not subject to regime control." By mobilizing a web of emigres, U.S. private actors, and Soviet dissidents, the

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¹⁴¹ Memorandum from William Clark to Alexander Haig re: Strategy for Building Democracy in Communist and Non-Communist Countries April 2, 1982 and Memorandum from Paul Bremer to William Clark, April 13, 1982, Folder 5 "Project Democracy," Box OA 90304, Robert Kimmitt Files, RRL. NED president Carl Gershman shared Reagan's views that communist regimes were more repugnant than authoritarian ones. A longtime aide to Jeanne Kirkpatrick, whose article "Dictatorships and Double Standards" influenced Reagan's thinking, Gershman embraced his mentor's doctrine, which held that authoritarian regimes were capable of "transitioning" to democracy, because they allowed elements of private enterprise and civil society to flourish, while "totalitarian" communist regimes like the USSR were not. Gershman also assigned priority to civil and political rights over economic justice, championed by the Soviet Union. As a result, he viewed human rights violations in communist countries, where intellectual and religious freedom were most repressed, as more egregious than those in authoritarian states. See Jeanne, Kirkpatrick, Dictatorships and Double Standards," Commentary (November 1979): 34-45. For Gershman's thinking, see Carl Gershman, "The World According to Andrew Young," Commentary (Auguset 1978); Carl Gershman, "Fostering Democracy Abroad: The Role of the National Endowment for Democracy," speech delivered October 18, 1986 at Yale University, Folder 28 "Speeches, 1984-1990," Box 7, Series II Office of the President, NED ¹⁴² For example, Thomas Reed of the Reagan NSC and former Reagan National Security Advisor Richard Allen served on the Executive Board overseeing the APF study. See "The Democracy Program: A Brief Introduction," Folder 22 "Chronological Files: January 1983," Box 1, Series I Project Democracy, NED.

¹⁴³ The NED funneled aid to Solidarity, which served the NSDD 75 goal of exploiting "weaknesses and vulnerabilities in the Soviet empire" by endeavoring "wherever possible, to encourage Soviet allies to distance themselves from Moscow in foreign policy and move toward democratization domestically."

"information monopoly" of the Soviet regime could slowly be eroded. Conference proposals informed the NED's approach moving forward. 144

Even as the Reagan administration's strategy began to shift away from confrontation with and ideological crusade against communism in 1985 and 1986, the NED pursued the aggressive, destabilizing policy outlined in NSDD 75 with vigor. Following a December 1986 "experts' meeting," the NED expanded its efforts to promote internal opposition in the Soviet bloc. These experts, who included Walter Laqueur, Zbigniew Brzezinski, Peter Reddaway, and Richard Pipes, concluded that the NED had "an enormous opportunity in the face of the collapse of communist momentum ... [to] assist democratic groups within communist systems and stimulate the process of gradual change already underway." In the USSR, they advised the NED to focus on disseminating knowledge, particularly *tamizdat* and *samizdat*, and exciting nationalism. Since Russian and non-Russian nationalism represented a "powerful force for pluralism," the NED "should help stimulate the national identity and historical consciousness of these national groups, in particular Ukrainians and different groups of Muslims." ¹⁴⁵ Taking this advice, the NED embarked on robust effort to aid sources of internal opposition to the regime.

The Helsinki Watch and the foundations that funded it, most prominently the Ford Foundation in the early 1980s, embraced a different approach. Both Helsinki and Ford were alarmed by Reagan's early strategy, which seemed simultaneously to ignore human rights

¹⁴⁴ Memo re: Conference on the USSR, Walter Raymond to Robert McFarlane, October 2, 1984, folder

[&]quot;Conference: USSR [09/14/1984-09/15/1984 – Hoover Institution]," box 22, Jack Matlock Files, RRL.

145 "Report on the Advisory Meeting on Eastern Europe and the Soviet Union," December 4, 1986, Folder 27

[&]quot;Eastern Europe – Correspondence," Box 2, Series II, Office of the President, NED.

¹⁴⁶ Ford played a critical role in the creation of the Helsinki Watch. Concerned about a "global assault on human rights" following Pinochet's seizure of power in Chile, Foundation president McGeorge Bundy agreed to U.S. CSCE delegate Arthur Goldberg's request in 1978 to assist in the creation of a U.S. NGO that could rally American public opinion behind the cause of human rights in the Eastern bloc. That year, Helsinki was established via a Ford grant. See William Korey, *Taking on the World's Repressive Regimes: The Ford Foundation's International Human Rights Policies and Practices* (New York: Palgrave MacMillan, 2007), 36; Spero, *The Global Role of U.S. Foundations*, 6.

violations perpetrated by "friendly" authoritarian regimes and to use human rights as a political weapon in the communist bloc. Helsinki Watch executive director Jeri Laber emphasized the importance of "protesting human rights abuses – wherever they occurred." "'Democracy," she recalls in her memoirs, "became the key word in Reagan's rhetoric, intended to replace 'human rights.' But the nongovernmental human rights movement would have none of it." ¹⁴⁷ In 1982, the Ford Foundation rejected a request to fund the APF study to establish the NED. The Foundation doubted that a non-governmental democracy institute could possibly be seen as anything other than a subversive effort to advance U.S. interests, as it would not promote "universal" human rights, but anti-communism and American style democracy. ¹⁴⁸

Soviet émigré Lyudmila Alexeyeva, a leading dissident who served as the Moscow human rights movement's representative to the Helsinki Watch, critiqued the administration's equation of anti-communism with democracy promotion in the Soviet Union. In particular, she warned against employing a tactic favored by the NED - stoking the flames of nationalism in a multiethnic empire in an effort to promote opposition to communism. ¹⁴⁹ Instead, Alexeyeva embraced a more liberal strand of dissent, embodied by Andrei Sakharov, that linked human rights and democratization inextricably with peace. In his famous Nobel acceptance speech Sakharov argued that "international confidence, mutual understanding, disarmament, and

¹⁴⁷ Jeri Laber, *The Courage of Strangers: Coming of Age With the Human Rights Movement* (New York: Public Affairs, 2002, 127-28; Aryeh Neier, *Taking Liberties: Four Decades in the Struggle for Human Rights* (2003), 157. Neier explains that one of the reasons that Helsinki expanded to form the Americas Watch, which monitored human rights abuses in in non-communist Latin American countries, was to "ensure we were not perceived as an adjunct of the Reagan administration."

¹⁴⁸ August 16, 1982 Letter from Richard Lyman to Lawrence Eagleburger and George Agree, Folder 8 "Fundraising Responses, 1982," Box 2, Series I, Democracy Program, NED. The Rockefeller Brothers Fund and the Kettering Foundation also rejected requests to fund the NED.

¹⁴⁹ Letter from Ludmilla Alexeeva to Ronald Reagan, May 28, 1985, Folder "1985," RAC Box 7, Walter Raymond Files, RRL.

international security are inconceivable without an open society." ¹⁵⁰ In other words, human rights and political liberalization were important not as tools to secure liberal capitalism's defeat of communism, but rather to build a more peaceful world order. 151

Ideological conflict, meanwhile, undermined the cause of human rights in the USSR. Critical of the Reagan administration's inflammatory rhetoric, Areyeh Neier of the Helsinkiaffiliated Americas Watch (and who would later run George Soros's Open Society Institute) feared that the "Helsinki Watch could have scant impact on Moscow's human rights abuses ... at a moment when our denunciations seemed simply to echo the rhetoric emanating from the Cold War antagonist."152 The U.S.-Soviet Helsinki network could only function in an improved East-West climate, Alexeyeva argued. "The network exists," she wrote in 1984, "so when relations with the USSR are revived, it should become apparent." ¹⁵³

By 1986, the Reagan administration's new focus on using human rights to promote gradual Soviet internal liberalization and more stable international relations aligned increasingly with the goals of the Helsinki Watch. As a result, collaboration between the two groups expanded. 154 At the opening of the CSCE meeting in Vienna in November 1986, Soviet foreign minister Eduard Shevardnadze shocked delegates by proposing that the USSR should host a future CSCE human rights conference. Rather than rejecting the offer out of hand, the Reagan administration responded by using the conference as leverage to induce the Soviets to comply

¹⁵⁰ Andrei Sakharov, "Peace, Progress, and Human Rights," Nobel Lecture December 11, 1975, http://www.nobelprize.org/nobel_prizes/peace/laureates/1975/sakharov-lecture.html.

¹⁵¹ In a 1987 interview, Alexeyeva distinguished between the "liberal human rights" and the "social democratic" strands of dissent. While liberals believed that peace required uniting "currently separated worlds ... into a single humanity," social democrats thought that global unity required "the world ... to become entirely socialist." Lyudmila Alexeyeva, ed. Yuri Orlov, Documents and People, "What Gorbachev took from Samizdat," National Security Archive, https://www.documentcloud.org/documents/402660-33-gorbachev-samizdat.html. ¹⁵² Neier, *Taking Liberties*, 157-58.

¹⁵³ Lyudmila Alexeyeva, Letter to Friends in Moscow, undated circa summer 1984, National Security Archive, https://www.documentcloud.org/documents/402816-30-alexeyeva-letter-to-friends.html.

Another example of the the Helsinki Watch's increased influence with the administration was Roz Ridgeway's successful pursuit of Laber's request to secure the release of Soviet political prisoner Yuri Orlov in the fall of 1986. See Laber, The Courage of Strangers, 253.

with human rights "preconditions." "In agreement with the U.S. government's approach," the Helsinki Watch partnered over the next three years in pushing Gorbachev to release all political prisoners, allow free emigration, and end jamming in return for hosting the conference. ¹⁵⁵

Finally, the Helsinki Watch network fostered wealthy financier George Soros's foray into philanthropy in the Soviet bloc, giving rise to a form of democracy assistance in the USSR that differed from the NED's oppositional approach. Soros's interest and involvement in the human rights movement dated back to the late 1970s. For Soros, the rise of the dissident movement was a portentous signal that a shift in the "prevailing bias" in the Soviet empire was underway. Seizing upon a cause that would allow him to indulge his long-held "rather potent messianic fantasies," he attended his first Helsinki Watch meeting in New York in September 1981. Over the next several years, his involvement deepened and enmeshed him in a network of Soviet dissidents and U.S. human rights activists that he would draw upon to establish a foundation in the Soviet Union in 1987, including Edward Kline of Chekov Press, who connected him with Sakharov. Ultimately, Gorbachev's release of Sakharov in December 1986 convinced Soros of the general secretary's growing commitment to the ideal of "open society" and sold him on the possibility of promoting democratization and "open society" within the parameters of the Soviet system.

By the end of 1986, opportunities for U.S. foundations and NGOs to improve bilateral relations with and foster internal change in the USSR had tentatively started to expand. And, while virtually all groups remained committed to their limited Cold War agendas, the rise of

¹⁵⁵ Laber, The Courage of Strangers, 259-261.

¹⁵⁶ Michael T. Kauffman, *Soros: The Life and Times of a Messianic Billionaire* (New York: Vintage Books, 2002), 173-174.

¹⁵⁷ George Soros, *Opening the Soviet System* (London: Weidenfeld and Nicolson, 1990), 2; Laber, *The Courage of Strangers*, 131.

¹⁵⁸ Leonid Nikitinskii, *Trudno Delat' Dobro: Fond Sorosa, 1987-1997* (New York: Open Society Institute, 1997), 8; Kauffman, *Soros*, 175.

actors like Soros, who embraced the new and expansive goal of rendering the USSR an "open society," portended transformed opportunities and challenges that began to emerge as a result of Gorbachev's evolution in 1985 and 1986.

Gorbachev's Evolving Approach to Reform

Two shifts in Gorbachev's outlook between 1985 and 1986 would impel him ultimately to pursue more radical "democratization" and economic reform domestically and "new thinking" internationally. He perceived international affairs more and more through the lens of universal human values and global interdependence rather than through the Marxist-Leninist prism of ideological struggle between socialist and capitalist camps. He also began to view political and ideological liberalization as essential prerequisites for economic growth and improved relations with the West. Thus, he grew more receptive to pressure from the West to respect human rights and expand East-West contacts. These shifts laid the foundation in 1987 for more radical, destabilizing reforms that would transform the USSR from a centralized, "closed" society with a "hostile-isolationist" approach to the West to a more decentralized, pluralistic, open state seeking integration with the global community.

When Gorbachev assumed power in March 1985, he was devoted to the Soviet system and convinced of the urgent need to reform its character. A committed Leninist, he believed deeply in the promise of socialism and its superior capacity, when properly constructed, to improve human lives. ¹⁶¹ But Soviet socialism had diverged from Lenin's ideal. ¹⁶² The

¹⁵⁹ My understanding of Gorbachev's intellectual evolution between 1985 and 1986 draws heavily upon the scholarship of Archie Brown and Robert English. See Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1996); and English, *Russia and the Idea of the West* and "The Sociology of New Thinking." ¹⁶⁰ Snyder, *Human Rights Activism and the End of the Cold War*, 12.

¹⁶¹ For example, he believed that the Soviet provision of free healthcare, education, and other benefits to its citizens represented, as he declared in a June 11, 1985 speech, "a graphic manifestation of the advantages of socialism." See Mikhail Gorbachev, "Korennoi Vopros Ekonomicheskoi Politiki Partii," Doklad na soveshanii v TsK KPSS po

centralized, bureaucratic, militarized administrative command system built under Stalin and perpetuated, in a less repressive form, under Brezhnev had stifled the Soviet Union's "human potential." It had produced popular alienation, economic "stagnation," a disastrous war in Afghanistan, and a crushing arms burden that pauperized the consumer economy and left Soviet citizens with far lower living standards than their Western counterparts. In a conversation with his wife Raisa on the eve of assuming power Gorbachev declared, "we can't go on living like this." ¹⁶³

Gorbachev's experiences in the years preceding his rise to general secretary influenced this outlook and drove him to embrace reform. After reading one of Lenin's late works in 1983, he concluded that socialism's democratic potential had eroded. Although Gorbachev was fundamentally committed to the CPSU's monopoly on power and its role in guiding society's development, his natural inquisitiveness had long inclined him toward intellectual openness, problem solving, and debate within the parameters of Marxism-Leninism. In his view, the overriding focus of entrenched bureaucrats on preserving the status quo stifled the "vital creativity of the masses," undermined the effectiveness of party cadres, and prohibited critical discussion of the problems facing socialism. His unease with the sterile, "undemocratic" nature of Soviet socialism extended to the USSR's leadership of the international communist movement. Brezhnev's crushing of the Prague Spring engendered "a lurking sense that

voprosam uskorenia nauchno-tekhnicheskogo progressa," June 10, 1985 in *Izbrannie Rechi i Stati* (Moscow: Politizdat, 1985), 109-110,

¹⁶² Mikhail Gorbachev and Zdenek Mlynar, *Conversations with Gorbachev: On Perestroika, The Prague Spring, and the Crossroads of Socialism* (New York: Columbia University Press, 2002).

¹⁶³ Mikhail Gorbachev, *Memoirs* (New York: Doubleday, 1996), 165.

¹⁶⁴ Mlynar and Gorbachev, Conversations with Gorbachev, 50-51.

¹⁶⁵ Archie Brown emphasizes this aspect of Gorbachev's personality in *The Gorbachev Factor*, 59-60; it also comes through clearly in his *Memoirs*.

¹⁶⁶ Gorbachev and Mlynar, *Conversations with Gorbachev*, 51, 66; Gorbachev, *Memoirs*, 103.

"something was not right," a feeling that increased with trips abroad. ¹⁶⁷ Impressed with the vibrancy of Western European communist parties, in 1984 Gorbachev critiqued the USSR's "domineering, paternalistic attitude" toward Eastern Europe. ¹⁶⁸

Foreign travel revealed to Gorbachev Soviet shortcomings in the material realm and confronted him with a "haunting" question: "why was the standard of living lower in our country than in other developed countries?" As central committee secretary of agriculture in 1982, Gorbachev undertook a study of the Soviet economy that made him keenly aware of how the arms race sapped civilian sector resources and caused him to question "the soundness of continuing the military build-up and arms race with the United States." ¹⁷⁰

Prior to becoming general secretary, Gorbachev had already started to doubt the efficacy of the arms race and the antagonistic class approach to international relations that underpinned it. He had been strongly influenced by a speech by Jawaharlal Nehru in Moscow in 1955, in which the Indian leader framed international relations not in terms of inevitable class conflict, but linked "peace to the progress of humanity as a whole." As head of the Supreme Soviet International Affairs committee in 1983 and 1984, he began consulting détente advocate Georgii Arbatov and proponent of disarmament, Yevgeny Velikhov, both of whom were important Dartmouth contributors and would become close advisors in 1985 and 1986. 172

Finally, through personal experience and consultation with academic experts, Gorbachev developed a sense of how the bureaucratic command-administrative system stifled individual

¹⁶⁷ Gorbachev Memoirs, 45; and Gorbachev and Mlynar, Conversations with Gorbachev, 47-48.

¹⁶⁸ Anatoly Chernayev, *My Six Years With Gorbachev* (University Park, PA: Pennsylvania State University Press, 2000), 12.

¹⁶⁹ Gorbachev, Memoirs, 103.

¹⁷⁰ *Ibid.*, 136.

¹⁷¹ *Ibid.*, 52.

¹⁷² For Gorbachev's growing closeness with Arbatov and Velikhov, see Chernayev, *My Six Years with Gorbachev*, 14-15; English, *Russia and the Idea of the West*, 184; and Roald Sagdeev, *The Making of a Soviet Scientist: My Adventures in Nuclear Fusion and Space from Stalin to Star Wars* (New York: John Wiley and Sons, 1994), 266.

initiative and innovation in the economic realm, promoting submissiveness and corruption. As a leader of the communist party organization in Stavropol in the 1970s, he became frustrated with an incentive structure that promoted quantitative output over quality and sustainable growth and awarded "the unthinking fulfillment of orders in defiance of common sense." During these years, he wrote a paper critiquing state subsidies to failing collective farms and engaged in small economic experiments that gave individual farmers increased autonomy, using market mechanisms to incentivize good performance. 174

As part of his study of the Soviet economy in 1982, Gorbachev consulted a number of reform-minded academics. Many, including Tatyana Zaslavskaya and Abel Aganbegyan of the Novosibirsk Institute, Oleg Bogomolov of IEMSS, Georgii Arbatov of ISKAN, and Stanislav Shatalin of TsEMI, participated in IREX commissions and would become influential advisors. ¹⁷⁵ Zaslavskaya, later a key figure in Soros's foundation, made a particularly influential argument in 1983 that the centralization of the Soviet economy impeded technological innovation and degraded human capital. The Soviet economy, she argued, had become far too complex "to regulate from a single center." The Stalinist model of extensive development, designed to thrust the USSR into industrial modernity through massive inputs of capital into factories manned by an unskilled proletariat was no longer tenable. By the 1980s, the Soviet population had grown increasingly educated, while prosperity in the age of high technology required intensive development and innovation. By rewarding obedience and discouraging risk, the system produced a "social type of worker" that "fail[ed] to correspond not only to the strategic aims of a developed socialist society, but also to the technological requirements of contemporary

¹⁷³ Gorbachev, Memoirs, 67-69.

¹⁷⁵ IREX, "The US-USSR Commissions of the American Council of Learned Societies, "March 1988, Box 1219, Folder 4, IREX, Series III.A, Grants, CCNY; Brown, The Gorbachev Factor, 64.

production." 176

Unquestionably, the Soviet economy was in dire straits. Plagued by burdensome military expenditures, subsidization of client states, endemic corruption, alcoholism, and poor labor productivity, Soviet economic growth continued to slow even as the West recovered from "stagflation." The high oil prices that had sustained the Brezhnev regime in the 1970s fell and, of particular concern to Gorbachev, technological innovation lagged well behind the West.

Thus, Gorbachev's first priority upon taking office was to revitalize the Soviet economy. The speeches in March and April 1985, he declared the imperative to "accelerate the country's socio-economic development on the basis of scientific-technical progress. The Eschewing deep structural reform, Gorbachev sought to improve the efficiency and tap into the unused human potential of the existing system. He endeavored to do so by increasing investment in technology and equipment for factories, streamlining the planning structure and chains of command, granting increased autonomy to enterprise managers, tamping down corruption, and improving worker productivity through initiatives like the unpopular anti-alcohol campaign.

Ideology and political constraints shaped Gorbachev's limited approach to reform. He believed that the planned economy allocated goods more rationally and equitably than markets when properly administered. At the same time, he faced significant political obstacles from party members and bureaucrats invested in perpetuating the existing system. In early 1985, when Gorbachev emphasized the need rhetorically to "deepen socialist democracy," his exhortations

¹⁷⁶ Tatyana Zaslavskaya, "The Novosibirsk Report," Survey 28 no. 1 (Spring 1984): 83-109, 88-92, 98-99.

^{177 &}quot;Session of the Politburo of the CC of the CPSU," March 11, 1985, National Security Archive, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc1.pdf.

¹⁷⁸ See Mikhail Gorbachev, "Rech' na vneocherednom plenume TsK KPSS," March 11, 1985, Tom 2, *Sobranie Sochinenie*: 158-163; "Doklad na plenume TsK KPSS," April 23 1985, *Ibid*: 189-212; and "Doklad na coveshanii v TsK KPSS po voprosam uskorenia nauchnogo progressa," June 11, 1985, *Ibid*: 304-333, 304.

¹⁷⁹ Brown, *The Gorbachev Factor*, 131-33.

¹⁸⁰ Gorbachev and Mlynar, *Conversations with Gorbachev*, 65; Anatoly S. Chernyaev, *The Diary of Anatoly S. Chernyaev*, April 23, 1985, National Security Archive, http://www.nsarchive.org. Chernyaev adds, unsure how to "bring the Soviet economy up to world standards," Gorbachev worked from the model he knew.

were not a call for politically destabilizing reform, but a means to avoid it. His concept of "socialist democracy" entailed revitalizing the "human factor" in the party and the economy. ¹⁸¹ By appointing new, reform minded party personnel and enabling greater self-management in the economic sphere, he hoped to revive the economy without challenging the underlying political-economic structure. ¹⁸²

Throughout much of 1985 and 1986, U.S. intelligence experts and scholars expressed pessimism about Gorbachev's will and ability to effect more radical economic reform. They cited a central tension: in the Soviet system, economic modernization and political expediency were in direct conflict. On the one hand, the imperative to pursue radical reform was powerful. "The weight of ineffectual and archaic political and economic institutions," Dartmouth participant Seweryn Bialer argued in 1985, "conspire to deny the country access to the global third industrial revolution and its concomitant role as a great power." ¹⁸³

On the other hand, pursuing more radical reform was potentially destabilizing.

Incentivizing greater labor productivity required increasing the quality and availability of consumer products by diverting resources from the military to the civilian sector, a politically risky move. As one CIA-DIA report concluded in early 1986, "at this stage, Gorbachev's economic policies appear to command widespread political support . . . because the defense procurement programs are largely unaffected." Increasing bureaucratic efficiency, meanwhile, threatened privileges and prerogatives of the Soviet elite, while stimulating innovation risked undermining the regime's support among workers. As Brookings scholar and future Bush

¹⁸¹ Gorbachev and Mlynar, Conversations with Gorbachev, 66-67.

¹⁸² Gorbachev, "Rech' na vneocherednom plenume TsK KPSS."

Seweryn Bialer and Joan Afferica, "The Genesis of Gorbachev's World," *Foreign Affairs* 64, no.3 (1985): 605-644, 643.

¹⁸⁴ Central Intelligence Agency and Defense Intelligence Agency Report, "The Soviet Economy Under a New Leader," March 1986, http://www.foia.cia.gov/sites/default/files/document_conversions/ 89801/DOC _0000292340.pdf.

administration Soviet specialist Ed Hewett asserted in 1986, a fundamental tension existed between the greatest strength of the Soviet economy - its provision of equal wages and stable jobs - and its greatest need - innovation. Sparking innovation and greater risk-taking required introducing market-based incentive structures that would lead to instability in wages and employment. In other words, Soviet leaders "face[d] the difficult choice between retaining strict, centralized control over information and seeking the economic benefits deriving from the new communications and information technology." Given the high political risk of economic reform, most U.S. observers concluded, Gorbachev was unlikely to pursue more radical measures.

This proved generally correct through 1986. However, Gorbachev's views continued to evolve. He increasingly embraced elements of "new thinking" in foreign policy, an outlook that challenged the basis for ongoing confrontation with the West, and, by extension, the very foundation upon which the centralized, militarized, and "closed" aspects of the Soviet system were premised.

Concerned about the burden of the arms race and foreign commitments on the Soviet economy, Gorbachev began to reorient Soviet foreign policy upon taking office. On March 14, 1985, he informed Afghan leader Babrak Karmal that Soviet troops could not stay in Afghanistan indefinitely and referred to the conflict at a meeting of the Central Committee the next day as a "bleeding wound." Then, at the April Plenum, he advocated pursuing a doctrine of military "sufficiency" rather than superiority vis-à-vis the West, and in June, he appointed

¹⁸⁵ Hewett, "Reform or Rhetoric."

¹⁸⁶ "NSSD 2-83 on US International Information Policy and Accompanying NSDD."

¹⁸⁷ "Memorandum of Mikhail Gorbachev's Conversation with Babrak Karmal, March 14, 1985, National Security Archive, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc4.pdf; "Minutes of Gorbachev's Meeting with CC CPSU Secretaries, March 15, 1985, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc5.pdf.

reform minded Eduard Shevardnadze as foreign minister to help him implement his vision. 188

Yet, "old thinking" lingered in Gorbachev's worldview. Although he commissioned an IMEMO report that concluded that military expenditures were preventing the "social sphere" from "developing as quickly as we would like," he made few substantive cuts to the defense budget. ¹⁸⁹ Moreover, he continued to argue through 1985 that imperialist aggression "forced [the USSR] to invest significant funds in defense." ¹⁹⁰

Gorbachev's early efforts to engage with the United States reflected this ambivalence. He was convinced of the need to improve relations. In a letter to Reagan on March 24, 1985, he argued that, despite their ideological differences, the two sides had one common interest that trumped all others – avoiding nuclear war. Yet, he was skeptical of Reagan, whose agenda he believed was driven by the U.S. "military-industrial complex." Nonetheless, Gorbachev and key advisors like Yakovlev (an IREX participant) believed that new opportunities to work productively with the administration might be emerging. This view was based in part on information received from unofficial U.S. contacts. For example, after meeting U.S.-Soviet Trade and Economic Commission president Jim Giffen, Vadim Zagladin argued that the U.S. budgetary crisis caused by Reagan's arms buildup and the rising influence of Shultz had

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¹⁸⁸ English, "The Sociology of New Thinking," 56.

¹⁸⁹ Analiticheskaya Zapiska "Coobrazheniya spetsialistov IMEMO po nekotorym napravleniyam po vysheniya zhiznennogo urovnya naseleniya SSSR vklyuchaya sovershenstvovanie oplaty truda i pensionnogo obespechenie, podgotovlenniya po porucheniyu Gorbacheva," Fond 5 "Materials of G.S. Shaknazarov," Opis 1, Delo 14993, Gorbachev Foundation, Moscow Russia. [hereafter GF]

¹⁹⁰ Gorbachey, Doklad na coveshanii y TsK KPSS po yoprosam uskorenia nauchnogo progressa, 306.

¹⁹¹ "Gorbachev Letter to Reagan," March 24, 1985, National Security Archive, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc6.pdf.

¹⁹² In his diary, Reagan wrote that when he and Gorbachev first met at Geneva, the General Secretary complained that America's "ruling class (munitions makers) keeps people so upset at the Soviets so they can sell more weapons." Reagan, *The Reagan Diaries*, 369.

increased the administration's desire to relax tensions, creating an opportunity for the USSR to expand trade ties and access to technology. 193

At the Geneva summit in November 1985, the first such meeting since the Soviet invasion of Afghanistan, the two sides accomplished little that was concrete. Reagan remained fiercely attached to his Strategic Defense Initiative, while Gorbachev refused to enter a meaningful dialogue on human rights. Still, key aide Anatoly Chernyaev recorded in his diary, a subtle but important "turning point" occurred. Reflecting Gorbachev's growing rejection of ideological struggle as a framework for Soviet foreign policy, the two sides "came close to the recognition that nobody will start a war" and should stop "provoking it either in the name of communism or capitalism." 194

In January 1986, Gorbachev declared his desire to eliminate nuclear weapons by the year 2000. The decision reflected his evolving definition of security and the influence of advisors like Velikhov and Sadgeev, who were participants in non-governmental exchanges like Dartmouth and Pugwash, and exposed Gorbachev to the arguments of the transnational scientific community devoted to disarmament. "He's decided to end the arms race, no matter what," Chernyaev wrote, "because he realizes that it is no risk at all. Nobody would attack us even if we disarmed completely. And, in order to get our country on solid ground, we have to relieve of the

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¹⁹³ Vadim Zagladin, "Spravka o besede c Dzh. Giffenom (SShA), prezident amerikano-sovietskogo torgogo ekonomicheskogo sovieta, o visite Boldridzha," May 17, 1985, Fond 3 "Materials of V.V. Zagladin," Opis 1, Delo 4765, GF; Yakovlev shared this view. See Alexander Yakovlev, "On Reagan," Memorandum prepared on request from M.S. Gorbachev and handed to him on March 12, 1985, National Security Archive, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc3.pdf.

¹⁹⁴Chernayev, *The Diary of Anatoly S. Chernyaev*, November 24, 1985.

¹⁹⁵ Sadgeev, *The Making of a Soviet Scientist*, 266; Arbatov, *The System*, 310; English, *Russia and the Idea of the West*, 212-214; Evangelista, *Unarmed Forcez*, 273, 279. Gorbachev was particularly receptive to ideas proposed by the transnational anti-nuclear movement, which influenced his decision in April 1985 to declare a unilateral moratorium on the testing of nuclear weapons. And, in 1986, the USSR took the unprecedented step of allowing the Natural Resources Defense Council (NRDC) to perform on-site verification of Soviet compliance with the test ban.

burden of the arms race."¹⁹⁶ As Shevardnadze writes, Gorbachev increasingly embraced the wisdom of the "Russell-Einstein Manifesto" that "the atom bomb had so changed the world that to continue thinking in old categories meant running headlong into the abyss."¹⁹⁷

Still, his conversion remained incomplete. At a landmark presentation before the 27th party Congress in February 1986, Gorbachev stood "on the frontier between old and new." ¹⁹⁸ While he emphasized how the danger of nuclear war and the rise of new technologies had rendered the fate of humanity interdependent, class categories and contempt for U.S. imperialism still framed his thinking. ¹⁹⁹

Soon thereafter, in April 1986, the Chernobyl nuclear meltdown had a dramatic impact on Gorbachev. The disaster not only intensified his fear of nuclear war, but drove him to accept the need for greater "democratization" and "glasnost" domestically. ²⁰⁰ Through 1985, he had resisted recommendations from his propaganda chief Yakovlev to deepen political and ideological liberalization. ²⁰¹ Chernobyl, however, clearly exposed the deep-seated ills of the system, and palpably conveyed how a dearth of transparency, openness, and local "democratic" initiative corroded socialism's "human potential." ²⁰² The unwillingness of those involved to share information with the center for fear of reprimand illuminated the dangers of systemic secrecy and an incentive structure that rewarded pleasing Moscow above all else. After the

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¹⁹⁶ *Ibid.*, January 16, 1986.

¹⁹⁷ Eduard Shevardnadze, *The Future Belongs to Freedom*, Catherine Fitzpatrick, trans. (London: Sinclair Stevenson Ltd, 1991), 46.

¹⁹⁸ Shevardnadze, *The Future Belongs to Freedom*, 49; Chernyaev, *My Six Years With Gorbachev*, 50-51.

¹⁹⁹ Mikhail Gorbachev, *Political Report of the CPSU Central Committee to the 27th Party Congress* (Moscow: Novosti, 1986).

²⁰⁰ Gorbachev, Memoirs, 191-193; Evangelista, Unarmed Forces, 273.

²⁰¹ Memorandum from Alexander Yakovlev to Mikhail Gorbachev, "The Imperative of Political Development," December 25, 1985, National Security Archive, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB172/Doc30.pdf Yakovlev had called for political reform that would among other things, transform the Supreme Soviet into a "real working Parliament" and give enhanced power to local Soviets. Quoting Lenin's contention that "the state is only strong when the masses know everything" he supported expanding public access to information via glasnost' to stimulate the growth of socialist consciousness and participation in public life.

²⁰² Gorbachev, *Memoirs*, 191-93.

disaster, Gorbachev began to believe that limited *glasnost*' and *democratization* would be essential for successful economic reform. ²⁰³ He declared in mid-1986 that "acceleration is not just an economic goal ... a vital component of *perestroika* is democratization." ²⁰⁴

Following Chernobyl, Gorbachev also acknowledged the link between improved relations with the West and Soviet respect for human rights domestically. He did so in part because his determination to improve relations with the United States had grown. The nuclear disaster had inspired him, according to Yevgeny Velikhov, "to take the great instinctive leap to break the old cycle." At the same time, the general secretary began to embrace the argument of Soviet scientists and their exiled leader Andrei Sakharov that a peaceful international order depended not only upon disarmament, but upon universal respect for human rights. ²⁰⁶

In a May 1986 speech at the foreign ministry, Gorbachev stressed the need to respect human rights and expand contacts in order to gain the trust of the West.²⁰⁷ Then, in late 1986, some U.S. observers noted a shift in Gorbachev's approach.²⁰⁸ After meeting with Reagan in Reykjavik in October 1986, Gorbachev made the full rhetorical transition to new thinking, declaring "universal human interests take precedent over the interests of any particular class."²⁰⁹ In December 1986, he released Andrei Sakharov from exile in Gorky, and in January 1987, he announced a new campaign for political democratization.

His motives, however, remained complex and his trajectory was far from clear.

²⁰³ Brown, *The Gorbachev Factor*, 123. After Chernobyl, Brown argues, perestroika was more "all encompassing."

²⁰⁴ Quoted in Chernyaev, My Six Years with Gorbachev, 67.

²⁰⁵ Velikhov quoted from an interview in English, *Russia and the Idea of the West*, 217.

²⁰⁶ Mikhail Gorbachev, "Herman Phelger Lecture on Rule of Law," Stanford Campus Report no. 29 (1992).

²⁰⁷ Mikhail Gorbachev, "Vremya Perestroiki," Vystuplenie v MID SSSR, May 23, 1986 in *Sobranie Sochinenii*, Tom 2 (Moscow: Ves' Mir, 2008): 124-34.

²⁰⁸ At Geneva, Gorbachev had dismissed U.S. monitoring of Soviet human rights violations as an improper incursion into Soviet internal matters. See Jack Matlock, *Autopsy on an Empire*, 97; At Geneva, Gorbachev too had dismissed U.S. monitoring of Soviet human rights violations as an improper incursion into Soviet internal matters, responding by critiquing American shortcomings.

²⁰⁹ Mikhail Gorbachev speech printed in *Literaturnaya Gazeta*, November 5, 1986, pg. 2, quoted in English, "The Sociology of New Thinking," 64.

Gorbachev's reforms were more symbolic than substantive. Skepticism persisted. Sakharov's release, one U.S. intelligence report argued, did not reflect a genuine ideological shift by Gorbachev, but his desire to win support for *perestroika* in the West and among the Soviet intelligentsia. And, Gorbachev's *glasnost'* likely represented not a commitment to free speech, but a Leninist initiative to use the press to orchestrate support for his inchoate ambitions.²¹⁰

Thus, 1986 ended on an uncertain note. Neither the character of the superpower relationship nor the internal contours of the Soviet system had changed fundamentally. While new opportunities began to emerge for U.S. non-governmental groups, their Cold War agendas remained essentially unaltered. Hope for the future was tempered by doubts about Gorbachev's will and ability to overcome domestic obstacles to pursue more sweeping reform.

Yet, the stage had been set for dramatic changes in the character of U.S.-Soviet relations. Gorbachev's growing embrace of "new thinking" and acceptance of the basic premise that limited democratization and openness were essential prerequisites for improved relations with the West and economic recovery caused him to embark in 1987 upon a more radical course that rendered the USSR increasingly decentralized, open, and "pluralistic. U.S. actors would seek to exploit these unexpected opportunities.

²¹⁰ Special Analysis, "Gorbachev Encourages Reform Debate," November 21, 1986 and Special Analysis, The Implications of Freeing Sakharov," January 7, 1986, Folder "December 1986," RAC Box 7, Walter Raymond Files, RRL.

Chapter Two

Democratizing Socialism, December 1986 to May 1989

Between December 1986 and May 1989, Mikhail Gorbachev accelerated perestroika, seeking to revitalize socialism by dismantling the hyper-centralized, repressive, militarized system constructed under Stalin and the "hostile isolationist" worldview that underpinned it. He embraced "new thinking," or the notion that interstate relations should be based upon universal human values, not ideological struggle. The greatest threat to Soviet socialism, he came to believe, was not war with the West, but the crushing arms burden and isolation that resulted from East-West antagonism. Thus, in 1987 and 1988 he made a series of unilateral concessions on human rights and security issues designed to eradicate the USSR's "enemy image," end the cycle of confrontation, and break the stalemate of the Cold War.² In a flurry of breathtaking moves, he de-linked INF from SDI, began Soviet withdrawal from Afghanistan, ended jamming of Western broadcasts, released hundreds of political prisoners, announced the withdrawal of 50,000 Red Army troops from Eastern Europe, and endorsed the principle of "freedom of choice" in international affairs, effectively granting Warsaw Pact nations permission to choose their own path.³ In light of these stunning developments, George H.W. Bush declared in a speech at Texas A&M University on May 12, 1989, that the Cold War was ending. The United States would

¹ Robert English uses the concept of "hostile isolationism" in *Russia and the Idea of the West: Gorbachev, Intellectuals and the End of the Cold War* (New York: Columbia University Press, 2000).

² On the rise of "new thinking," Gorbachev's redefinition of security, and efforts to eradicate the USSR's "enemy image," see Mikhail Gorbachev and Zdenek Mlynar, *Conversations with Gorbachev: On Perestroika, The Prague Spring, and the Crossroads of Socialim*, trans. George Shriver (New York: Columbia University Press, 2002), 139; Eduard Shevardnadze, *The Future Belongs to Freedom* (London: Sinclair Stevenson, 1991), 54-56, 58-59; and Anatoly Chernyaev, *My Six Years with Gorbachev* (College Park, PA: The Pennsylvania State University Press, 2000), 144. Chernyaev explains "to succeed with a new foreign policy, we had to demolish the myths and dogmas of a confrontational ideology."

³ Gorbachev also promised to reduce the total number of Soviet ground forces by 500,000.

begin to move "beyond containment" and work to integrate the USSR into the "community of nations."

Domestically, Gorbachev initiated a risky and complex effort to "democratize socialism." By the end of 1986 the general secretary had concluded that Soviet economic recovery was impossible without more sweeping, potentially destabilizing, *political* and *ideological* reform. He was convinced that the vast bureaucratic command-administrative structure alienated the Soviet people, stifled their creative energy, and strangled economic productivity. Endeavoring to restore a "humane" Leninist system premised upon "democratic" participation of the Soviet people, Gorbachev began scaling back the control of the party-state over economic, political, and ideological life. Yet, introducing even a modicum of "democratic pluralism" in an "involuntary," multi-ethnic empire premised upon the Communist Party's monopoly on power and truth was fraught with peril. While Gorbachev's liberalizing changes initially energized intellectuals and gave rise to a more vibrant civil society, they unleashed forces of opposition that he could not control. Independent groups' activities spun outside of proper socialist

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⁴ George Bush: "Remarks at the Texas A&M University Commencement Ceremony in College Station," May 12, 1989. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=17022.

See especially, Mikhail Gorbachev, *Reorganization and the Party's Personnel Policy: The Report and Concluding Speech by the General Secretary of the CPSU Central Committee at the Plenary Meeting of the CPSU Central Committee,* January 27-28, 1987 (Moscow: Novosti Press Agency, 1987); "Report to the CPSU Central Committee and the USSR Supreme Soviet on the 70th Anniversary of the Great October Socialist Revolution," November 2, 1987, *Pravda*, November 3, 1987. Western scholars, both subsequently and at the time, noted that Gorbachev had taken the "risky" course of introducing political reforms required to jumpstart the Soviet economy. For a contemporary analysis see Seweryn Bialer, "Gorbachev's Move," *Foreign Policy* 68 (Fall 1987): 59-87, 59. Gorbachev, Bialer asserted, seemed to understand that economic "success demands fundamental political and cultural changes reaching to the very ideas that rule the country." For a later analysis, see Archie Brown, "Did Gorbachev as General Secretary Become a Social Democrat?" *Europe-Asia Studies* 65, no. 2 (March 2013): 198-220. Brown argues that, by early 1987, "Gorbachev was putting greater emphasis on political reform, partly because he believed that economic reform would be stymied without such political change." (201)

⁶ One of the "the final aim[s] of perestroika," Gorbachev asserted at the January 1987 Central Committee Plenum, was to "bring out the utmost humane nature of our system in all decisive aspects – economic, social, political, and moral." Mikhail Gorbachev, "Zakliuchitel'noe slovo na Plenume TsK KPSS," 28 January, 1987, *Sobranie Sochinenie*, Tom 5 (Moscow: Ves Mir, 2008), 402.

⁷ Lyubomir Hajda and Mark Beissinger, eds., *The Nationalities Factor in Soviet Politics and Society* (Boulder, CO: Westview Press, 1990), 318. The authors define the USSR as an "involuntary empire."

parameters, giving rise to national popular fronts and a nascent democratic opposition movement that by the summer of 1989 began to threaten both the viability of one party rule and the integrity of the Soviet Union.

Most scholars examining U.S. engagement with the Soviet Union between 1987 and mid1989 seek primarily to explain why Cold War tensions dissipated, assessing the role of U.S.
actors in this process. Studies of non-governmental groups, in particular, treat this period as the
culmination and ultimate vindication of the Cold War strategies employed by transnational
human rights and peace networks, like the Helsinki Watch and the Dartmouth Conference. In
combination with U.S. policymakers, they argue, these groups contributed to Gorbachev's
embrace of "new thinking" and international human rights norms - ideas that eroded the
"totalitarian," "hostile-isolationist" character of the Soviet system and, by extension, enabled the
resolution of longstanding, previously intractable Cold War human rights and security issues.

Yet, this singular scholarly focus on the resolution of Cold War issues during these years has obscured the fact that even before Bush moved "beyond containment," both the character and objectives of U.S. influence in the Soviet Union had begun to change. The growing openness of the Soviet system spurred the proliferation of unofficial contacts and enhanced the role of non-governmental actors in U.S. Soviet policy. The very questions and objectives animating U.S.

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⁸ For more traditional diplomatic histories, see Raymond Garthoff, *The Great Transition: American Soviet Relations at the End of the Cold War* (Washington DC: The Brookings Institution, 1994); Melyvn P. Leffler, *For the Soul of Mankind* (New York: Hill and Wang, 2007); James Graham Wilson, *The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca NY: Cornell University Press, 2014); and Vladislav Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill NC: University of North Carolina Press, 2007).

⁹ On human rights, see Jeri Laber, *The Courage of Strangers: Coming of Age With the Human Rights Movement* (New York: Public Affairs, 2002); Sarah Snyder, *Human Rights Activism and the End of the Cold War: A Transnational History of the Helsinki Network* (New York: Cambridge University Press, 2011); and Daniel C. Thomas, *The Helsinki Effect: International Norms, Human Rights and the Demise of Communism* (Princeton NJ: Princeton University Press, 2001). On peaceful relations and disarmament, see Matthew Evangelista, *Unarmed Forces: The Transnational Movement to End the Cold War* (Ithaca NY: Cornell University Press, 1999); and James Voorhees, *Dialogue Sustained: The Multilevel Peace Process and the Dartmouth Conference* (Washington DC: Charles Kettering Foundation, 2002).

engagement with the USSR began to shift in response to Mikhail Gorbachev's effort to "democratize" socialism, which rendered the USSR simultaneously more "pluralistic," decentralized, and unstable. By 1988, Assistant Secretary of State for Human Rights Richard Schifter argued, the USSR "emerged from totalitarianism and began its gradual transition to democracy." The question of how to interpret and shape the rise of a nascent Soviet "democratic" order presented U.S. policymakers and influential non-governmental actors with unprecedented challenges and opportunities, impelling them to rethink and recalibrate their established Cold War missions.

Tracing the evolving relationship between non-governmental groups and the Reagan and Bush administrations, this chapter examines how these actors interpreted, reacted to, and sought to influence the internal course of "democratization" in the Soviet Union between late 1986 and mid-1989. Sobering narratives of the shortcomings of U.S. efforts to promote Russia's post-Soviet democratic "transition" after 1991 – and the anti-Western backlash that those efforts provoked - rarely connect with more triumphant tales of the end of the Cold War. 11 Yet, this chapter demonstrates that the approaches developed by U.S. policymakers and NGOs during

¹⁰Anatoly Adamishin and Richard Schifter, *Human Rights, Perestroika, and the End of the Cold War* (Washington DC: United States Institute of Peace Press, 2009), 144.

¹¹ For such sobering narratives, see Sarah L. Henderson, *Building Democracy in Contemporary Russia: Western Support for Grassroots Organizations* (Ithaca: Cornell University Press, 2003); John K. Glenn and Sarah Mendelson, eds., *The Power and Limits of NGOs: A Critical Look at Building Democracy in Eastern Europe and Eurasia* (New York: Columbia University Press, 2002); Michael McFaul, Nikolai Petrov, and Andrei Ryabov, *Between Dictatorship and Democracy: Russian Post-Communist Political Reform* (Washington DC: Carnegie Endowment for International Peace, 2004); Sarah Mendelson, "Democracy Assistance and Political Transition in Russia," *International Security* 25. No. 4 (Spring 2001): 68-106; Glenn Roberts, "Doing the Democracy Dance in Kazakhstan: Democracy Development as Cultural Encounter," *Slavic Review* 71, No. 2 (Summer 2012): 308-330; and Lisa Sundstrom, *Funding Civil Society: Foreign Assistance and NGO Development in Russia* (Stanford CA: Stanford University Press, 2006); Andrew Wilson, *Virtual Politics: Faking Democracy in the Post Soviet World* (New Haven: Yale University Press, 2005).

these uncertain years of ad-hoc experimentation laid the foundation for U.S. efforts to promote democracy in the Soviet Union moving forward.¹²

During these years, U.S. non-governmental actors first began providing significant "democracy assistance" to the Soviet Union. Seizing upon the new accessibility of Soviet society, George Soros, the Helsinki Watch, and the National Endowment for Democracy (NED) drew upon established contacts in a network of Soviet dissidents and émigrés to expand their previously limited efforts to promote internal political liberalization. In late 1986 and 1987, Soros and the NED pioneered efforts to promote democracy through monetary grants and intellectual and technical assistance to new independent democratic forces. Then, in 1988 as "classical" Cold War human rights issues were resolved, the Helsinki Watch expanded its agenda to include the growth of the USSR's emergent "civil society."

Groups that had focused throughout the Cold War on the U.S.-Soviet bilateral relationship, like the Dartmouth Conference, the American Committee on U.S.-Soviet Relations (ACUSSR), Institute for Soviet-American Relations (ISAR) and foundations that funded them, like the Carnegie Corporation of New York (CCNY), began gradually turning their attention to

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¹² Both the rapidly changing conditions in the USSR and the early state of field of "democracy assistance" in the United States contributed to the "ad hoc," experimental character of these efforts. As Sarah Sunn Bush observes, as democracy assistance became more technocratic and professionalized in the 1990s, norms across the field converged. Institutional survival became an end in itself, and democracy NGOs pursued less confrontational strategies that ensured their continued access to authoritarian countries. Yet, in the USSR in the late 1980s, Soros and the National Endowment for Democracy (NED) embraced different ideological positions and pursued risky strategies. The NED provided significant support for the political opposition, while Soros, deeply averse to the inertial impulses of large philanthropic foundations, worked to remain as flexible and to distribute as much money as quickly as possible. See Bush, *The Democracy Establishment*, Ph.D. Dissertation, Princeton University, 2011; Michael T. Kauffman, *Soros: The Life and Times of a Messianic Billionaire* (New York: Vintage Books, 2002), 211. ¹³ Thomas Carothers defines democracy assistance as "aid specifically designed to foster a democratic opening in a nondemocratic country or to further a democratic transition in a country that has experienced a democratic opening." See Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington DC: Carnegie Endowment for International Peace, 1999), 6.

¹⁴ Both Soros and the NED tested these strategies in Eastern Europe. The NED offered substantial support for Solidarity in Poland throughout the 1980s. Soros established a foundation in his native Hungary in 1984. However, Soros's involvement in supporting "open societies" in the Eastern bloc vastly expanded when he moved into the Soviet Union. For an account of the NED's activities in Poland, see Gregory Domber, *Empowering Revolution: America, Poland, and the End of the Cold War* (Chapel Hill: University of North Carolina Press, 2014). For more on Soros's foundation in Hungary see Kaufmann, *Soros*, 194-95.

the domestic course of *perestroika*. While they generally continued to assign priority to bilateral issues, they exploited their connections with Soviet "in-system" reformers and reoriented their focus in 1987 and 1988, concentrating more and more on developing expertise on the internal political dynamics of Soviet society and their potential impact on the superpower relationship.

By 1989, mounting economic woes, nationalism, and conservative backlash against *perestroika* threatened to reverse liberalizing changes in the USSR. In spite of this, the Bush administration initiated a "pause" in relations. Frustrated by the administration's inaction, the Helsinki Watch, Soros, and the NED endeavored to fill the void, working more vigorously to aid the growth of democracy in the USSR. At the same time, "bilateral" groups established new contacts with and, in some cases, began providing assistance to nascent democratic forces. By mid-1989, their efforts started to converge with those of Soros, Helsinki and the NED.

Ultimately, by late May 1989, a "dual track" U.S. approach to promoting democratization in the Soviet Union emerged. As the Congress of People's Deputies met in Moscow and the first organized democratic opposition to Gorbachev began to coalesce, the Bush administration ended its "pause" and threw its support behind Gorbachev as the embodiment of *perestroika*. Placing primacy on the maintenance of stable relations with the USSR and facing a budget deficit, the administration refrained from lending technical, material, or rhetorical support to democratic forces that might destabilize Gorbachev. As a result, the task of supporting democratic institutions and civil society groups in the Soviet Union fell to independent actors and was pursued in a bottom up, decentralized manner.

¹⁵ Michael McFaul and James Goldgeier, *Power and Purpose: U.S. Policy Toward Russia After the Cold War* (Washington DC: Brookings, 2003) use this term "dual track" to describe the relationship between the George Bush administration and the NED. They do not, however, discuss the work of other non-governmental groups. (pg. 30)

While previous scholars have portrayed these dual tracks as complementary, in reality, the relationship between them was more complex. At times these unofficial groups acted in concert with the Reagan and Bush administrations. As cumbersome official bureaucracies struggled to adapt to the rapidly changing, decentralizing Soviet political scene, more flexible and dynamic non-governmental groups were able to provide "on the ground" information that rendered internal Soviet developments "legible." And, for the most part, the Reagan and Bush administrations welcomed unofficial efforts to forge contacts with and assist new Soviet democratic actors. The Reagan administration viewed expanding contacts as key tools of internal liberalization, and, by the summer of 1989, the Bush administration began to outsource the cost and political risk of assisting democratic forces in the USSR to independent groups not directly affiliated with the U.S. government.

Yet, unofficial democracy aid also contradicted and undermined administration policies supporting Gorbachev. Moreover, it had a mixed but significant impact on the volatile Soviet political scene, both empowering the growth of and eliciting anti-Western backlash against a rising democratic opposition movement. While U.S. support helped nascent democratic forces project potent ideas into an increasingly open and contested political playing field, at times it also discredited these groups as U.S. agents and intensified the antipathy of Soviet conservatives to national independence, human rights, and democratic movements that they perceived as embodying foreign ideals. ¹⁷ Without arguing that U.S. aid played a decisive role in influencing

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¹⁶ *Ibid.*, 30. McFaul and Goldgeier contend "most of the time ... these non-governmental actors worked closely with U.S. officials."

¹⁷ Once *glasnost'* opened the intellectual playing field, dissident ideas, from Russian nationalism to liberal concepts of human rights, rule of law, and free speech, caught on rapidly. They represented a much more compelling vision for replacing the crumbling Stalinist order than the general secretary's awkward half-measures aimed at liberalizing within Leninist parameters. While dissidents did not themselves seize power, their ideas shaped the course of *perestroika* and were used by figures like Boris Yeltsin, who sold themselves as "democrats," as battering rams to bring down the Soviet system. See Robert Horvath, in *The Legacy of Soviet Dissent: Dissidents, Democratization, and Radical Nationalism in Russia* (New York: Taylor and Francis, 2005).

perestroika's trajectory during these years, this chapter illuminates the complex cultural, ideological, and political impact that U.S. democracy assistance had – and would continue to have – on the rapidly evolving Soviet scene.

Gorbachev's Initial Reforms and the Rise of Soviet Civil Society

"We need democracy," Mikhail Gorbachev declared in February 1987, "to give greater scope to the creativity of our people." By late 1986, Gorbachev and his key advisors had become convinced that the USSR's economic and spiritual crisis stemmed from the fact that the party-state "had been allowed to swallow civic society and dominate it with its bureaucratic structures." Slowed economic development, Gorbachev declared at the January 1987 Central Committee Plenum, was "rooted in serious shortcomings . . . of socialist democracy." Central planning stifled innovation in an economy that had grown too complex to be regulated from a single center, while corrupt party and state officials "abused authority" and "suppressed criticism" for their personal gain. Economic modernization, therefore, required democratizing initiatives that would both stimulate popular participation and improve the leadership, efficiency, and discipline of the party. Emphasizing the need for expanded *glasnost'*, or transparency, economic autonomy and self-management, and respect for the rule of law, Gorbachev declared in January 1987, "democratization is not just a slogan, but the essence of *perestroika*."

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¹⁸ Mikhail Gorbachev, "Address to a Labor Union Convention in Moscow," February 25, 1987, reprinted in *Surviving Together* 11 (March 1987), 13 in Folder "Surviving Together, March 1987," Box 4, ISAR Series, Hoover Institution, Stanford, California [hereafter Hoover].

¹⁹ Aleksandr Yakovlev, "Perestroika or the Death of Socialism," in Stephen Cohen and Katrina vanden Huevel, eds., *Voices of Glasnost': Interviews with Gorbachev's Reformers* (London: W.W. Norton, 1989), 33-75, 39.

²⁰ Mikhail Gorbachev, "Zakliuchitel'noe slovo na Plenume TsK KPSS," January 1987, *Sobranie Sochinenie*, Tom 5 (Moscow: Ves Mir, 2008), 396.

²¹ *Ibid.*, 400.

²² *Ibid.*, 413.

While Gorbachev believed that socialism should be more humane, accountable, and responsive to the needs of its individual citizens, he was careful to distinguish his vision of democracy from its "bourgeois" Western counterpart. Socialist democracy, he asserted in January 1987, "had nothing in common with permissiveness, irresponsibility and anarchy." While it would serve the individual, "broadening ... guarantees for rights and freedoms of citizens," the needs of the individual did not trump the needs of society. Rather, socialist democracy's "main distinguishing feature" was its "organic combination of democracy and discipline, of independence and responsibility, and of the rights and duties of every citizen." In other words, expanded popular participation and free expression were subordinate to the broader goal of building socialism and were acceptable only so long as they took place within the parameters of the one-party, Marxist-Leninist system.

Gorbachev faced a paradoxical dilemma: the Communist Party was both the vehicle and object of *perestroika*. Revitalizing socialism thus required reducing the prerogatives and privileges of the very party-state apparatus upon which Gorbachev depended to implement reform.²⁵ By expanding popular input and autonomy, Gorbachev hoped to build an alternative base of support for *perestroika* among the Soviet public, intellectuals, and even the West, that would spur the party forward.²⁶

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²³ *Ibid.*, 421.

²⁴ Gorbachev told a Council on Foreign Relations Delegation to Moscow in February 1987 that the USSR had embraced the formula "more socialism, more democracy." Democratization was not a rejection of socialism, but an effort to allow it to reach its full potential. Anyone, Gorbachev warned, who "thinks we will reject socialism is awaiting a big disappointment." Mikhail Gorbachev, "Iz besedy s gruppoi predstavitelei Sovieta po Mezhdunarodnym otnosheniyam (N'iu Y'ork)" in *Sobranie Sochinenie* 5, 477.

²⁵ Political reform, Gorbachev confided in his advisors before the January 1987 plenum, was extremely difficult because it "touches everyone's prestige. Everyone is wondering 'will democratization undermine my position?'" See Chernyaev, *Six Years with Gorbachev*, 93.

²⁶ As Gorbachev has written, "Thanks to glasnost', perestroika began to find an increasingly broad social base ... Freedom of speech made it possible to go over the heads of the apparatchiks and turn directly to the people." See Mikhail Gorbachev, *Memoirs* (New York: Doubleday, 1995), 203.

Thus, beginning in late 1986, Gorbachev embarked on an unprecedented effort to "involve the people in the process of change." ²⁷ He deepened *glasnost'*, appointing liberal editors to a number of key journals, and encouraged the Soviet people to critique inefficiencies and corruption in the Soviet system – within limits. ²⁸ Starting with Andrei Sakharov in December 1986, he initiated the release of hundreds of political prisoners. At the January 1987 plenum, he called for "democratization" of the Communist Party, advocating the introduction of multi-candidate elections and term limits in an effort to rejuvenate party cadres and purge the CPSU of its corrupt, careerist elements. He simultaneously began reducing the control of the party-state over the economy. In late 1986 he ended the state monopoly on foreign trade and allowed limited forms of individual private enterprise. Then, at the June 1987 party plenum, he granted enterprises greater autonomy to buy and sell goods based on market incentives.

Change was gradual at first. Until the transformative 19th Party Conference in June 1988, Gorbachev's call for democratization of the party remained mainly rhetorical, while partial efforts to graft market elements onto the planned economy produced not recovery, but growing confusion. Still, one profound development occurred. The freer ideological atmosphere produced an unprecedented outpouring of independent expression and activity by Soviet citizens. Informal citizens' clubs, or *neformalnye* proliferated. By 1988, 30,000 informal organizations had been established, devoted to causes ranging from the reform of socialism, environmentalism, human rights, and national autonomy.²⁹

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²⁷*Ibid.*. 175.

²⁸ Gorbachev asserted on January 28, 1987 that *glasnost*', criticism, and self-criticism were essential. "The people need the whole truth," he asserted. Thus, "we need the press as an active participant in *perestroika*," to "support *glasnost*'." However, at the same time, he warned, the press must do so responsibly and avoid "sensationalism." Gorbachev, "Zakliuchitel'noe slovo na Plenume TsK KPSS," 455-6.

²⁹ Lyudmila Alexeyeva and Katherine Fitzpatrick, *Nyeformaly: Civil Society in the USSR* (New York: Helsinki Watch Report, February 1990), 57.

Over the course of 1987, these informal movements grew more radical, fueled by the return of dissident political prisoners to active life. They gained organizational coherence and tested the boundaries of *glasnost'*. Still, most groups supported *perestroika* and refrained from attacking the Leninist underpinnings of the system. At an organizational conference in August 1987, socialist political clubs issued a left-libertarian critique of Stalinist bureaucracy, arguing, as Lenin had in *State and Revolution*, for autonomous self-government by workers' collectives and local soviets. The Memorial Society, formed the same month, began advocating for the memorialization of victims of Stalinism. Other groups pushed a bit farther. Former political prisoner Sergei Grigoryants' independent newspaper *Glasnost'* published radical opinions, while dissidents Lev Timofeyev, Larissa Borogaz, and Sergei Kovalyev's human rights group, Press Club Glasnost', challenged the regime's human rights record. In August 1987, protests erupted in the Baltics against Molotov-Ribbentrop Pact that challenged the legitimacy of the Soviet narrative of "voluntary" Baltic incorporation and, by extension, the Union.

New Challenges and Opportunities, 1987

The new openness and pluralism of the Soviet system presented unfamiliar and daunting questions to U.S. actors. They struggled to determine what Gorbachev's efforts to democratize socialism signified and how they should respond. As Soviet General Georgii Kornienko reported in a letter to Gorbachev following a January 1988 visit to the United States, that there was an

³⁰Alexeyeva and Fitzpatrick, *Neformaly*, 59-60.

Vladimir Lenin, *The State and Revolution* (1917) available online https://www.marxists.org/ebooks/lenin/state-and-revolution.pdf.

³¹ Alexeyeva and Fitzpatrick, *Neformaly*, 62.

³² See, for example, *Information Bulletin Glasnost'*, issues 1-12 (New York: Center for Democracy, 1987).

³³ "The Baltic Demonstrations: Gorbachev's Problem," September 11, 1987, HU OSA 300-8-3-8697; Records of Radio Free Europe/Radio Liberty Research Institute: Publications Department: Background Reports; Open Society Archives at Central European University, Budapest [hereafter OSA].

"active process of trying to understand (*osmyslenie*) – through relatively hot debate – the changes underway in domestic life in the USSR." ³⁴

In spite – or perhaps because – of the disorienting processes underway, U.S. perceptions of Gorbachev's actions and objectives were heavily shaped by pre-existing attitudes about the character and reformability of the Soviet system. Proponents of the totalitarian paradigm continued to assert that the Soviet system was not reformable. The communist party, they held, was uniformly devoted to perpetuating its monopoly on power, an objective fundamentally incompatible with genuine market or democratic reform. Accordingly, Gorbachev's liberalizing reforms could be nothing other than a "tactical retreat" designed to appease the West and create "breathing space" while the Soviet Union rebuilt its strength in pursuit of its ultimate, unchanging objective: global domination. By contrast, others – ranging from moderates like George Shultz to left-leaning revisionist scholars like Stephen Cohen – believed that Gorbachev was fundamentally recalibrating Soviet foreign policy in order to build a more humane, productive system domestically.

Even those more sympathetic to Gorbachev agreed in late 1987 that his liberalizing domestic reforms, while unprecedented, remained limited. As a September 1987 Reagan

³⁴ G. Kornienko, "Spravka o besedakh vo vremya prebyvaniya v SShA, 26-30 Yanvarya 1988 goda," February 12, 1988, Opis 1, Fond 2, Delo 977, Gorbachev Foundation, Moscow, Russia [hereafter GF].

³⁵ A number of scholars have observed this phenomenon. See, for example, David Engerman, *Know Your Enemy: The Rise and Fall of America's Soviet Experts* (New York: Oxford University Press, 2009); Ofira Seliktar, *Politics, Paradigms and Intelligence Failure: Why So Few Predicted the Collapse of the Soviet Union* (London: M.E. Sharpe, 2004).

³⁶ Vladimir Bukovsky, a key figure associated with the NED, was a leading proponent of this viewpoint. See "Let Gorbachev Give Us Proof," *Moscow News*, March 29, 1987, 10; "Glasnost' and Grantmaking" *Philanthropy* (July August 1988): 11-12; and, "Who Resists Gorbachev?," *Washington Quarterly* 12 no. 1 (1989), 5-19.

³⁷ See, for example, George P. Shultz, *Turmoil and Triumph, My Years as Secretary of State* (New York, Charles Scribner and Sons, 1993), 1003; and Stephen Cohen, "How U.S. Journalists Perceive the USSR and Why," *Surviving Together* 12 (Summer 1987): 96-97 in Folder "Surviving Together, Summer 1987," Box 4, ISAR Series, Hoover.

administration briefing booklet declared, while "some significant changes have taken place . . . none challenges the supremacy of the Communist Party." 38

U.S. observers simultaneously noted, however, the potential for "pluralistic" forces unleashed by Gorbachev's reforms to spin beyond his control. By "acting as a catalyst of change and releasing long repressed energies of the Soviet people" ISAR president Harriet Crosby wrote in March 1987, Gorbachev had "taken the lid off of Pandora's box." ³⁹ A June 1987 U.S. intelligence report concluded, "the main issue before the intelligence community is beginning to shift." The question at stake was moving from whether Gorbachev would initiate "fundamental reform" to "what will be the consequences?"

The Reagan Administration's Response

The Reagan administration was slow to respond to changes in the Soviet Union over the course of 1987. The Iran-Contra scandal served as a major distraction. Yet, a bigger problem according to Secretary of State George Shultz was "the massive, continuing refusal of many key players in the administration to exercise any creativity in our policy." This failure to respond innovatively stemmed from the difficulty of discerning the course of *perestroika* and its potential impact on U.S. interests.

The U.S. intelligence community had developed few analytical mechanisms over the Cold War for assessing pluralism and potential instability in the USSR. Since the late 1970s, the Central Intelligence Agency (CIA) had identified growing weaknesses in the Soviet system that

³⁸ Revised Briefing Book, Shevardnadze Visit 9/87, Folder 2, Box 92191, Fritz Ermarth Files, Ronald Reagan Presidential Library [hereafter RRL].

³⁹ Harriett Crosby, "Message from the President of ISAR," Surviving Together 11 (March 1987), 1.

⁴⁰ "Gorbachev Wins Backing for Fundamental Reforms, Folder 9 "Soviet Union 1987-1988 Memos-Letters," Box 8, Nelson Ledsky Files, RRL.

⁴¹ Shultz, *Turmoil and Triumph*, 870.

might theoretically compel political change. Reports noted mounting economic woes, black market activity, demographic problems, and ideological disaffection. ⁴² Even as overt political dissent was crushed during the late Brezhnev years, U.S. observers pointed to nascent sources of "pluralism." Industrial modernity had produced an educated, professional, and urban Soviet population, and the Soviet people engaged in activities – from rock and roll and Western consumer culture, to ethnic and religious cultural practices, to environmental preservation – that, while not explicitly opposed to Marxism-Leninism, provided alternative sources of meaning. ⁴³ These trends, however, appeared to pose no imminent threat to the system's stability. Thus, the CIA's Office of Soviet Analysis remained focused on evaluating the USSR's capacity to project economic and military power globally and did not establish a section devoted to domestic social and political issues until 1984. ⁴⁴

The CIA's 1985 report "Domestic Stresses on the Soviet System" represented its "first attempt to assess the impact of these internal Soviet problems." However, the report's authors lamented, doing so was difficult due to "lack of good social theory for ... a society that is far from fitting the old 'totalitarian model' but is still ruled by a regime that strives to fulfill many of that model's features." Predicting that Gorbachev would not dismantle the system's basic centralized political structure, the report concluded that, "for the foreseeable future, the troubles

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44 Lundberg, "CIA and the Fall of the Soviet Empire," 8.

⁴² See, for example, Engerman, *Know Your Enemy*, 312-313; Kristen Lundberg, "CIA and the Fall of the Soviet Empire: The Politics of 'Getting it Right,'" 8-9, available online, http://216.12.139.91/Reagan/19950601.pdf; and Seliktar, *Politics, Paradigms and Intelligence Failure*, 47-57

⁴³ See, for example, Lyudmila Alexeyeva, *Soviet Dissent: Contemporary Movements for National, Religious, and Human Rights* (Middletown, CT: Wesleyan University Press, 1985); Sabrina Ramet, *Rocking the State: Rock Music and Politics in Eastern Europe and Russia* (Boulder, CO: Westview Press, 1994); Timothy Ryback, *Rock Around the Bloc: A History of Rock Music in Eastern Europe and the Soviet Union*, (New York: Oxford University Press, 1990); Vladimir Shlapenthokh, *Public and Private Life of the Soviet People* (New York: Oxford University Press), 1989; Richard Stites, *Russian Popular Culture: Entertainment and Society since 1900* (New York: Cambridge University Press, 1992); Alexei Yurchak, *Everything was Forever Until it was No More: The Last Soviet Generation* (Princeton, NJ: Princeton University Press, 2006); Sergei I. Zhuk, *Rock and Roll in the Rocket City: The West, Identity and Ideology in the Rocket City* (Baltimore: Johns Hopkins University Press, 2010).

of society will not present a challenge to the system of political control that guarantees Kremlin rule." ⁴⁵

Thus, the CIA was unprepared when Gorbachev began scaling back the control of the party-state, triggering mounting pluralist energies. Chief of Soviet analysis Douglas MacEachin informed Congress in 1988 that the CIA "never really looked at the the Soviet Union as a political entity in which there were factors building which could lead to . . . a political transformation." This was true of Soviet experts throughout the U.S. government. Accustomed to treating the Soviet political structure as monolithic, U.S. experts were caught off guard by the prospect of decentralization. Following riots in Alma Ata, Kazakhstan in 1986, Jack Matlock advocated composing a National Security Strategy Directive on Soviet nationalities. Doing so would provide an institutional impetus to create "more slots for analysts . . . who are familiar with the non-Russian languages and cultures" and fill an intellectual void in the U.S. government.

In addition to these analytical shortcomings, the persistent division between hardliners and moderates in the Reagan administration over Gorbachev's motivations hindered its ability to respond creatively to Soviet initiatives in 1987. The presence in key positions of hardliners who

⁴⁵ "Domestic Stresses on the Soviet System," National Intelligence Estimate, November 18, 1985, available online http://www.foia.cia.gov/sites/default/files/document conversions/89801/DOC 0000681980.pdf.

⁴⁶ Quoted in Benjamin Fischer, ed. *At Cold War's End: US Intelligence on the Soviet Union and Eastern Europe, 1989-1991*, available online https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/at-cold-wars-end-us-intelligence-on-the-soviet-union-and-eastern-europe-1989-1991/art-1.html#rtoc1.

⁴⁷ Memorandum for Fritz Ermarth from Jack Matlock re: "Odds and Ends," December 31, 1986, Folder 3 "Important History Pre-1987 [left for Ermarth]" Box 27, Jack Matlock Files, RRL. In 1983, Matlock worked as part of an interagency team that wrote a proposed, but never approved NSDD, asserting that the United States needed to "enhance [U.S. governmental] capabilities for understanding and influencing developments within the Soviet Union affecting ethnic and national groups." See Proposed NSDD, Folder "Nationalities, Box 28, Jack Matlock Files, RRL.

rejected the USSR's capacity for genuine change, like CIA acting director Robert Gates and National Security Agency director William Odom, deepened gridlock and inertia.⁴⁸

Yet, the moderate Shultz exerted primary influence over the administration's Soviet policy. By the fall of 1987, he was convinced that "a profound, historic shift was underway: the Soviet Union was . . . turning a corner." ⁴⁹ Gorbachev's desire to transform socialism into a more economically productive, humane system was causing him to reject the burdens imposed by global Cold War struggle and to reorient Soviet foreign policy. Shultz was most impressed by the erosion of the Brezhnev Doctrine, or the declared right of the Soviet Union to intervene to support socialist regimes wherever they were threatened. 50 Deputy Secretary of State John Whitehead's February 1987 trip to Eastern Europe revealed that the USSR was tolerating a deep degree of democratic ferment in its Warsaw Pact satellites, while in September 1987, Eduard Shevardnadze confided in Shultz that the Soviet Union would be withdrawing from Afghanistan.⁵¹

In December 1987, prior to the superpower summit in Washington DC, Shultz advised Ronald Reagan that the United States could capitalize on mounting political instability in the USSR to push Gorbachev to deepen liberalization in foreign and domestic policy. Gorbachev's October 1987 dismissal of Boris Yeltsin from the Politburo following Yeltsin's attack on conservative resistance to *perestroika*, "revealed fault lines in the Soviet leadership, which we do not fully understand, but which probably limit Gorbachev's freedom of action." Given these

⁴⁸ Shultz, *Turmoil and Triumph*, 865, 873; Lundberg, "The CIA and the Fall of the Soviet Empire," 19.

⁴⁹ Shultz, Turmoil and Triumph, 1003.

⁵⁰ For changes underway in Soviet policy toward Eastern Europe, see Matthew J. Ouimet, *The Rise and Fall of the* Brezhnev Doctrine in Soviet Foreign Policy (Chapel Hill, NC: University of North Carolina Press, 2002); Svetlana Savranskaya, Thomas Blanton, and Vladislav Zubok, eds. Masterpieces of History: The Peaceful End of the Cold in *Europe, 1989*, (Budapest: Central European University Press, 2010). ⁵¹ Shultz, *Turmoil and Triumph* 873, 987.

rising domestic political challenges, Shultz concluded, Gorbachev "is probably prepared to go even further than he has so far to achieve predictability in U.S.-Soviet relations."⁵²

Shultz believed that the United States should use its growing leverage over Gorbachev to "pull him in the right direction – and as fast as possible." 53 While "people to people" contacts had grown to "unprecedented" numbers and Soviet human rights practices had improved, Shultz urged Reagan prior to the Washington Summit to push for additional "progress on family reunification, emigration, and greater freedom of expression."54 By emphasizing the right of freedom of conscience, U.S. human rights negotiator Richard Schifter believed, the United States could invalidate Soviet laws restricting political dissent and foster the growth of a more "open society."55 Thus, the administration continued to link Soviet respect for human rights to improved relations in other areas and to U.S. approval of the Soviet request to host the 1991 CSCE conference. U.S. leaders also continued to underscore the links between openness, individual freedom, and economic progress in the age of high-technology, knowledge based economies. ⁵⁶ Exploiting opportunities to provide economic advice, Shultz pushed the Soviets to "abandon not modify a failing [economic] system." In April 1987, Shultz urged Nikolai Ryzhkov, chairman of the Soviet Council of Ministers, to avoid "gradualism" and introduce fullfledged, socially painful market reforms like decontrolling prices while popular opinion remained behind *perestroika*.⁵⁷

⁵² Memorandum from George Shultz to Ronald Reagan re: The Washington Summit, December 1, 1987, Folder 1 "Briefing Book: The Meetings of President Reagan and General Secretary Gorbachev, December 1987," Box 92805, Fritz Ermarth Files, RRL.

⁵³ Shultz, Turmoil and Triumph, 1003.

⁵⁴ Memo from Shultz to Reagan re: Washington Summit, December 1, 1987.

Adamishin and Schifter, Human Rights, Perestroika, and the End of the Cold War, 132. Schifter established a productive dialogue with his Soviet counterpart Anatoly Adamishin in April 1987.
 Nicholas Cull, The Cold War and the United States Information Agency: American Propaganda and Public

⁵⁶ Nicholas Cull, *The Cold War and the United States Information Agency: American Propaganda and Public Diplomacy*, 1945-1989 (New York: Cambridge University Press, 2008), 473; and Shultz, *Turmoil and Triumph*, 893, 1108.

⁵⁷ Shultz, Turmoil and Triumph, 889.

Supporting Soviet "Civil Society:" The Rise of U.S. Democracy Assistance in the USSR

The National Endowment for Democracy, George Soros, and the Helsinki Watch responded more quickly to the changing landscape than the administration. They had worked in limited ways prior to 1987 to foster internal Soviet liberalization from the "bottom up" and established contacts with grassroots forces of dissent. ⁵⁸ Yet, the "closed," repressive character of the system had circumscribed severely the potential impact of their efforts. Thus, all three U.S. organizations perceived the new Soviet openness, the release of political prisoners, and the rise of *neformalyne* as an unprecedented opportunity. Cathy Fitzpatrick of the Helsinki Watch asserted hopefully that citizens' efforts to "reclaim from the state . . . a space where independent discussion and criticism can grow" represented the first step toward genuine Soviet democratization. ⁵⁹ Seizing upon the USSR's new accessibility, all three groups intensified their efforts to promote its liberalization by expanding their support for and contacts with nascent independent groups.

Their task was not without risk. The proliferation of unfamiliar informal groups and the ambiguous limits of Soviet party-state's tolerance for independent activity rendered the Soviet environment increasingly murky. Although the regime permitted an unprecedented surge of free expression, it simultaneously endeavored to coopt, infiltrate, and subvert those groups whose

⁵⁸ The Helsinki Watch monitored Soviet human rights violations. Soros traveled to the USSR for the first time in 1978, where he made contact with a dissident, Vladimir Furman, through whom he funneled money over the next several years. Prior to deciding to expand its Soviet activities in 1986, in 1984 and 1985 the NED offered little aid to Soviet dissidents inside the Soviet Union. Instead, it primarily supported efforts by Soviet emigres to place external pressure on the regime to liberalize. For example, the NED funded the Fifth Annual International Sakharov Hearings in April 1985, in which Soviet emigres and Westerners met in London to evaluate Soviet human rights practices. See Leonid Nikitinskii, *Trudno Delat' Dobro: Fond Sorosa, 1987-1997* (New York: Open Society Institute, 1997), 7-8; and National Endowment for Democracy, *Annual Report 1985*, October 1, 1984 to September 30, 1985. ⁵⁹ Cathy Fitzpatrick, *From Below: Independent Peace and Environmental Movements in Eastern Europe and the USSR* (Helsinki Watch Report, October 1987), 1.

agendas tested the boundaries of approved political discourse. ⁶⁰ These tactics made it incredibly difficult to determine which new informal groups were in fact truly "independent" from official influence. Gorbachev's ambivalent, ambiguous attitude toward democratization also raised a broader question: Who in the Soviet Union represented the forces of "reform" and "democratization" and what could the NED, Soros, and Helsinki do to support them? More specifically, could Gorbachev and the communist party serve as potentially effective partners in efforts to promote democratization in the Soviet Union from the grassroots up? Or, could this be achieved only by working exclusively with independent forces opposed to the regime?

Soros and the NED pioneered efforts to distribute democracy assistance to the emergent forces of "pluralism" in the USSR. Their approaches differed both in form and philosophy. While the NED continued to reject the notion that democratization was possible within the parameters of the Soviet system, Soros had tremendous faith in Gorbachev's commitment to the ideal of "Open Society." He therefore partnered with official Soviet institutions to establish a foundation "on the ground" in Moscow, run not by dissidents, but by prominent "in-system" reformers who supported *perestroika*. 61

Soros cultivated a lifelong philosophical interest in and personal passion for "Open Society." The Jewish Hungarian-American experienced "closed" society first hand. He grew up in Nazi-occupied and Soviet controlled Hungary before enrolling at the London School of

⁶⁰ See Alexeyeva and Fitzpatrick, *Neformaly*; Fitzpatrick, *From Below;* and Michael Urban with Vyacheslav Igrunov and Sergei Mitrokhin, *The Rebirth of Politics in Russia* (Cambridge: Cambridge University Press, 1997), 96. While these clubs, Urban writes, were independent of "party-state tutelage," they still had to register with local authorities in order to gain access to meeting space and other resources. In this way, the party-state was still able to exercise a great deal of control over the activities of these organizations.

⁶¹ Board members were: sociologist Tatyana Zaslavskaya, historian Yuri Afanasyev, philologist and chairman of the Georgian Cultural Foundation Tenghiz Buachidze, conservative environmentalist Valentin Rasputin, writer and founder of social welfare program *Miloserdia* Daniil Granin, editor of liberal journal *Znamya* Grigorii Baklanov, and scientist Boris Rauschenbausch.

Economics, where he worked with the leading theorist of "Open Society," Karl Popper. ⁶² In 1963, Soros penned the unpublished *The Burden of Consciousness*, in which he laid out the distinctive features of "open" and "closed" societies. ⁶³ Both systems, he argued, possessed genuine strengths that the other did not. Open societies were characterized by the "critical" mode of thinking and, in the abstract, endowed individuals with complete freedom. However, unbounded by community, such freedom could be alienating. By contrast, closed systems, defined by "dogmatic" thinking, provided a sense of collective belonging and purpose. ⁶⁴

Soros ultimately believed that the intellectual freedom afforded by open societies made them superior to closed societies, which were inherently repressive and unsustainable. ⁶⁵ Political ideologies – like communism – that claimed to represent absolute truths and attached their legitimacy to the ongoing correspondence between doctrine and reality were forced to stifle alternative modes of thinking. They could only survive so long as historical participants' perception of reality and doctrine were sufficiently aligned. ⁶⁶ Once the two diverged, revolutionary change would ensue. ⁶⁷ Observing the "emergence of conflicting viewpoints" in the USSR following Premier Nikita Khrushchev's efforts to "de-Stalinize" socialism, Soros predicted in *The Burden of Consciousness* in 1963 that the seeds of such revolutionary change had been planted in the Soviet Union. ⁶⁸

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⁶² Popper first theorized "Open Society" in his two-volume study, *The Open Society and its Enemies* (London: Routledge, 1949).

⁶³ Soros recalls his days early days of philosophizing in his work *Opening the Soviet System* (London: Weidenfeld and Nicolson, 1990), 34-35.

⁶⁴ *Ibid.*, 36-79.

⁶⁵ *Ibid.*, 67.

⁶⁶ Here Popper's influence is visible. He condemned thinkers like Hegel in *The Open Society* for providing the philosophical basis for totalitarianism by developing a concept of history as moving toward one unified ideal. ⁶⁷ Soros, *Opening the Soviet System*, 76.

⁶⁸ George Soros, *The Burden of Consciousness*, unpublished manuscript, quoted in Kauffman, *Soros*, 114. On the rise of these competing viewpoints see, for example, Vladislav Zubok, *Zhivago's Children: The Last Russian Intelligentsia* (Cambridge, MA: Belknap Press, 2011).

Over twenty years later, Soros interpreted Gorbachev's reforms as the culmination of historical trends eroding the "closed" Soviet system. The general secretary's release of Andrei Sakharov in December 1986 convinced Soros that Gorbachev embraced the same ideal of intellectual freedom upon which his concept of open society was based. "I believe in an open society," Soros claimed in early 1988, "and …'new way of thinking' comes very close to it." Thus, in early 1987, he traveled to Moscow to explore establishing a foundation to "support the new thinking introduced by Gorbachev." ⁷⁰ By promoting the liberalization of the country at the "epicenter" of the communist bloc, he hoped to spur a global evolution toward "open society."

Upon arriving in Moscow Soros met with Andrei Sakharov, who declined Soros's offer to run his foundation and warned him that his money would fall inevitably into the hands of the KGB.⁷² While many dissidents rejected completely the possibility of collaborating with the Soviet regime and dismissed Gorbachev's reforms as disingenuous, Sakharov was not one of them.⁷³ He told an American delegation from the Council of Foreign Relations in February 1987 that he was "prepared to accept for the time being that Gorbachev was sincere and urged his colleagues to support the general secretary."⁷⁴ Sakharov's reservations about Soros's proposal, therefore, underscored the difficulty of disseminating foreign democracy aid in the USSR.

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⁶⁹ Gary Lee, "The Glasnost' Robin Hood," New York Times, March 7, 1988.

⁷⁰ Kauffman, *Soros*, 222-23; Nikitinskii, *Trudno Delat' Dobro*, 8; Gary Lee, "The Glasnost' Robin Hood," *New York Times*, March 7, 1988.

⁷¹ Kauffman, *Soros*, 229. Soros wrote, "The transformation of the Soviet Union is of great significance for all humankind. My point is not the obvious one – that developments in the Soviet Union affect the rest of the world. What is at stake, as I see it, is a more profound issue: is an open society, in which people have freedom of choice, more desirable and more satisfactory to its members than a closed one, in which the state holds the monopoly on truth?" Soros Foundation-Soviet Union, 1987-1988 Report, Folder 8, Personal Office S Files, Box 6, Series II, NED. ⁷² Soros, *Opening the Soviet System*, 17-18. Nikitinskii, *Trudno Delat' Dobro*, 11. Similarly, Lev Timofeyev, leader of the human rights group Press Club Glasnost', and Sergei Grigoryants, former political prisoner publishing the new samizdat opposition newspaper *Glasnost'*, expressed skepticism that Soros would be taken advantage of. ⁷³ Nikitinskii, *Trudno Delat' Dobro*, 11.

⁷⁴ Report on the Council Delegation Visit to the USSR, February 2-6, 1987 submitted by Peter G. Peterson, Henry Kissinger, and Cyrus Vance, ID# 473527, CO165, WHORM: Subject File, RRL.

Soros remained undeterred. Emboldened by his successful establishment of a foundation in Hungary and convinced that accomplishing anything in the USSR required working with the regime, he entered into a partnership with the Soviet Cultural Foundation. ⁷⁵ Established in 1986 by Politburo mandate, the Cultural Foundation was a party-controlled institution intended to stimulate *perestroika* "from above." While the foundation fostered increased creativity, it simultaneously served as a mechanism of oversight to ensure that grassroots expression fell within Marxist Leninist parameters. ⁷⁷ On September 22, 1987, Soros and his New York based Soros Foundation-Soviet Union reached an agreement with the Soviet Cultural Foundation to establish a "Joint Soviet-American Cultural Initiative Committee," which changed its name in March 1988 to the Cultural Initiative (CI). ⁷⁸

The Cultural Initiative represented a hybrid institution, working both inside and outside of the Soviet party-state. Soviet institutions like the Cultural Foundation and the Soviet Peace Committee provided significant financial support to the CI. The Cultural Foundation also retained some control over the day-to-day management of the CI's financial resources. Cultural Foundation apparatchik Vladimir Aksonyov served as head of the CI Secretariat, responsible for the CI's financial management. Yet, the state did not have influence over how these resources were deployed.

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⁷⁵ "The Glasnost' Robin Hood."

⁷⁶George Soros, *Underwriting Democracy: Encouraging Free Enterprise and Democratic Reform Among the Soviets and in Eastern Europe* (New York: Public Affairs, 1991), 19.

⁷⁷ Shkola Dukhovnosti," Stati v Sovietskoi presse o deyatelnosti CFK, Undated, Fond 7, Raisa Gorbacheva, Opis 1, Delo 25956, GF.

⁷⁸ Soglashenie mezhdu CFK i Fondom Sorosa, September 22, 1987, Fond 7, Raisa Gorbacheva, Opis 1, Delo 26045, GF; "Glasnost' Robinhood."

⁷⁹ Nikitinskii, *Trudno Delat' Dobro*, 63.

⁸⁰ Soros initially invested \$500,000 and 1 million rubles. However, he had to jump through a number of challenging bureaucratic hoops. He was unable to open a bank account in the USSR until the CI's request for official approval of its status as an independent foundation finally came through in February 1989. See "Soglashenie mezhdu CFK i Fondom Sorosa."

⁸¹ Spravka o Mezhdunarodnykh Soglasheni'akh, Zaklyuchyennykh CFK, September 22, 1987, Fond 7, Raisa Gorbacheva, Opis 1, Delo 26047, Gorbachev Foundation, Moscow, Russia.

This task fell to the Board of Directors, composed solely of prominent Soviet reformers. Initially, Soros struggled to find board members "who were independent enough to qualify as members of civil society and at the same time would be acceptable to the authorities as members of the foundation." A breakthrough occurred when he met Tatyana Zaslavskaya in August of 1987, with whom he worked to assemble a seven person board composed of the "cream" of the liberal intelligentsia. By ensuring that substantive strategic decisions would be made "exclusively . . . by a committee of independent social experts," Soros asserted the Cultural Initiative's independence from the state. 84

Soros's board began its work in earnest in early 1988, focusing on fostering the growth of Soviet civil society by awarding grants on a competitive basis to Soviet citizens. Unlike the NED the CI did not seek to promote opposition to the regime. Rather, it endeavored primarily to stimulate independent, "bottom up" creativity in a Soviet population long stifled by Stalinist controls. "Creativity" the board declared, "has always been, is and will be the only revolutionary force of history." The Soviet Union stood "poised on the brink of revolutionary changes," yet "administrative-bureaucratic system" repressed creativity. ⁸⁵

Over the course of 1988, members of the board – particularly Zaslavaskaya and rector of the Moscow Historical Institute, Yuri Afanasyev – grew increasingly radical. ⁸⁶ Both were insystem reformers, who began to urge *perestroika* 's acceleration. Zaslavskaya advocated the need

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⁸² Soros, *Underwriting Democracy*, 17-18.

⁸³*Ibid*., 18

⁸⁴ Otchyet o deyatel'nosti: sovmestnogo komiteta kul'turnaya initsiativa, 1987-1989, Folder "Description of Programs and Commissions, 1989-1992," Box 2, Records of the Cultural Initiative Foundation, Board, Registration Documents, 1987-1994, OSA.

⁸⁵ Za'iavlenie chlenov pravleni'ia fonda "kulturna'ia Initisiativa" Folder "Board Meeting 8, 1989" Box 1, Records of the ICFI, Minutes, Records of the International Foundation "Cultural Initiative," 1987-1994, OSA.

⁸⁶ Indeed, five of seven board members would be elected to the Congress of People's Deputies, including Zaslavskaya and Afanasyev. Soros Foundation Soviet Union, *Newsletter* 1 no.3 (Summer 1989).

to base the Soviet economy more fully on "market laws," rather than commands. ⁸⁷ Meanwhile, Afanasyev emerged as a leader of two groups – the Memorial Society and the Moscow Tribune - that would serve as key incubators for the democratic opposition movement. Zaslavskaya also joined the Tribune upon its establishment in the fall of 1988. A discussion club of leading intellectuals including Sakharov and Roald Sagdeev, it sought "to unite the leading intelligentsia … to promote the radical economic reform and democratization of the political system." ⁸⁸ The Tribune drafted the program for the liberal-democratic caucus at the May 1989 Congress of People's Deputies and spawned the first organized democratic opposition to Gorbachev, to whose leadership Afanasyev was elected. ⁸⁹

Led by Zaslavskaya and Afanasyev, the CI board began distributing grants in late 1988 in ways that fueled the growth, cohesion, and political consciousness of the Soviet informal movement. Having received 2300 project proposals by September 1988, the board established permanent committees to institutionalize its priorities. In addition to committees on education, the environment, and travel abroad, the board created the Social Knowledge committee, chaired by Zaslavskaya and devoted to charting independent public opinion, and the Electronic Archive, chaired by Afanasyev and focused on recording the history of the informal movement. ⁹⁰ Both committees embodied a growing urge "to collect and preserve" documents and data "reflecting the manifestation of the political self-consciousness of [Soviet] citizens." Under the auspices of Electronic Archive, the CI funded Memorial's efforts to establish a "Scientific-Information

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⁸⁷ Tatyana Zaslavskaya, Interview, *Danas*, March 3, 1987 quoted in "Soviet Academician: Gorbachev Should "Free People from Their Chains"", 13 March 1987. HU OSA 300-8-3-8712; Records of Radio Free Europe/Radio Liberty Research Institute: Publications Department: Background Reports; OSA.

⁸⁸ Alexeyeva and Fitzpatrick, *Neformaly*, 63-65.

⁸⁹ Bill Keller, "Soviet Upstarts Form a Coalition," New York Times, April 22, 1989, pg. 15.

⁹⁰ Otchyet o deyatel'nosti, OSA.

⁹¹ "Project for the Creation of a Center for Documents of Personal Origin and Informal Organizations," Folder "Joint Committee Meeting 3 May 13-15, 1988," Box 1, Records of the ICFI, Minutes, 1987-1994, OSA.

Center" to collect information on victims of Stalinist repression. ⁹² The Information Center enhanced the organizational capacity and cohesion of the Memorial Society, which grew to 20,000 members in 1988 and to 226 local chapters in 1989. ⁹³

Despite his strong support for Gorbachev, Soros's money was being channeled by increasingly radical intellectuals toward the formation of a "democratic opposition" movement that began by 1989 to challenge the general secretary. The Soviet regime perceived Afanasyev's Memorial as potentially threatening. At a January 1989 Politburo session, Anatoly Lukyanov asserted that Memorial represented the "embryo of an opposition party." Superficially, Gorbachev dismissed the idea that Memorial embodied a "competing force" that threatened the CPSU's leading role. Memorial had agreed to respect the Soviet constitution, which codified the party's monopoly. Additionally, new Memorial leaders Afanasyev and Sakharov had decided in the fall of 1988 to focus only on Stalin's victims, rather than attacking systemic abuses. Wanting to stifle Memorial's impact, Gorbachev said that Soviet leaders should avoid "exaggerating [its] weight" and should not "give the impression that we are afraid of them."

Doing so would only "inflame passions" and create a greater threat to the party. But he refused to grant Memorial the legal status required to open a bank account and meet in public spaces.

⁹² Nikitinskii, *Trudno Delat' Dobro*, 64-65; "Diskussionny Klub Intelligentsii 'Moskovskaya Tribuna," Folder Board Meeting 13 [4], 1990 Box 4 Records of the ICFI, Minutes, Records of the International Foundation "Cultural Initiative," 1987-1994, OSA.

⁹³ Such information centers, Lyudmila Alexeyeva has argued, played an integral role in enabling the vast and diverse informal movement to gain "internal cohesion." See Alexeyeva and Fitzpatrick, *Neformaly*, 69.

⁹⁴ Eschewing outright repression, Soviet leaders outwardly tolerated Memorial while working subtly to undermine its impact. Indeed, in response to a petition by Yuri Afanasyev, Gorbachev in fact endorsed Memorial at the 19th party conference in June 1988. See Andrei Sakharov, *Moscow and Beyond*, trans. Antonina Bouis (New York: Knopf, 1991), 57.

⁹⁵ Politburo, "Question on Memorial," January 24, 1989 in Russian Document #1, National Security Archives Electronic Briefing Book No. 364 "The End of the USSR, 20 Years Later," available online http://l61.253.128.45/~nsarchiv/NSAEBB/NSAEBB364/index.htm

⁹⁶ Sakharov, Moscow and Beyond, 58-59.

^{97 &}quot;Question on Memorial," January 24, 1989.

⁹⁸ Sakharov, Moscow and Beyond, 61.

Aid from Soros, "the rich American," also threatened to discredit those who received it. ⁹⁹ By early 1988, supporters of *perestroika* as well as more radical liberal dissidents were vulnerable to conservative accusations of being Western-backed pawns. The infamous Nina Andreyeva letter of March 1988, likely written by Gorbachev's archrival Yegor Ligachev, pursued this line of argument. The letter accused reformers and dissidents of a "cosmopolitan tendency, a sort of nationality-less 'internationalism'" seeking to undermine socialism by "falsify[ing]" its history. Particularly objectionable were the efforts of *refuseniks*, or Jews seeking to emigrate, to recast their rejection of socialism as "some kind of manifestation of 'democracy' and 'human rights.'" ¹⁰⁰

Soros, who was Jewish, Western, and a wealthy capitalist, was particularly susceptible to conservative attacks. He was grateful to have Slavophile writer and Russian nationalist Valentin Rasputin on his Board of Directors to prevent it from being "labeled cosmopolitan." Nevertheless, the KGB was deeply suspicious of Soros's foundation and, while Aleksandr Yakovlev met often with Soros, Gorbachev refused to be seen with the American financier. 102 Ultimately, this conservative perception of "democracy" as an anti-Soviet, Western tool would prove difficult to shake.

Key figures associated with the NED, like Vladimir Bukovsky, also believed that the USSR's growing openness and pluralism presented an unmatched opportunity to promote Soviet political liberalization. However, unlike Soros, they rejected the notion that Gorbachev and the communist party would ever support genuine democratization. Consequently, the NED expanded its efforts to aid only "pure opposition." Rather than establishing a foundation within the Soviet

⁹⁹ "Glasnost' Robinhood." Soros also had to guard against corruption, as many applicants to the CI were interested primarily in receiving a trip abroad, hard currency, or a computer.

Nina Andreyeva, "I Cannot Forego My Principles," Sovietskaya Rossiya, March 13, 1988.

¹⁰¹ Soros, *Underwriting Democracy*, 19.

¹⁰² Yakovlev informed Soros that the KGB "hated" his foundation. Kauffman, *Soros*, 227.

Union like Soros, the NED gave grants primarily to organizations based outside of the Soviet Union, mobilizing emigre networks to channel assistance to diverse independent groups in the USSR. The NED aimed to build a unified democratic opposition movement capable of provoking the regime's collapse.

Bukovsky played an important role in shaping the endowment's evolving interpretation of and response to Gorbachev's reforms. In a March 1987 article entitled "Let Gorbachev Give Us Proof," Bukovsky and several émigré co-authors argued that although Gorbachev's reforms had caused a great "bewilderment" in the West, his motives were clear. The general secretary was engaged in a "tactical retreat before another offensive." His half-measures – partial release of political prisoners, limited *glasnost*, and political democratization within the party - were carefully calibrated to "produce a maximum effect [on Western opinion]" without threatening the political structure and ideological precepts that undergirded the system.¹⁰³

The argument rejected explicitly Gorbachev's assertion that, by purging the Soviet system of its Stalinist elements, a democratic, Leninist version of socialism with a "human face" would emerge. This was a myth. 104 Leninism, the authors maintained, was entirely antithetical to a democratic political culture respectful of rule of law, free expression, minority rights, and open competition. The ideology prioritized above all the survival of the international socialist revolution. Victory against a hostile, encircling capitalist West required a perpetually mobilized, unified population. Zero-sum struggle against domestic class enemies - waged by the party

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¹⁰³ "Let Gorbachev Give Us Proof," *Moscow News*, March 29, 1987, 10.

¹⁰⁴ Stephen Kotkin, in *Armageddon Averted: The Soviet Collapse, 1970-2000* (New York: Oxford, 2008) and Horvath in *The Legacy of Soviet Dissent* both argue that one of the legacies of Khrushchev's de-Stalinization campaign was the construction of a cult of Leninism as a "humane" alternative to Stalinism. As a result, Kotkin contends, Gorbachev underestimated the extent to which the un-democratic features of the Soviet system were, in fact, Leninist. (xii) For more on *shestdesi'yatniki*, or children of the 1960s, and their enthusiasm for a more humane socialism see Zubok, *Zhivago's Children*.

through revolutionary violence – was not only just, but essential to defend the revolution. ¹⁰⁵ While the Soviet regime had, since Khrushchev, largely rejected the use of violence against its own people, this basic model remained intact. The needs of the revolution, and by extension, the party-state, superseded the rights of the individual. On this basis, the regime continued to repress those who challenged ideological orthodoxy. Thus, the article concluded, without revising "the prevailing ideology . . . no deep-going and long-range change could and will ever take place in the Soviet Union." Democratization required not only abandoning Stalinism, but Leninism. ¹⁰⁶

This, Bukovsky argued in *Philanthropy* in the summer of 1988, would never happen. Westerners who believed that supporting Gorbachev would lead to meaningful market-democratic change in the USSR were making a dangerous mistake. *Perestroika's* vacillations were not caused by struggles between reform and conservative party factions, as Gorbachev claimed, but from the inherent contradiction between democratizing reform and the party's monopoly. Bukovsky predicted that Gorbachev would never tolerate the erosion of the party's monopoly, and, if threatened, would violently crush nascent opposition groups. Nonetheless, by aiding Soviet opposition groups, Bukovksy believed, the West could provide the critical resources that those groups needed to unify, publicize their cause, and thwart efforts to crush them.¹⁰⁷

The NED embraced Bukovsky's call, channeling aid in increasingly provocative ways to Soviet opposition groups between 1986 and 1988. It did so through two institutes on whose

¹⁰⁵ For an excellent discussion of the tensions between Gorbachev's vision of "Leninist" democracy and more liberal émigré and dissidents' concept see Horvath, *The Legacy of Soviet Dissent*. For more on the "zero-sum," "axiological" character of Soviet political culture see Richard Sakwa, "Perestroika and the Challenge of Democracy

in Russia," *Demokratizatsiya* 13 no. 2 (Spring 2005): 255-275 and Thomas Remington, "Andrei Sakharov and the Concept of Democratic Opposition," presented at the "International Sakharov Conference," Harvard University, October 24-25, 2008, online http://asf.prime-task.com/asfConf2008/asfconf_pan5.pdf.

¹⁰⁶ "Let Gorbachev Give Us Proof," *Moscow News*, March 29, 1987.

¹⁰⁷ Vladimir Bukovsky, "Glasnost' and Grantmaking" *Philanthropy* (July August 1988): 11-12; see also Vladimir Bukovsky, "Who Resists Gorbachev," *Washington Quarterly* 12 no. 1 (1989), 5-19.

executive boards Bukovsky served: the Washington D.C. Sakharov Institute (established in 1980 following its namesake's exile to Gorky) and the New York Center for Democracy. In June 1986, the Sakharov Institute received a \$75,000 grant to establish a "Free University" in the USSR, a correspondence school for Soviet students denied admission to higher education because of their ideological beliefs. The newly established Center for Democracy received \$175,000 to "provide moral as well as material support to those individuals in the Soviet Union who have been working at great personal risk and sacrifice to bring about democratic changes in Soviet society." One of its chief initiatives was establishing the Fund for Freedom, which aided current Soviet political prisoners.

At the end of 1986, a panel of experts that included Richard Pipes and Zbigniew Brzezinski warned the NED that some of the newly established programs sponsored by the Sakharov Institute and the Center for Democracy were too confrontational and would undermine the NED's long-term goal of fostering opposition to the Soviet regime. While they urged the endowment to expand its activities in the Soviet bloc, they contended that the USSR might not be sufficiently "open" to tolerate the Free University and the Fund for Freedom. They feared that NED aid could produce a backlash against the very people it was intended to help. ¹⁰⁹ The endowment, however, did not scale back its most risky, provocative initiatives; it expanded

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¹⁰⁸ "Discretionary Grants Awarded in Fiscal Year 1986, Status Report 1988, Folder 26, "Board of Director's Correspondence 1988," Box 1, Series II, Office of the President, National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division [Hereafter NED]; Center for Democracy," NED Grant Recommendation Memo and Letter from Carl Gershman to Walt Raymond with Center for Democracy's First Quarterly Report attached, Folder 5 "National Endowment for Democracy, 1986-1987," RAC Box 6, Walter Raymond Files, RRL. The Center was established in 1986 on the recommendation of an NED-funded study by the Sakharov Institute. The study, behind which Bukovsky was the "prime mover," examined how "to encourage greater pluralism and openness" in the Soviet Union, using "Soviet emigres … who are a fresh source of information about the Soviet Union as well as a link to the human rights movement there."

¹⁰⁹ "Report on the Advisory Meeting on Eastern Europe and the Soviet Union," December 4, 1986, Folder 27 "Eastern Europe – Correspondence," Box 2, Series II, Office of the President, NED.

them, taking the controversial step in September of 1987 of funding the Center for Democracy's translation and dissemination of Sergei Grigoryants' human rights bulletin, *Glasnost'*. ¹¹⁰

Although the NED's confrontational support for the "pure opposition" was increasingly at odds with the Reagan administration's deepening support of Gorbachev, the administration continued to support the NED's activities and appeared to see no contradiction between the endowment's objectives and its own. Rather, it viewed the NED's backing of independent activity from the "bottom up" as complementary to its own efforts to promote Soviet liberalization by pushing Gorbachev to embrace human rights from the "top down." This view was possible because, through much of 1988, very few U.S. observers believed that nascent Soviet national and democratic activity represented any immediate threat to the general secretary. Moreover, the administration used Gorbachev's tolerance of the dissident activities supported by the NED as a barometer to gauge his commitment to liberalization. For example, one September 1987 administration report argued that the Soviet regime's response to Grigoryant's *Glasnost'* embodied its ambivalence. While the journal was "allowed to be published," the "editor has been harassed and the journal forced to remain unofficial."

The administration's contradictory approach had an unintended consequence. Over the course of 1987 and 1988, the NED, even more than Soros, supported the growth of centrifugal opposition and nationalist forces. Because many in the USSR viewed the quasi-governmental NED as an extension of the Reagan administration, these activities fueled the perception that the United States was trying to destabilize the Soviet Union and lent credence to Soviet conservatives' accusations that democracy assistance was, above all, an anti-Soviet tool.

¹¹⁰ "Grants Awarded in Fiscal Year 1987, Status Report, 1988, Folder 26 Folder 26, "Board of Director's Correspondence 1988," Box 1, Series II, Office of the President, NED.

Revised Briefing Book for Shevardnadze Visit, Folder 2, Box 92191, Fritz Ermarth Files, RRL.

A March 1988 scandal originating in the United States illuminated these dynamics. An article in *The Nation* by Kevin Coogan and Katrina vanden Heuvel, wife of left-leaning revisionist Stephen Cohen, accused the Center for Democracy of having received "U.S. government funds through the NED for a program that more closely resembled intelligence gathering than human rights work." The Center for Democracy's support for Sergei Grigoryants' *Glasnost'* threatened to undermine the Soviet journal by "exacerbating the Soviet Union's longstanding paranoia . . . about dissidents' ties to U.S. intelligence agencies." Ironically, due largely to the *Nation* article, this prophecy was fulfilled. On March 24, 1988, the conservative Soviet publication *Sovietskaya Rossiya* accused *Glasnost'* of being backed by the CIA, while on March 26, the more liberal *Literaturnaya Gazeta* contended that the CIA was using *Glasnost'* to exacerbate nationalist "conflict situations in Nagorno-Karabakh, Georgia, Latvia, and the Crimea."

While these Soviet accusations were likely untrue, more important than their veracity was the trend they exemplified: a growing perception in the Soviet Union in late 1987 and early 1988 that the United States was backing rising anti-Soviet agitation, particularly nationalist unrest.

After twenty U.S. senators signed a petition in support of Baltic demonstrations in August 1987, the KGB accused the United States of inciting Baltic separatism. Following protests in Armenia over the contested region of Nagorno-Karabakh in March 1988, National Security Advisor Colin Powell wrote to Ronald Reagan: "The Kremlin has charged that the U.S. foments

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¹¹² Kevin Coogan and Katrina vanden Huevel, "U.S. Funds for Soviet Dissidents," *The Nation*, March 19, 1988, 361. 378.

¹¹³ Joshua Muravchik, "'Glasnost', the KGB, and the 'The Nation,'" *Commentary*, June 1, 1988; Iona Andronov, Pawns in Somebody Else's Game," *Literaturnaya Gazeta*, March 26, 1988.

¹¹⁴ "The Baltic Demonstrations: Gorbachev's Problem", 11 September 1987, Records of Radio Free Europe/Radio Liberty Research Institute: Publications Department: Background Reports (HU OSA 300-8-3), available online, http://www.osaarchivum.org/greenfield/repository/osa:769ae823-f0e3-4772-9a93-f3ede94c3ec9.

anti-Soviet nationalist protests. The protests, however, are totally spontaneous and will continue to present a severe test for Gorbachev in the months ahead."¹¹⁵

While some U.S. observers, like Powell, grew concerned about the destabilizing potential of nationalism in the Soviet Union, the NED became "increasingly involved in supporting the democratic aspirations of *national minority groups* in the USSR" [emphasis original]. ¹¹⁶ In 1988, it bankrolled the publication of the *Road to Solidarity* in Lithuanian, Ukrainian, and Russian, and underwrote the Baltic American National Committee's program to fund the independent press in Estonia. In 1989, it began to support national minority groups that called explicitly for independence, as well as those that desired increased autonomy from Moscow. ¹¹⁷ In addition, the NED gave the Center for Democracy a \$30,000 grant to "organize a conference in the West on the democratic movements in the nationality regions of the Soviet Union." ¹¹⁸ Held in Paris in May 1989 and attended by Bukovsky, Jeanne Kirkpatrick, and representatives from the Soviet republics, the conference concluded that the West had underestimated the strength and mischaracterized the nature of national independence movements in the USSR. Often described as "ardent nationalists," these groups were driven by "a legitimate desire for self determination" and represented a potent force capable of unifying behind the struggle for "democracy." ¹¹⁹

While Soros and the NED experimented with the treacherous task of distributing democracy assistance in the USSR, through 1987 the Helsinki Watch continued to adhere to its original Cold War mission. Possessing established contacts in the USSR, Helsinki served as a key source of information for the Reagan administration on Soviet fulfillment of "preconditions"

¹¹⁵ Colin Powell to Ronald Reagan re: Weekend Reading: Soviet Afghanistan Withdrawal and Human Rights, March 18, 1988, Folder 1, Box 8, Nelson Ledsky Files, RRL.

¹¹⁶ NED Annual Reports, Stage 1, 1989, Folder 11, Box 1, Series III.2, NED.

¹¹⁷ "Program Successes," Spring 1989, Folder 11, "Annual Reports Preparation Stage 1," Box 1, Series III.2, NED. ¹¹⁸ "Center for Democracy, in the USSR" Folder 11, "Annual Reports Preparation Stage 1," Box 1, Series III.2, NED

¹¹⁹ "Conference on the Democratic Alternative in the Soviet Bloc," *Resistance Bulletin* 1, no.7 (Summer 1989): 3-15.

required to host the 1991 CSCE conference. According to Helsinki Watch executive director Jeri Laber, "we ... were virtually the only Western human rights group that had been consistently involved in the region. Now everyone was turning to us – seeking our information and asking us for direction." Helsinki's most commonly documented role between 1987 and mid-1989 was its contribution, in partnership with the Reagan administration, to the resolution of Cold War human rights issues.

A crowning moment in that process was a January 1988 trip in which Laber traveled as part of the International Helsinki Federation delegation to the USSR to evaluate Soviet human rights practices. While this official visit by an independent Western group represented a major breakthrough in "classical" human rights relations, it also had an unintended consequence. The trip, Laber wrote in an April 1988 grant application to the Carnegie Corporation of New York, caused the Helsinki Watch to "rethink our approach to the Soviet Union." Meetings with a number of informal groups, including independent, newly formed Helsinki affiliate Press Club Glasnost', had revealed to Laber that "civil society may be awakening in a country that has long suppressed any attempts by its citizens to organize groups outside the Party structure." 122

While the Helsinki Watch remained committed to its traditional Cold War objective of monitoring "classic" Soviet human rights violations, it expanded its mission in 1988 to include the more ambitious goal of promoting a viable democratic order in the USSR by supporting the growth of Soviet civil society. Initiating a new "civil society" project, it endeavored to "strengthen and protect these newly formed groups." ¹²³

120 Laber, The Courage of Strangers, 276.

¹²¹ On Speaking Terms: An Unprecedented Human Rights Mission to the Soviet Union, (Vienna: International Helsinki Federation, 1988).

 ^{122 &}quot;Proposal on Civil Society in the USSR," submitted as an attachment to a letter from Jeri Laber to Fritz Mosher,
 April 1, 1988, Box 1557, Folder 4, Human Rights Watch/Helsinki Watch, Expansion of Activities in the Soviet
 Union, 1988-1994, Series III.A, Grants, Records of the Carnegie Corporation of New York [hereafter CCNY].
 123 Ibid.

By "serv[ing] as a bridge," Helsinki sought to foster productive contacts between the two sides. "Westerners, " Laber argued, "must be properly oriented; they must learn to distinguish among the various groups by their programs and goals . . . and know the degree to which each group is dependent upon the authorities." The Helsinki Watch also pushed "the U.S. State Department and members of Congress to change some of their long-held views . . . to meet new Soviet initiatives in a more creative fashion." Laber argued that Soviet human rights issues were too closely associated in U.S. politics with Jewish emigration. Policymakers tended to "be concerned primarily with those who want to leave, rather than those who want to reform the system and to stay." This view failed to "acknowledge the full extent of changes taking place within Soviet society." Laber believed that bottom up activism showed that the Soviet system was "susceptible to change from within." 124

Another Helsinki Watch goal was to secure legal protection for new informal groups in the USSR. The January 1988 trip had revealed that "the [USSR] does not have a legal framework through which to offer independent groups a place in society." As with Memorial and *Glasnost*, the Gorbachev regime's toleration of Press Club Glasnost' was "uneven and uneasy." In December 1987, Alexander Yakovlev, Eduard Shevardnadze, and Lev Zaikov advised the Central Committee that a Moscow human rights seminar to be hosted by Press Club Glasnost' represented a "provocation," intended by its "organizers and its foreign inspirers" to "bring dividends" no matter what the official response. If the regime did not suppress the event, it would create a "precedent" of expanded *glasnost*'. Yet, a crackdown would "cause an anti-

¹²⁴ Ibid

¹²⁵ CCNY Grant Recommendation Memo, November 30, 1988, Box 1557, Folder 4, Human Rights Watch/Helsinki Watch, Expansion of Activities in the Soviet Union, 1988-1994, Series III.A, Grants, CCNY.

¹²⁶ Laber "Proposal on Civil Society in the USSR."

Soviet racket," particularly since the event was planned to coincide with the Washington U.S.-Soviet summit. 127

In an effort to neutralize Press Club Glasnost', in December 1987, the Gorbachev regime established a human rights "GONGO," or government organized non-governmental organization, chaired by in-system liberal Fyodor Burlatsky. Burlatsky's commission, Helsinki Watch members complained, was not truly independent, but rather served Gorbachev's agenda. It was designed to create confusion in the West and preempt meaningful contacts between Westerners and independent Soviet groups. ¹²⁸

Despite these issues, Laber concluded that it was best to work within the Soviet system to build legal protections for civil society. While she was far more skeptical of Gorbachev than Soros, she embraced dissident émigré Helsinki activist Yuri Orlov's position. ¹²⁹ Gorbachev was not a democrat, Orlov argued. Rather, like Bukovsky, he believed that the general secretary was engaged in a "tactical" recalibration. However, Orlov drew a different conclusion than Bukovsky. Regardless of Gorbachev's motives, his desire to improve relations with the West meant that by engaging with him and his moderate allies, the West could provoke meaningful, democratizing change. "Internal criticism," Orlov wrote in the spring of 1988, "if supported by international pressure, could lead to a not insignificant humanizing of Soviet society within the

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¹²⁷ "O namerenii antiobshchestvennykh elementov provesti v Moskve tak nazyvaemy "seminar po pravam cheloveka," December 1987, Fond 89, Opis 18, Delo 120, Russian State Archive of Contemporary History (RGANI).

Laber, "Proposal on Civil Society in the U.S.S.R." See also, Alexeyeva and Fitzpatrick, *Neformaly*. The Burlatsky Commission was formed shortly after the establishment of Press Club Glasnost' Alexeyeva and Fitzpatrick argue "in order to preempt contacts between Soviet human rights campaigners and human rights groups abroad." (11) Although it identified as a "non-governmental organization," it was tied to state institutions and essentially promoted the Gorbachev regime's agenda. And, ultimately, in November 1988, Laber endorsed the Soviet Union's request to host the 1991 Moscow CSCE conference in November 1988.

¹²⁹ Laber explains this position in her grant proposal "Human Rights Mission to Moscow." Box 1206, Folder 11, Series III.A Grants, CCNY.

foreseeable future" [emphasis original]. Thus, the Helsinki Watch worked with the Burlatsky commission to promote democratizing change, pressuring the commission to allow informal groups to register and gain legal status. 131

Bilateral Non-Governmental Groups

Unlike Helsinki, Soros, and the NED, most bilateral NGOs continued to focus in 1987 on the reduction of superpower tensions. Drawing upon contacts with influential reformers, groups like the Dartmouth Conference, the ACUSSR and the IREX sponsored Harvard Joint Project on Crisis Negotiation developed and pushed the administration to embrace more innovative approaches to improving relations. By late 1986, these groups had unprecedented access to the inner circles of Soviet power, as many of their contacts became key Gorbachev advisors. In November 1986, ACUSSR participant Joel Hellman noted hopefully that the number of "globalists," like Georgii Shaknazarov, surrounding Gorbachev had increased; in June 1988, the Carnegie Corporation issued a \$500,000 grant to IREX, which was "ideally positioned" to support high level dialogue; and Dartmouth members Seweryn Bialer and Marshall Shulman held meetings with Soviet officials like Vadim Zagladin to discuss issues like the Reagan administration's perception of *perestroika*. 132

As the administration hesitated, these groups seized opportunities to transform the international environment. Joseph Nye, a leader of the Harvard Joint Project also served as cochairman of an East-West Institute Task Force that recommended in October 1987 that the

 ¹³⁰ Yuri Orlov, "The Meaning of Gorbachev's Reforms," Helsinki Watch internal memorandum reprinted in *Surviving Together* (Spring 1988): 8-11 in Folder "ST Spring 1988," Box 5, ISAR Series, Hoover.
 ¹³¹ Laber, "Proposal on Civil Society in the U.S.S.R."

¹³² Spravka o besede c Marshalom Shulmanom, Fond 3, V.V. Zagladin, 1985-1992, Opis 1, Delo 7194, Gorbachev Foundation; Dokladna'ia Zapiska P.Bogdanova o politike v SShA po itogam vizita direktora Instituta Mezhdunarodnykh izmenenii Kolombiiskogo Universiteta, May 5, 1989, Fond 2, A.S. Chernaev, 1955-1992, Opis 1, Delo 795, Gorbachev Foundation.

United States "reexamine many of the assumptions behind [its] own policies toward the Soviet Union." As it became "increasingly clear" that changes in Soviet policy "represent[ed] more than a change in style," the United States must do more to "welcome the reformist tendencies that Gorbachev has set in motion and encourage those which promote the moderation of Soviet power." ¹³³ The Harvard Joint Project worked, in collaboration with the administration, to broaden the mandate of newly established risk reduction centers in the Soviet Union, using these centers as sites to expand military contacts. On a broader scale, U.S. and Soviet participants also began exploring ways to "institutionalize normal relations." ¹³⁴

Along these lines, in early 1987, the ACUSSR concluded a forum on U.S.-Soviet trade advocating the repeal of the Jackson-Vanik Amendment and supporting Soviet membership in GATT and the IMF. Integration into international financial institutions and expanded trade, ACUSSR members argued, would have a liberalizing impact on both the USSR's foreign policy and its internal development. However, Deputy Secretary of State John Whitehead objected. Echoing the president's sentiment, Whitehead asserted that the USSR would have to implement significant market reforms and improve its human rights practices before international economic integration or extension of Most-Favored-Nation status was an option. Still skeptical of Gorbachev's intentions, the administration feared that the USSR would use membership, much as it had its seat on the U.N. Security Council, to paralyze these institutions.

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¹³³ How Should America Respond to Gorbachev's Challenge: A Report of the Task Force on Soviet New Thinking (New York: Institute For East-West Security Studies, 1987), 5,7,9.

¹³⁴ Grant Proposal, Joint Study on Crisis Prevention, September 1987, Letter from Bruce Allyn to Deanna Arsenian, October 15, 1987, and CCNY Grant Recommendation Memorandum, November 3, 1987, Box 1220, Folder G, IREX, Series III.A, CCNY.

¹³⁵ "American Committee Completes Forum on U.S.-Soviet Trade," *Surviving Together* (March 1987): 78 in Folder "ST March 1987," Box 4, Series ISAR, Hoover.

¹³⁶ See for example Clyde Farnsworth, "U.S. Eases Stand on Membership for Moscow Economic Groups," *New York Times*, January 20.

While bilateral NGOs and the foundations funding them remained committed to their long-standing Cold War objective of promoting stable and peaceful U.S.-Soviet relations, they began shifting their focus. Ill-equipped to evaluate the impact of – much less shape - the internal course of *perestroika* on the superpower relationship, they developed expertise on domestic change in the USSR and served as intellectual resources to the Reagan administration.

The Carnegie Corporation (CCNY) placed new emphasis on funding projects aimed at interpreting "what was happening" in the Soviet Union. Promoting peace, president David Hamburg argued in 1988, required understanding the course of the "contagion of democracy" in the Soviet bloc and the way in which the developments it spawned might impact the geopolitical environment. During 1987 and 1988, the CCNY funded projects by the ACUSSR, the Brookings Institution, and the University of California at Berkeley examining the relationship between Soviet domestic change and the bilateral relationship, as well as the Helsinki Watch's civil society initiative. CCNY justified these projects on the basis that "it is essential for the United States to understand the changes that are taking place in the Soviet Union in order to be able to respond effectively." 139

A number of U.S. non-governmental groups agreed and followed suit. ISAR assisted the USIA by cataloging proliferating citizen-to-citizen contacts. It helped Americans "find ways to participate in the restructuring of and reforms in Soviet society." Much as the Helsinki Watch endeavored to serve as a bridge between U.S. actors and nascent Soviet civil society groups, ISAR positioned itself as a "clearinghouse" facilitating "networking" between U.S. and Soviet

¹³⁷ David Hamburg, "President's Report: A Historic Opportunity to Reduce Nuclear Danger," *Carnegie Corporation Annual Report, 1988* (New York: CCNY, 1988): 3-22, 17.

¹³⁸ Ibid.; Carnegie Corporation Annual Report 1987 (New York: CCNY, 1987).

¹³⁹ Grant Recommendation, November 30, 1988, folder 4, Box 1557, Helsinki Watch, Series III.A, Grants, CCNY. Harriet Crosby, "Message from the President," *Surviving Together* (November 1986): 1 in Folder "ST November 1986," Box 4, Series ISAR, Hoover Foundation.

citizens.¹⁴¹ Its journal *Surviving Together* emerged as the "most comprehensive journal of [U.S.-Soviet] contacts," and was dubbed by USIA chief of U.S.-Soviet exchanges Stephen Rhinesmith, "the bible of Soviet-American relations" and a "tremendous resource to the administration." ¹⁴²

Experts at the Dartmouth Conference and the ACUSSR continued to view Gorbachev and his close circle of in-system reformers, rather than independent citizens' groups, as the key engines of change in the USSR. Yet, they too engaged in efforts to understand the dangers and the opportunities posed by internal liberalization.

In the fall of 1987, the ACUSSR launched an "Assessment Project" funded by the Carnegie Corporation and Ford Foundation. Its goal was to help policymakers and the U.S. public better understand internal Soviet developments by "synthesizing and disseminating the vast array of information available on the USSR." As part of this project, the ACUSSR moved beyond its original mission of domestic advocacy of détente to engaging Soviet leaders directly. It focused on using connections with Gorbachev's inner circle in order "to learn as much as possible about the changes in the Soviet Union through direct contacts with its leaders, to study their ideas, [and] evaluate the substance of their actions." The ACUSSR also established a Data Bank to compile reports on the Soviet Union from research institutions and independent groups and sponsored an October 1987 "International Conference on Gorbachev Initiatives" that brought together Soviet experts from the United States, Western Europe, and Japan. ¹⁴³

Similarly, the Dartmouth Conference focused increasingly on *perestroika's* internal trajectory and expanded its contacts in the USSR. In light of the growth of Soviet "civil society,"

¹⁴¹ ISAR Grant Report, October 27, 1987, Folder 7934 "ISAR, 1984-1988," Box 1279, Series III.2 Grants, Rockefeller Brothers Fund Archive, Tarrytown, NY [hereafter RBF].

¹⁴² ISAR Grant Progress Report, August 21, 1987, Folder 7934 "ISAR, 1984-1988," Box 1279, Series III.2 Grants, RBF; "The Hot Ticket is Round Trip, to or from Moscow," New York Times, November 9, 1987.

¹⁴³ American Committee on U.S. Soviet Relations, Grant Request, March 16, 1991, Box 1431, Folder 6, ACUSSR–Assessment of Developments in the Soviet Union and the U.S. Soviet Relationship, Series III.A, Grants, CCNY; Paul Balaran, Recommendation for Delegated-Authority Grant, October 14, 1987, Grant File 885-0034, Reel 5690, Ford Foundation Archive, Tarrytown, NY [hereafter FF].

Dartmouth incorporated a "public participation" component in 1987, setting up "town hall" meetings and spacebridges connecting U.S. and Soviet citizens. ¹⁴⁴ In 1988, the priorities of its Political Relations Task Force began to shift. "The central dimension of the dialogue . . . became the internal trends in the United States and the Soviet Union which can interact and shape the relationship." ¹⁴⁵ At the request of task force co-chair Georgii Arbatov, Dartmouth's June 1988 plenary session in Austin, TX focused on the "meaning of *perestroika* and *glasnost*"." ¹⁴⁶

Through mid-1988, efforts by bilateral groups to evaluate the significance of internal change in the Soviet Union produced few concrete recommendations or actions. Participants at the ACUSSR conference in October 1987 debated Gorbachev's intentions, his vision of reform, and his capacity to implement that vision successfully. While some, like Archie Brown argued that limited democratization was possible, postulating that Gorbachev's concept of "socialist pluralism" represented a tool to accommodate more capacious debate within Marxism-Leninism, others took a more pessimistic view, citing the inherent incompatibility of "democracy" and the one party system. Virtually all agreed, however, that political reform was of "enormous importance, for the fate of [Gorbachev's] entire reform program – foreign policy, military, economic, and cultural – is dependent on the domestic political situation." Optimism mixed with fear as *perestroika* entered a "pivotal phase." 147

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¹⁴⁴ Letter from Robert Lehman to Fritz Mosher re: "Citizen Summit," April 12, 1988 and Grant Recommendation "For the Political Relations Task Force of the Dartmouth Conference," August 28, 1987 Folder 6, Box 1227, Kettering Foundation, Series III.A Grants, CCNY.

¹⁴⁵ Dartmouth Conference XVII, Stenographic Record of "U.S. Soviet Relations in a New World Order," Leningrad, USSR, July 23-27, 1990, Folder 3, Box 1228, Kettering Foundation, Series III.A Grants, CCNY. The report introduction recounts "Beginning in 1988, the central dimension of the dialogue in [the political relations] Task Force became the internal trends in the United States and the Soviet Union which can interact and shape the relationship."

¹⁴⁶ Voorhees, *Dialogue Sustained*, 220.

¹⁴⁷ "Reforms of the Gorbachev Leadership: Perspectives from Asia and the West," Report on the Proceedings of the International Conference of Gorbachev Initiatives, Grant File 885-0034, Reel 5690, FF.

This potent brew grew stronger by the time of the June 1988 Dartmouth Conference, which met immediately preceding the pivotal 19th party Conference in the USSR. U.S. Dartmouth participants viewed their Soviet counterparts with a mixture of "hope and skepticism." On the one hand, U.S. Dartmouth participants were thrilled by the fact that their Soviet counterparts appeared more willing than ever to embrace "American style" democratic values. "At earlier conferences," Norman Cousins recounted, "when Americans referred to 'democracy,' they were thinking of free elections, free speech, freedom of worship, and other options that go with an open political system." By contrast, Soviets used "the word 'democracy,'" to refer to "an economic system that would protect them against unemployment, hunger and medical bills." Yet, by 1988, "when the Russians spoke of democratization, there was no question in anyone's mind that they meant political freedom." ¹⁴⁹

Vitaly Zhurkin argued that "Tocqueville's classic, *Democracy in America* . . . provides valuable guidance for all of us," particularly his notion that "in a true democracy, all the elements of society have to be properly represented." ¹⁵⁰ Freedom, another Soviet participant contended, was the essence of *perestroika*, which endeavored to "liberat[e] society from the shackles that hamper its normal development." Rejecting claims that Russia's uniquely "servile," authoritarian culture barred it from democratizing, the speaker invoked Enlightenment natural rights tropes that shaped American liberal-democratic political culture. "Democracy and freedom," he claimed, "are the natural parameters of human existence." ¹⁵¹

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¹⁴⁸ Norman Cousins, "A New Design for Soviet Society," *Christian Science Monitor*, June 6, 1988, available online http://www.csmonitor.com/1988/0606/esov-f.html.

¹⁴⁹ Cousins, "A New Design for Soviet Society."

¹⁵⁰ Dartmouth Conference XVI: A U.S.-Soviet Program in Supplemental Diplomacy (Kettering Foundation, 1988), 11-12 in folder 6, Box 1227, Kettering Foundation, Series III.A. Grants, CCNY.

¹⁵¹ Robert J. Kingston, ed. *Perestroika Papers: An Exercise in Supplemental Diplomacy* (Dubuque, IA: Kendall Hunt, 1988), 93.

This rhetoric reflected Soviet participants' antipathy to the overreaching, bureaucratized, and repressive Stalinist state. It dovetailed nicely with the anti-statist traditions of U.S. democracy. U.S. observers, however, often failed to understand and were disappointed to learn that their Soviet counterparts – from Dartmouth's "in-system reformers" to informal groups to Gorbachev - did not embrace U.S. democracy's imagined economic foundations, like private property and free markets, to the same extent. Through 1988, Soviet concepts of democracy remained more social democratic than liberal, emphasizing intellectual freedom, decentralization of power, and democratic participation within an economic system that fostered social justice. 152

U.S.-Dartmouth participants were alarmed to discover significant resistance to radical free market reform among their Soviet counterparts. Market-oriented reformer Nikolai Shmelyov cited social, ideological, and cultural barriers to moving to a full market economy. The Soviet people, Shmelyov argued, had an "engrained" antipathy to "labor for hire." He therefore rejected Western suggestions that the USSR should revitalize "the private sector with hired labor." He also warned that price reform and limited privatization, which required the "streamlining" of vast collective farm and industrial bureaucracies, would have disruptive social consequences and could incite popular resistance. The Soviet population valued the economic security afforded by

¹⁵² In 1980, Andrei Sakharov, the leader of the liberal strand of Soviet dissent asserted, "My ideal is an open pluralistic society which safeguards fundamental civil and political rights . . . with a mixed economy which would permit scientifically-regulated, balanced progress." See Alexander Babyonyshev, ed. *On Sakharov* (New York: Alfred Knopf, 1982), 215. The first informal group to break completely with socialism was Democratic Union in the middle of 1988. On the values of the grassroots Soviet democratic movement, see Michael McFaul and Sergei Markov, *The Troubled Birth of Russian Democracy: Parties, Personalities, and Programs* (Stanford, CA: Hoover Institution Press, 1993), 3-4; Alexeyeva and Fitzpatrick, *Nyeformaly*, 9; Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy* (Washington DC: United States Institute of Peace Press, 2001), 35-56.

¹⁵³ Kingston, ed. *Perestroika Papers*, 23.

socialism.¹⁵⁴ Dartmouth participants, however, feared that in the absence of market reform growing economic woes would undermine *perestroika's* progress

The Moscow Summit and 19th Party Congress, May-June 1988

May and June of 1988 proved pivotal months both for U.S.-Soviet relations and democratization in the USSR. During his May visit to Moscow, Ronald Reagan famously pronounced that the Soviet Union was no longer the "Evil Empire." U.S. ambassador Jack Matlock was "electrified" by Gorbachev's program for the upcoming 19th party conference, which emphasized the construction of a state based on "rule of law." The administration believed that such initiatives represented a turning point for Soviet human rights and democracy. ¹⁵⁵

Motivated by the ongoing failure of economic reform, the "radicalization of public opinion," and his own growing embrace of "universal values," Gorbachev deepened democratization at the 19th party conference. While he continued to reject the notion that "the country's misfortunes were ... connected with any inherent properties of the [Leninist] system," he initiated unprecedented reforms that allowed the rising pluralism of Soviet society to infiltrate the political structure itself. He announced that a new Congress of People's Deputies (CPD) would replace the old "rubber stamp" Supreme Soviet, a state legislative body that had been subservient to the decrees of the party. Unlike its predecessor, the CPD was to hold real law-making powers and to be partially freely elected. While many seats in this Congress were

¹⁵⁴ Nikolai Shmelyov, "Perestroika and the Economy: Moving Toward the Market," in Kingston, ed. *Perestroika Papers*: 15-28.

¹⁵⁵Svetlana Savranskaya, Thomas Blanton and Vladislav Zubok, eds. *Masterpieces of History: The Peaceful End of the Cold War in Europe, 1989* (Budapest: Central European University, 2010), 110. ¹⁵⁶Gorbachev, *Memoirs*, 237, 250.

reserved for members of the Communist Party, a significant percentage were openly contested, enabling dissidents and non-communists to participate in government for the first time. ¹⁵⁷

Gorbachev sought, through the creation of the CPD, to build an alternative power base outside of the party. As party conservatives increasingly resisted *perestroika*, he worked to excise the party from the process. In addition to establishing the Congress, in the fall of 1988, he reorganized the party's Central Committee secretariat, abolished several divisions that oversaw the economy, and reduced its overall authority. These efforts had destabilizing consequences. The hierarchical party apparatus was the only integrative mechanism binding together the USSR's federal state structure. 159

As the grip of the party and its legitimizing ideology waned in the summer and fall of 1988, centrifugal processes accelerated. Economic chaos deepened, criticism of the system grew shriller, radical democratic opposition to *perestroika* increased, and nationalism gathered steam. Before the 19th Party Conference Gorbachev had seen *glasnost*' as a "manageable process." But soon after it adjourned, *glasnost*' escaped his control. It became an "independent force." Frustrated by what he perceived as an abuse of *glasnost*' by liberal intellectuals, like Afanasyev, Gorbachev introduced new repressive measures to tamp down critical voices and restrict the rights of demonstrators. The heretofore latent tensions in Gorbachev's program - between one party rule and democracy; between ideological orthodoxy and intellectual freedom; between

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¹⁵⁷ The Congress was massive. It included 2250 delegates. While a number of seats were reserved for communist party members, others were open to contestation. Some delegates, like Andrei Sakharov, were nominated by social organizations (in Sakharov's case, the Academy of Science), while others, like Yuri Afanasyev, were chosen in popular district elections. The old USSR Supreme Soviet was dissolved, and at the Congress, 562 delegates were chosen to serve on the new Supreme Soviet.

¹⁵⁸ See for example, Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1996), 14.

¹⁵⁹ Kotkin, Armageddon Averted, 77-79.

¹⁶⁰ Chernyaev, My Six Years with Gorbachev, 135.

¹⁶¹ Gorbachev, *Memoirs*, 213. Gorbachev writes, "We were committed to giving people freedom ... It is with bitterness that I admit today that a significant number of the intelligentsia failed to make good use of this freedom for the benefit of society or even themselves."

democratic self-determination and Union – sharpened and began to have transformative effects on the Soviet system.

From Reagan to the Bush "Pause"

By June 1988, the Reagan administration started to grasp the potentially radical ramifications of Gorbachev's political reforms. A Defense Intelligence Report contended, "Gorbachev's agenda contains some ingredients with the potential, if left unchecked, to create future challenges to the fundamental principles on which the Soviet state is based." Yet, while Reagan and his advisors played an important role in pushing Gorbachev to dismantle the old Stalinist order, they did relatively little at the end of the president's second term to support the construction of a viable market-democratic order to replace it.

This was particularly true when it came to providing economic support to underwrite continued democratization. Although Reagan asserted that Soviet membership in GATT, the World Bank, and the IMF was theoretically possible if the USSR took meaningful steps toward "free markets," he did very little in practice to facilitate any sort of market reform. In August 1988, national security advisor Colin Powell rejected a request for IMF membership for the USSR from Dwayne Andreas, a major advocate of deepening U.S.-Soviet economic ties. The "Soviet economy does not come close to operating on market principles," Powell asserted, "and there is no indication that this will occur anytime soon." As a result, he concluded, "the President

¹⁶² Memorandum for the Secretary of Defense re: Change in the Soviet Union, Defense Intelligence Agency, June 14, 1988, Folder 3 "Soviet Union 1987-1988 Memos-Letters," Box 8, Nelson Ledsky Files, RRL.

¹⁶³ Shultz, *Turmoil and Triumph*, 1101; Farnsworth, "U.S. Eases Stand on Membership for Moscow Economic Groups."

and all of his principal advisors continue to believe that the U.S. should not open up even the possibility of Soviet membership in the IMF."¹⁶⁴

In February 1989, U.S. ambassador to the USSR Jack Matlock, a holdover from the Reagan administration, implored the new Bush administration to respond quickly and creatively to the "historic opportunity" to "strengthen those tendencies in the Soviet Union to 'civilianize' the economy and 'pluralize' the society." Warning against a policy that focused too singularly on support for Gorbachev, he urged the administration to continue expanding contacts with new democratic actors in Soviet society. "U.S. leverage," Matlock argued, "while certainly not unlimited, has never been greater." ¹⁶⁵

Despite these exhortations, the Bush administration initiated a "pause" in U.S. Soviet relations. The new U.S. leaders, particularly national security advisor Brent Scowcroft and his deputy Robert Gates, believed that the Reagan administration had been too trusting of Gorbachev and made concessions that weakened American power. While not as suspicious of Soviet motives, the president, who embodied prudence and realism, and his Secretary of State, James Baker also expressed skepticism. They feared that Gorbachev's foreign policy was designed to divide the Western alliance and emphasized the need to maintain strength. After a January 23, 1989 cabinet meeting, Baker noted that while developments in the USSR offered "reasons to be

¹⁶⁴ Letter from Colin Powell to Dwayne Andreas, August 1, 1988, Folder 1 "Soviet Union-Economic Initiatives, RAC Box 12, Stephen Danzansky Files, RRL.

¹⁶⁵ U.S. Embassy Moscow, Cable, Jack Matlock to State Department, "U.S.-Soviet Relations: Policy Opportunities," February 22, 1989, National Security Archive, National Security Archive Electronic Briefing Book No. 364, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB364/

¹⁶⁶ See, for example, George Bush and Brent Scowcroft, *A World Transformed* (New York: Vintage Books, 1998), 9-13; Michael Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War* (Boston: Little and Brown, 1993), 50.

hopeful . . . realism demands prudence – USSR still a heavily armed superpower hostile to $\text{American values and interests.}^{167}$

During April and May of 1989 the administration began to change its tune. Baker believed that the administration could use U.S. support for *perestroika*, which Gorbachev eagerly desired, to incentivize the general secretary to accept U.S. geopolitical terms. Baker told Gorbachev and foreign minister Eduard Shevardnadze when he first met them in May 1989 that the U.S. supported *perestroika* and had no interest in promoting disintegrative tendencies in the USSR. 169

Nonetheless, these disintegrative tendencies were gaining steam. In an April 1989 report, "Rising Political Instability Under Gorbachev," the CIA first raised the possibility of the Soviet collapse. Deeming the Soviet Union "less stable today than at any time since Stalin's purges," the report asserted that "in the extreme [Gorbachev's] . . . political power could be undermined, and the political stability of the Soviet system could be fundamentally threatened." In fact, in May and June 1989, the democratic opposition to Gorbachev began to coalesce at the Congress of People's Deputies. The televised congress electrified the nation for two weeks, as deputies like Sakharov boisterously challenged Gorbachev to expedite reform. One party rule in the USSR now seemed at risk.

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¹⁶⁷ Notes from January 23, 1989 Cabinet Meeting, Folder 1, Box 108, Series: Secretary of State Files, James A. Baker III Papers; 1957-2011 (mostly 1972-1992), Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library [hereafter JAB].

¹⁶⁸ Seliktar, *Politics, Paradigms, and Intelligence Failures*, 164; James Baker and Thomas DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P. Putnam's Sons, 1995), 178.

¹⁶⁹ Baker, Handwritten Notes for Meetings with Shevardnadze and Gorbachev, May 10-11, 1989, Folder 1, Box 108, Series: Secretary of State Files, JAB.

¹⁷⁰ CIA, Intelligence Assessment, "Rising Political Instability under Gorbachev: Understanding the Problem and Prospects for Resolution," April 1989, available online

 $http://161.253.128.45/\sim nsarchiv/NSAEBB/NSAEBB364/docs_am/4)\% 201989.04\% 20Rising\% 20Political\% 20Instability\% 20under\% 20Gorbachev\% 20(Apr\% 201989)\% 2019890401a[1].pdf$

In the face of this rising instability, Bush and Baker threw their weight behind

Gorbachev, believing that he was the best hope for ending the Cold War and the division of

Europe. If he were overthrown, progress in superpower relations might be reversed and a more
dangerous world order might emerge. Thereafter, prioritizing the maintenance of their
productive relationship with Gorbachev, the administration refrained from supporting

"pluralistic" democratic forces that might undermine him. But, a budget crisis, domestic political
constraints, and skepticism of Gorbachev's grasp of and commitment to market principles
prevented the administration from granting Gorbachev the economic aid he requested. The support of the productive relationship with Gorbachev's grasp of and commitment to market principles

Non-Governmental Groups Fill the Void

U.S. non-governmental groups' stepped in to assist the growth of democracy in the Soviet Union following the 19th party conference. Rising hopes and deepening fears inspired them. The Soviet Union seemed more receptive than ever to U.S.-style democratic values. Soviet reformers and democrats appeared especially drawn to aspects of the U.S. traditions of voluntarism and anti-statism. While they contested the meaning of *perestroika*, they seemed to agree, as Soviet Dartmouth participants had in June 1988, that it should afford both individual citizens and civil society groups greater freedom from the state. This rhetoric, combined with partially free elections and nascent "multi-party" activities, prompted euphoric optimism among NGOs about the U.S. capacity to export its political-economic institutions to the Soviet Union. The messianic, universalizing tendencies of Soros, the NED, and the Helsinki Watch were reinforced. They began to think that the USSR could be transformed and that it could turn permanently from adversary to ally.

¹⁷¹ Beschloss and Talbott, *At Highest Levels*, 87-89.

Bush and Scowcroft, A World Transformed, 14.

But the same groups worried that mounting economic woes, nationalism, and a conservative backlash against *perestroika* could jeopardize Soviet reform and, by extension, peaceful international relations. Frustrated by the inaction of officials in Washington, the NED, Soros, and the Helsinki Watch worked hard to support the growth of new democratic actors and institutions in the USSR. Many bilateral groups followed suit, fearing institutional irrelevance as Cold War tensions waned. Illustratively, at a Dartmouth Political Relations Task Force meeting in Moscow in January of 1989, a Soviet speaker asserted that such meetings were rapidly becoming a Cold War anachronism. "As an institutional form of Soviet-American dialogue," the speaker claimed, "we are all now in something of a quandary, because dialogue is now being conducted by everybody, from state leaders down to school girls and boys. There has never been a similar situation." 173

U.S. leaders to dispense with Cold War antagonism and think boldly about using economic aid to underwrite *perestroika*. Soviet economic recovery, Soros argued, was the key to sustaining "open society" and democratic reform in the USSR. It was also essential to promoting U.S. security interests and geopolitical stability. The USSR's evolution since 1987 had shown that simply destroying repressive features of a "closed society" did not lead inexorably to the emergence of an "open society. The partial removal of command-administrative controls over the economy had bred shortages, unemployment, and mounting popular unrest.

Beginning in May 1988, Soros played the role of "stateless statesman," urging Western governments to provide a Marshall Plan for the USSR and offering technical advice to the Soviet

¹⁷³ "Dartmouth Conference Task Force on Political Relations," Moscow January 19-21, 1989, Folder 2, Box 1228, Kettering Foundation, Series III.A Grants, CCNY.

¹⁷⁴ George Soros, "The Gorbachev Prospect," New York Review of Books, June 1, 1989.

government.¹⁷⁵ Kremlin officials said he could assemble a "Task Force" of Western economists to design a plan for transforming the USSR into a market economy through the establishment of experimental open sectors. This frustrating and, ultimately, failed effort revealed to Soros a devastating lack of economic knowledge in the USSR.¹⁷⁶ Without Western aid and tutelage, he insisted paternalistically, the USSR would not be able to construct effective market institutions and the integrity of the Union would be threatened. Currency reform underwritten by the West was essential to afford the Baltic States the economic autonomy required to keep them in the Union. Unless *perestroika* quickly delivered upon its economic promises, popular expectations would be dashed and reform discredited. If *perestroika* failed, Gorbachev would likely be overthrown and a much more dangerous world order would emerge.¹⁷⁷

Soros was not alone in his belief that economic recovery was essential to the success of democratic reform in the USSR. After a fall 1988 trip to the Soviet Union, ISAR leader Nancy Graham wrote in a report to the Rockefeller Fund, "we were blown away by the changes – the intellectual ferment and upheavals – and the lack of change, particularly economic." ISAR, therefore, began transforming its mission seeking to focus on economic, as well as environmental, issues. Is ISAR officials grew frustrated by the inaction of the Bush administration, believing that Washington policymakers were wasting valuable time as they pondered "whether Gorbachev has 'actually let the genie out of the bottle." "Without more food on the table, merchandise in stores, or better housing, transport, or medical care," an ISAR report

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¹⁷⁵ He also told Alexander Yakovlev that the U.S. should give the USSR Marshall Plan level aid in May 1988. Zapis besedy A.N. Yakovleva c gospodinom Dzh. Sorosom (SShA), May 17, 1988, Fond 10063, Opis 1, Delo 251, Gosudarstvenny Arkhiv Rossisiskoi Federatsii (GARF), Moscow, Russia

¹⁷⁶ Soros, *Underwriting Democracy* 28-30.

¹⁷⁷ Soros, *Underwriting Democracy* 28; Mark Burdman, "Genscher Lauds Russia at Potsdam Meeting, *EIR* 15 no.26 (June 24, 1988): 40-41, 40.

¹⁷⁸ Nancy Graham to Bill Moody, Folder 7643, "ISAR, 1984-1988," Box 1279, Series III.2 Grants, RBF.

¹⁷⁹ Letter to Potential Donors, December 14, 1988, Folder 7944 "ISAR, 1988-1989," Box 1279, Series III.2 Grants, RBF.

explained, "the Soviet citizens may lose faith in the possibilities of reform." In its capacity as an exchange clearinghouse, ISAR focused on promoting "cooperative projects, which specifically address areas such as agriculture, food processing, trade and economics, management training, education, health, and environmental preservation." ¹⁸⁰

While Soros and ISAR continued to view Gorbachev as the guarantor of democratizing change in the Soviet Union, the National Endowment for Democracy worried that the administration was abandoning the democratic opposition in the USSR just as it most needed support against conservative foes. The NED worked to rally the Bush administration – and other NGOs – to support the champions of democratic reform throughout the Soviet bloc and to expand its funding and role in U.S. foreign policy. In a January 7, 1989 letter to NED president Carl Gershman, NED Soviet programs chief Nadia Diuk emphasized the need to convince the Ford and Soros foundations to shoulder some of the burden for aiding the "pure opposition." NED funds were insufficient to meet the growing demand for aid. Diuk wrote, "Ford has done no work with democratic or independent groups," and Soros had only "sponsored individuals, or academic ventures." ¹⁸¹ Then in May 1989, the endowment hosted a conference on the theme of "A Democratic Revolution," whose purpose was "to place the issue of the democratic revolution on the agenda of the new Administration, so as to encourage those defining U.S. priorities to embrace an historic opportunity to assist democratic movements and thereby advance American ideals and interests."182

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¹⁸⁰ ISAR General Funding Proposal, February 28, 1989, Folder 7944 "ISAR, 1988-1989," Box 1279, Series III.2 Grants, RBF.

¹⁸¹ Letter from Nadia Diuk to Carl Gershman, January 7, 1989, Folder 33: Democratic Developments in Eastern Europe, Box 2, Series II, Office of the President, NED.

¹⁸² "The Democratic Revolution: A Proposal to Convene a May 1989 World Conference of Democratic Activists and continue the Congressional Seminar on Democracy," 1989, Folder 3 "Brock," Box 1, Series II, NED.

Endowment leaders wanted the Bush administration to allow the NED to play an expanded role in U.S. foreign policy. Cognizant of the administration's political and economic constraints, in January 1989 William Brock of the NED tried to sell the endowment to the Bush administration as the most "politically attractive" way to "advance U.S. interests and values" in the Soviet empire. The Bush administration did not want to undermine Gorbachev's authority, and the NED's "quasi-governmental status" enabled it to provide U.S. support for democratization through "*inexpensive* but *very* visible and popular initiatives" not directly tied to the U.S. government. [183] [emphasis original]

Meanwhile, both the Helsinki Watch and the ACUSSR remained very concerned about the sustainability of democratic developments in the USSR without legal structures and a political culture to protect them. Two prominent ACUSSR members, William Taubman and Frederick Starr, expressed their worries in a book published in early 1989 as part of the ACUSSR's Assessment project. In their view, Gorbachev had reduced the power of the state over citizens' private lives and activities. But trends toward decentralization and self-management were fundamentally at odds with the prerogatives of the centralized, one party system. These trends would wither without robust protections. They wanted to reform the Bolshevik political culture and to underscore respect for minority rights, majority rule, and potential compromises in the name of the common good. Taubman believed that, while Gorbachev retained deep ambivalence about democracy, having employed it as a means to an end, it was becoming an end in itself for many Soviet proponents of democratic change.

¹⁸³ William Brock to Richard Darman, January 30, 1989, Series II, Office of the President, Box 1, Folder 4, "Board of Directors (BOD) William Brock [2]," NED.

Taubman and Starr worried about how the general secretary would respond to challenges from an increasingly radical intelligentsia and national minorities.¹⁸⁴

The Helsinki Watch feared that new human rights abuses were emerging as a result of Gorbachev's desire to contain Soviet society's new freedom. Citing laws and repressive violence, a March 1989 Helsinki Watch Report observed that although human rights violations had diminished "the systemic abuses of the repressive society itself have become more visible." The fundamental problem was that "the basic elements of the Soviet system remain unchanged: one party dictatorship, lack of an independent bar and judiciary . . . and suppression of labor movements and movements for religious and national independence." In January 1989, Helsinki Watch sent a team of legal scholars to the USSR to evaluate *perestroika's* legal reforms, and in March monitored the fairness of the inaugural elections for the Congress of Peoples Deputies.

Several NGOs, including the ACUSSR, also focused on nurturing democratic institutions capable of protecting political and civil rights. They seized upon the newly elected Supreme Soviet of the Congress of People's Deputies as an institution that could serve as the foundation of a state based upon rule of law. In August 1989, the ACUSSR funded a visit to Washington D.C. by members of the Supreme Soviet Committee on Legislation, Legality, Law, and Order to engage in an "intensive study of the theory and practice of American democracy." The Carnegie Corporation and Ford Foundations enthusiastically funded the project. Reflecting the euphoria and hubris of the moment, they were eager to take advantage of the Soviets' apparent desire to

¹⁸⁴ Frederick Starr and William Taubman, "Conclusions" in *Toward a More Civil Society: The USSR Under Mikhail Sergeevich Gorbachev: An Assessment by the American Committee on U.S. Soviet Relations* (New York: Harper Row, 1989), 305-307, 309-311.

¹⁸⁵ Helsinki Watch, "News from the USSR," May 1989, folder 11, Box 1206, Helsinki Watch, Series III.A Grants, CCNY.

¹⁸⁶ Helsinki Watch, Annual Report, 1989, 25-27.

learn from and adopt aspects of the U.S. system.¹⁸⁷ They hoped to facilitate the transformation of the Supreme Soviet from a "rubber stamp" body to one that created legal guarantees to protect civil and political rights in the Soviet Union.¹⁸⁸

Conclusion

While most narratives of U.S. efforts to promote Russia's "transition" to market democracy begin in or after 1991, the origins of this story lie in the foundational period discussed in this chapter. The political dynamics that brought about the collapse of the Soviet Union emerged from Gorbachev's drive to "democratize" socialism between late 1986 and mid-1989. Gorbachev's liberalizing ideological and political reforms eroded the Communist Party's monopoly control over political, intellectual, and economic life. They gave rise to a new "pluralism" and provided "pluralist" democratic and nationalist opposition forces with institutional platforms from which to challenge both the one-party system and the integrity of the USSR.

Beginning in 1987, upon the wave of *glasnost*' and the release of political prisoners, emergent informal groups and independent press organs began pushing the boundaries of *perestroika*. Following the 19th party conference, these grassroots groups allied with radicalizing in-system liberals, like Afanasyev, and party defectors, like Yeltsin. Through the creation of the Congress of People's Deputies at the 19th party conference, Gorbachev unwittingly provided this coalescing opposition movement, composed of democrats and proponents of national independence, with a mechanism to project political power. Meanwhile, conservative backlash

¹⁸⁷ Discretionary Grant Recommendation, August 3, 1989, Box 1432, Folder 4, ACUSSR, CCNY.

Ford Foundation Grant Report, Support for the Work of the Human Rights Project Group to promote respect for human rights and rule of law in the USSR, February 28, 1990, Microfilm Reel 7747 G 90-4488, Ford Foundation Archives, Tarrytown, New York; Grant Report, "Building Democratic Institutions: New Soviet Legislators Study the Theory and Practice of American Government," Box 1432, Folder 4, ACUSSR, CCNY.

against the general secretary's reforms - and the threats to the party and the union that they had spawned - sharpened and polarization grew.

U.S. actors did not cause these dynamics. However, U.S. efforts to promote Soviet democratization both influenced and were influenced by the destabilizing and decentralizing course of change in the USSR. The ad-hoc solutions employed by U.S. actors in response to these unprecedented developments formed the foundation of the U.S. approach to promoting democracy and free markets in the USSR moving forward.

As official bureaucracies struggled to adapt and bilateral non-governmental groups recalibrated their missions in response to the rise of Soviet civil society and "pluralism," George Soros, the NED, and the Helsinki Watch seized the opportunity to promote "democratization" from the bottom up. Soros and the NED pioneered a model of democracy assistance that would become common U.S. practice, distributing grants to independent actors, while Helsinki worked to promote legal protections for these groups.

Navigating the volatile and increasingly murky Soviet political scene proved challenging, however, and the impact of this early democracy assistance was both mixed and unpredictable. By providing material aid to organizations like Press Club Glasnost', Memorial, *Glasnost'*, and national popular fronts, U.S. actors helped these Soviet groups propel potent liberal democratic notions of "self-determination," "human rights," "democracy," and "free speech" into an increasingly open discursive Soviet playing field. U.S. backing also helped protect these Soviet organizations from persecution by the regime, enhancing their ability to disseminate ideas that radicalized *perestroika* and were, by the summer of 1989, used by Yeltsin and other Gorbachev opponents to challenge both the one party system and the Union.

While U.S. assistance gave nascent democratic groups in the USSR a significant boost at a time when their access to vital resources was circumscribed and their survival uncertain, it also tarred these groups and their ideas with the taint of Western influence. U.S. aid to human rights, democracy, and national independence movements fueled conservative backlash and gave rise to suspicions that "democracy" was little more than an anti-Soviet, Western import to destabilize the USSR.

By mid-1989, a "dual track" strategy emerged. The Bush administration threw its support behind Gorbachev and the responsibility of providing on the ground democracy aid fell to non-governmental groups. This division sharpened over the course of the next year against the backdrop of the burgeoning center-republic struggle in the Soviet Union. As the Bush administration worked to secure the peaceful collapse of communism in Eastern Europe, German reunification, and the rise of a viable "new world order," it prioritized its relationship with Gorbachev more than ever. Unofficial groups appeared to offer the perfect complement to official policy, representing a cheaper, less politically risky way to promote the democratic tide sweeping the Soviet bloc without destabilizing Gorbachev.

However, the problems that plagued U.S. democracy assistance between late 1986 and mid-1989 deepened. As the Soviet environment grew less stable and more difficult to understand, the question of whom to support became more complex. The difficulty of discerning who was truly a "democrat" increased as Soviet actors began rebranding themselves to earn Western support and hard currency, and the debate over Gorbachev's commitment to reform continued to divide U.S. policymakers and non-governmental groups. As U.S. non-state groups gravitated toward aiding Baltic independence and the Yeltsin-led opposition, their activities conflicted with and undermined the administration's emphasis on supporting Gorbachev.

Chapter Three

The Rise of the Soviet Republics, May 1989 to October 1990

Between the summer of 1989 and the fall of 1990, the division of Europe and the Cold War ended remarkably peacefully. Having affirmed the principle of self-determination in his December 1988 speech at the United Nations, Soviet General Secretary Mikhail Gorbachev allowed the USSR's prized "external empire" to slip away peacefully. He refrained from forceful intervention as largely democratic revolutions toppled Soviet satellite regimes across Eastern Europe. In June, Solidarity won an overwhelming victory in elections for the new bicameral Polish legislature, and on November 9, 1989, the Berlin Wall – the very symbol of the division of Europe – came down. In the spring and summer of 1990, Gorbachev assented to a reunified Germany anchored in NATO, while in August 1990, he joined U.S. president George H.W. Bush in condemning longtime Soviet ally Iraq's invasion of Kuwait. By the fall of 1990, it appeared that a "new world" order, premised upon U.S.-Soviet collaboration rather than confrontation, might be dawning.

Yet over the same period, Gorbachev and his advisors were often more preoccupied with rising instability in USSR's "internal empire" than with events in Eastern Europe. Political democratization combined with a sharpening economic crisis fueled centrifugal nationalism in the republics that, by the fall of 1990, seriously threatened the integrity of the USSR. "All our thoughts," key Gorbachev aide Georgy Shaknazarov recalls, "were focused on the internal situation." As former National Security Advisor and member of the National Endowment for Democracy Board of Directors Zbigniew Brzezinski wrote in *Foreign Affairs* in the winter of

¹ National Security Advisor Brent Scowcroft believes the Cold War ended when Gorbachev accepted Germany ² Quote appears in "Dialogue: The Musgrove Conference, May 1-3, 1998" in *Masterpieces of History: The Peaceful End of the Cold in Europe, 1989*, eds. Svetlana Savranskaya, Thomas Blanton, and Vladislav Zubok (Budapest: Central European University Press, 2010): 99-216, 151.

1989, "The national issue has become the central dilemma of Soviet political life It affects and vastly complicates almost every dimension of the political and economic *perestroika*."

For decades, the centralized, hierarchical Communist Party had unified the federal Soviet state, binding republics to the center economically through a system of coercive administrative controls and politically through the party chain of command. However, by mid-1989, Gorbachev's reforms had largely undermined these mechanisms of party control. Economically, his partial measures removed the power of command without implementing market mechanisms. These disruptions, combined with falling oil prices, pushed the stagnant economy into a full-blown crisis. Republican enterprises stopped responding to the center, consumer shortages mounted, the ruble overhang grew, and the Union treasury emptied as debt accumulated. Eager to stave off unrest, the Soviet state supported failing enterprises and purchased food and consumer products from abroad, leading to inflation and a mounting hard currency debt. The abject failures of these reforms drove demands by the republics for greater economic sovereignty and in early 1990 generated the first requests by Gorbachev for large-scale economic aid from the West.

 ³ Zbigniew Brzezinski, "Post-Communist Nationalism," Foreign Affairs 68 No. 5 (Winter 1989): 1-25, 10-11.
 ⁴ On the Soviet nationalities problem see Mark Beissinger, Nationalist Mobilization and the Collapse of the Soviet State (New York: Cambridge University Press, 2002); John Dunlop, The Rise of Russia and the Fall of the Soviet

Empire (Princeton, NJ: Princeton University Press, 1993); Francine Hirsch, Empire of Nations: Ethnographic Knowledge and the Making of the Soviet Union (Ithaca, NY: Cornell University Press, 2005); Terry Martin, The Affirmative Action Empire: Nations and Nationalism in the Soviet Union, 1923-1939 (Ithaca, NY: Cornell University Press, 2001); Bohdan Nahaylo and Victor Swoboda, Soviet Disunion: A History of the Nationalities Problem in the USSR (New York: The Free Press, 1990) Ronald Grigor Suny, The Revenge of the Past: Nationalism, Revolution, and the Collapse of the Soviet Union (Stanford, CA: Stanford University Press, 1993).

⁵ Gail Lapidus, "Gorbachev's Nationalities Problem" Foreign Affairs 68 no. 4 (Fall 1989): 92-108, 96.

⁶ It was this self-inflicted crisis, not earlier stagnation that forced Gorbachev to reduce military spending and seek Western aid. See Celeste Wallander, "Western Policy and the Demise of the Soviet Union," *Journal of Cold War Studies* 5 no. 4 (Fall 2003): 137-77, 163; Svetlana Savranskaya, "The Logic of 1989: Soviet Peaceful Withdrawal from Eastern Europe," in *Masterpieces of History*, 16-17.

⁷ Memorandum, "Economic Aid for the USSR – the \$20 Billion Question," May 25, 1990, folder "Chron Files: May-June 1990 [3]," OA/ID CF01309, Nicholas R. Burns, Chronological File, National Security Council, George H.W. Bush Presidential Records, George H.W. Bush Presidential Library [hereafter GHWBL].

Moreover, Gorbachev's effort to build an alternative base of power by transferring political authority from the Communist Party to new state parliamentary institutions had the unintended effect of undermining another key mechanism binding the republics to the Union center – the party hierarchy. ⁸ By creating democratically elected legislatures at the All-Union and republican levels, Gorbachev not only established an institutional avenue for nationalist and democratic opposition forces to enter politics, he made political candidates responsive to the demands of their local popular constituencies rather than Moscow party bosses. ⁹ With the right to secession codified in the Soviet constitution and without party loyalty to keep republican leaders in line, the republics represented "institutional vessels that now can be easily filled with nationalist content."

Taken together, these factors fueled centrifugal nationalism. In late 1989 and early 1990, this impulse was limited primarily to the Baltic States, punctuated by Lithuania's March 11, 1990 declaration of independence. However, by mid-1990, Gorbachev's continued unwillingness to embrace fully market reform enabled his political archrival Boris Yeltsin to outflank him from the pro-reform left. Although Gorbachev had been able to neutralize Yeltsin and the democratic opposition in All-Union parliamentary institutions, where the general secretary commanded loyal majorities, Yeltsin shifted the parameters of the competition in the spring of 1990. He transferred his base of power to the Russian Republic (RSFSR), using the newly established

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⁸ Stephen Kotkin, Armageddon Averted: The Soviet Collapse, 1970-2000 (New York: Oxford, 2008), 77.

⁹ Jack Matlock emphasizes this factor, especially in the Baltics, in *Autopsy on an Empire: The American Ambassador's Account of the Collapse of the Soviet Union* (New York: Random House, 1995), 232.

¹⁰ Brzezinski, "Post-Communist Nationalism," 6.

¹¹ A number of scholars have made this argument. See for example Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1996), Timothy Colton, *Yeltsin: A Life* (New York: Basic Books, 2008), and Gwendolyn Stewart, *SIC Transit: Democratization, Suverenizatsiia, and Boris Yeltsin in the Breakup of the Soviet Union*, Ph.D. Dissertation, Harvard University, May 1995.

¹² Colton, *Yeltsin*, 177.

RSFSR parliament as a platform from which to challenge Gorbachev.¹³ After winning election as chairman in July 1990, Yeltsin led the parliament in its declaration of sovereignty, asserting Russia's control over its economy and natural resources and the superiority of its laws over those of the Union.

Because of Russia's overwhelming size and influence within the Union, its demand for sovereignty represented an existential threat to the USSR and spurred a "parade" to sovereignty by the remaining republics. He summer of 1990, it appeared that the center-republic relationship needed to be reconfigured if both *perestroika* and the Soviet Union were to survive. The Shatalin Plan, developed by a team of Soviet economists and endorsed initially by Gorbachev and Yeltsin, represented an effort to do so. Deemed by one scholar the "last best chance" to save the Union, it called for a 500-day transition to a market economy and radically devolved economic authority to the republics. When Gorbachev ultimately rejected the plan in October 1990, he created a polarizing stalemate between the center and republics that now threatened to provoke the disintegration of the Soviet state. He

The rise of centrifugal nationalism in the multiethnic, nuclear Soviet Union posed unfamiliar questions and threats for U.S. policymakers and non-governmental groups. While the USSR was home to hundreds of nationalities dispersed throughout its fifteen republics, U.S. actors "[knew] little about what these exceedingly diverse nations want ... what their agenda is ... and how they view their future place in the Soviet Union." Although few U.S. observers foresaw the possibility of collapse before late 1990, growing nationalism raised the threat of

¹³ Colton, Yeltsin; Matlock, Autopsy on an Empire; and Stewart, SIC Transit.

¹⁴ Mikhail Gorbachev, *Memoirs* (New York: Doubleday, 1996), 344-47.

¹⁵ Stewart, SIC Transit, 2.

¹⁶ See Condoleezza Rice, "Whither the Soviet Union," November 23, 1990, folder "USSR – Gorbachev," OA/ID CF00719, Condoleezza Rice, Soviet Union/USSR, Subject File, NSC, GHWBL.

¹⁷ Nadia Diuk and Adrian Karatnycky, *The Hidden Nations: The People Challenge the Soviet Union* (New York: William Morrow and Company, 1990), 35.

violent authoritarian retrenchment that would end *perestroika*. While Gorbachev appeared to embrace self-determination in Eastern Europe, most U.S. observers believed that he would treat the "internal empire" differently. Ambassador Jack Matlock later recalled, "we could not believe, that if it really came down to letting political reform get out of control, he would not clamp down and use force." A November 1989 CIA report predicted that the Soviet regime would, if necessary, "use massive force to hold the country together." Even more terrifying was the specter of anarchy. Will the intensification of the nationalities problem," the July 1990 Dartmouth Conference asked, "lead to chaos . . . in the presence of 10,000 nuclear warheads?" ²¹

The rising assertiveness of the republics between mid-1989 and the fall of 1990 created a rift with center that led eventually to the Soviet collapse. However, few scholars examine the U.S. response to these internal Soviet dynamics, focusing instead on efforts by the two superpowers to end the Cold War in Europe.²² Those works that do explore the U.S. response to the rise of Soviet nationalism either concentrate narrowly on the crisis provoked by Lithuania's March 11, 1990 declaration of independence or provide general histories of the Bush

¹⁸"Dialogue: The Musgrove Conference, May 1-3, 1998" in Savranskaya, Blanton, and Zubok, eds. *Masterpieces of History*, 117.

¹⁹ National Intelligence Estimate 11-18-89, "The Soviet System in Crisis: Prospects for the Next Two Years" in "Bush and Gorbachev at Malta," National Security Archive Electronic Briefing Book No. 298, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB298/index.htm.

²⁰ Both Jack Matlock and Condoleezza Rice, for example, argued that authoritarian retrenchment would be preferable to instability. See Rice, "Whither the Soviet Union" and U.S. Embassy Moscow, Cable, Jack Matlock (drafted by Raymond F. Smith) to State Department, "Looking into the Abyss: The Possible Collapse of the Soviet Union and What We should Be Doing About It," July 13, 1990, in "The End of the USSR, 20 Years Later: Moscow Conference Debates Breakup of the Soviet Union," National Security Archive Electronic Briefing Book No. 364, available online http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB364/.

²¹ Stenographic Record, Dartmouth Conference XVII "U.S.-Soviet Relations in a New World Order," Leningrad, USSR, July 23-27, 1990, Box 1228, Folder 3, Kettering Foundation, Series III.A, Grants, Records of the Carnegie Corporation of New York [hereafter CCNY].

²² See, for example, Blanton, Savranskaya and Zubok, eds. *Masterpieces in History*; Mary Sarotte, *1989: The Struggle to Create Post-Cold War Europe* (Princeton, NJ: Princeton University Press, 2009); James Wilson, *The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca NY: Cornell University Press, 2014); and Philip Zelikow and Condoleezza Rice, *Germany Unified and Europe Transformed: A Study in Statecraft* (Cambridge, MA: Harvard University Press, 1995).

administration's foreign policy.²³ Both literatures focus on official policymaking, emphasizing the Bush administration's restrained "realism" aimed at preserving geopolitical stability and productive relations with Gorbachev. By excluding NGOs, these works fail to capture the tensions between the "dual" official and unofficial tracks of U.S. policy and the complex impact of U.S. influence on internal Soviet dynamics.

This chapter provides a more comprehensive picture of the U.S. response to centrifugal nationalism in the USSR between mid-1989 and early 1990. Unlike past scholarship, it illuminates how often contradictory U.S. efforts to deploy influence within the USSR interacted with and affected an intensifying struggle over the Union. While budget constraints and fear of destabilizing Gorbachev made the Bush administration wary of establishing official contacts outside of the "center," a growing number of U.S. non-state actors made connections and worked to build market-democratic institutions in the republics. At times their efforts complemented the Bush administration's emphasis on stability. However, by the fall of 1990 the "dual" official and unofficial tracks of U.S. policy increasingly mirrored and exacerbated the center-republic split. Ultimately, U.S. and Soviet actors influenced one another in significant, but heretofore overlooked ways that helped fuel the dynamics leading to the USSR's 1991 collapse.

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²³On Lithuania, see Kristina Spohr Readman, "Between Political Rhetoric and Realpolitik Calculations: Western Diplomacy and the Baltic Independence Struggle in the Cold War Endgame" *Cold War History* 6 No. 1 (February 2006): 1-42; and Wallander, "Western Policy and the Demise of the Soviet Union." For accounts of the Bush administration's Soviet policy, see James Baker, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P. Putnam's Sons, 1995); Michael Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War* (Boston: Little and Brown, 1993); Bush and Scowcroft, *A World Transformed*; Raymond Garthoff, *The Great Transition: American Soviet Relations at the End of the Cold War* (Washington DC: The Brookings Institution, 1994); Michael McFaul and James Goldgeier in *Power and Purpose: U.S. Policy Toward Russia After the Cold War* (Washington DC: Brookings, 2003); Matlock, *Autopsy on an Empire*; Angela Stent, *The Limits of Partnership: U.S. Russian Relations in the Twenty-First Century* (Princeton NJ: Princeton University Press, 2014).

Gorbachev's Approach to the Burgeoning Soviet Crisis, May 1989-March 1990

Between the summer of 1989 and early 1990, Gorbachev appeared unwilling either to reimpose the old order through repression or to break entirely with the past and embrace radical reform. Rather, he sought to marry the incompatible goals of making the USSR more market-oriented and democratic, while retaining the unitary party structure and command economy that bound together the involuntary Union. As the Soviet system morphed into an uneasy hybrid, "perched precariously between a past that is no more and a future that is not yet," economic woes deepened and the Baltics' and Yeltsin's challenge to Gorbachev radicalized and accelerated. 25

By mid-1989, Gorbachev's worldview had evolved substantially. Having sought previously to rid the Soviet system of its Stalinist distortions, he now aimed to move beyond Lenin. "For the first time," key aide Anatoly Chernyaev observed, "he accepted Lenin as an ordinary person . . . who probably made a mistake of 'historic proportions." As Robert English has shown, by 1989 Gorbachev fully embraced a "liberal-integrationist" identity. He both genuinely valued and staked the fate of *perestroika* on his respect for "universal human values." At a May 1989 Politburo meeting, he insisted that "the use of force is out of the question" in foreign and domestic policy. Using violence to repress democratic expressions of self-determination would also destroy the USSR's chances of joining the Western political-economic order, an unacceptable outcome given its mounting economic crisis. Increasingly, Gorbachev sought economic integration with the West. An August 29, 1989 Politburo meeting concluded

²⁴ See Chernyaev, *My Six Years with Gorbachev*, 201; and George Soros, "The Gorbachev Prospect," *The New York Review of Books*, June 1, 1989.

²⁵ This quote comes from a book published as the result of an October 1990 Moscow conference sponsored by the Center for Strategic and International Studies and funded by the National Endowment for Democracy. See Brad Roberts, *After Perestroika: Democracy in the Soviet Union* (Washington DC: CSIS, 1991), xv.

²⁶ Chernyaev, *My Six Years with Gorbachev*, 213.

²⁷ Robert English, "The Sociology of New Thinking: Elites, Identity Change, and the End of the Cold War" *Journal* of Cold War Studies 7 no. 2 (Spring 2005): 43-80, 66-7.

²⁸ Session of the CC CPSU Politburo, May 11, 1989 in *Masterpieces of History*, 451.

that "participation of the USSR in the International Monetary Fund and the World Bank would meet the political and national economic interests of the country." The USSR needed "strategic" advice to facilitate its transition to market and integration into the global economy.²⁹

While Gorbachev realized in principle that market reform and democratic political decentralization were the only way forward, he found this course difficult to accept in practice. His lingering ideological attachment to the USSR's socialist identity and promise of social justice combined with worries that measures like price decontrol would induce social suffering discouraged him from pursing market reform. He remained fiercely attached to the Union and was too fearful of causing its disintegration to relinquish established "levers of power." Conservatives like KGB chief Vladimir Kryuchkov exacerbated these fears by highlighting the destabilizing potential of reform. Thus, between mid-1989 and early 1990, Gorbachev refused to break with the conservative wing of the CPSU, split the party, and lead a pro-reform wing. He also failed to offer the Baltic States, whose illegal incorporation under the Molotov-Ribbentrop Pact distinguished them from the other republics, a viable path to independence. As a result, both the Baltic independence and Yeltsin-led democratic opposition movements radicalized, gained popularity and mounted serious challenges to Gorbachev and the Union following victories in early 1990 elections for republican parliaments.

²⁹ Extract from the Minutes of the TsK KPSS Politburo re: USSR Relations with the International Monetary Fund and World Bank, August 29, 1989, Fond 1989, Reel 1.991, Opis 9, Delo 27, Russian State Archive of Contemporary History [RGANI].

³⁰ Chernyaev, My Six Years with Gorbachev, 229, 215.

³¹ Anatoly Chernyaev, "The Diary of Anatoly Chernayaev, 1989," May 2, 1989, National Security Archive Electronic Briefing Book No. 275, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB275/index.htm.

Mark Kramer, "The Collapse of East European Communism and the Repercussions within the Soviet Union (Part 2)," *Journal of Cold War Studies* 6, no. 4 (Fall 2004): 3-64, 52.
 A number of scholars have demonstrated that Gorbachev underestimated the depth and failed to anticipate the

³³ A number of scholars have demonstrated that Gorbachev underestimated the depth and failed to anticipate the destabilizing impact of the Soviet Union's nationalities problem. See, for example, Brown, *The Gorbachev Factor*; Kotkin, *Armageddon Averted*; Suny, *Revenge of the Past*.

The Rise of the Baltic Independence Movements

Perestroika reawakened Baltic nationalism. In 1986 and 1987, informal groups devoted to reclaiming their national, ethnic and cultural heritage emerged in Latvia, Lithuania, and Estonia. In 1987, many of these groups protested the Molotov-Ribbentrop Pact, implicitly challenging the Baltics' incorporation in the USSR. Few, however, called for independence and most supported *perestroika*. ³⁴ The informal movement spurred the establishment of popular fronts, or coalitions joining together diverse communist and non-communist pro-perestroika forces in the Baltics in 1988. 35 Eager to harness this grassroots energy behind reform, Gorbachev did not discourage this development. He viewed the more Westernized Baltic states as natural pro-reform allies and failed to see the potential of the popular fronts as incubators for radical proindependence sentiment.³⁶

After holding founding conferences in the fall of 1988, the Baltic popular fronts grew more radical.³⁷ Having previously sought only enhanced political, economic, and cultural autonomy within the Union, they now embraced independence as their long-term goal.³⁸ Their agendas gained traction after Baltic popular front candidates won significant majorities in the March 1989 elections for the first Congress of Peoples' Deputies. In Lithuania, for example, the Popular Front Sajudis won 36 of 42 seats. Seeking to retain popular support, Baltic communist parties embraced the popular fronts' platform.³⁹ In May and June of 1989 Estonia, Latvia, and

³⁴ See Lyudmila Alexeyeva and Catherine Fitzpatrick, *Neformaly: Civil Society in the USSR* (New York: Helsinki Watch Committee, 1990), 93-4.

³⁵ Martha Brill Olcott, "The Lithuanian Crisis," *Foreign Affairs* 69 No. 3 (Summer 1990): 30-46, 32. Readman "Between Political Rhetoric and Realpolitick Calculations," 4.

³⁷ Alexeyeva and Fitzpatrick, *Neformaly*, 98-100, 33.

³⁸ Romuald Misiunas and Rein Taagepera, *The Baltic States: Years of Dependence, 1940-1990* (Berkeley CA: University of California Press, 1993), 322.

³⁹ A number of scholars have emphasized the way in which electoral pressure shifted the agenda of the Baltic communist parties. See for example Alexeyeva and Fitzpatrick, Neformaly, 99-100; Matlock, Autopsy on an Empire, 232; Readman "Between Political Rhetoric and Realpolitick Calculations," 4.

Lithuania declared their sovereignty, asserting control over their economies and declaring the supremacy of their laws to all-Union laws.⁴⁰

These Baltic declarations had the potential to catalyze nationalist unrest brewing elsewhere in the USSR. Tensions flared between Armenia and Azerbaijan over the contested region of Nagorno-Karabakh; ethnic violence broke out in Uzbekistan's Ferghana Valley between Uzbeks and Meshketian Turks, a Shi'ia minority deported by Stalin from Georgia; miners' strikes erupted in the Donbass region of Ukraine protesting economic exploitation by the center; and Soviet troops killed 19 suppressing protests in Tbilisi, Georgia, provoking fury at Moscow and the creation of the Georgian popular front in June. While the Baltics could be excised relatively painlessly from the USSR, Anatoly Chernyaev believed, the spread of separatism to integral republics like Georgia and Ukraine meant the entire Union had to be reconceived. If Georgia "wants to leave the USSR ... there are two choices: occupation, which would mean an "empire" again, or a confederation type of federation."

Increasingly concerned, Gorbachev recognized the need to reconfigure the relationship between the center and the republics. ⁴³ At a May 11 Politburo meeting, he acknowledged that the Baltic popular fronts' deep public support meant the regime had to deal reasonably with them. "We cannot identify them as extremists. And we should learn how to talk with them." He was willing to grant them expanded autonomy within the Union framework. "Do not be afraid of differentiating among the Republics according to the level of sovereignty that is practiced . . .

⁴⁰ The Lithuanian Supreme Soviet declared, "only the laws adopted or approved by the Supreme Soviet of the Lithuanian SSR will be valid on the territory of Lithuania" and claimed "exclusive" control over economic activity conducted on its territory "Lithuanian SSR Supreme Soviet Declaration on the State Sovereignty of Lithuania," May 18, 1989 printed in Charles Furtado, Jr. and Andrea Chandler, eds. *Perestroika in the Soviet Republics: Documents on the National Question* (Boulder, CO: Westview Press, 1992), 163-4.

⁴¹ Gorbachev, *Memoirs*, 342.

⁴² Chernyaev, *The Diary of Anatoly Chernyaev 1989*, April 16, 1989, 15.

⁴³ Gorbachev, *Memoirs*, 342-3.

And in general: think, think how in practice to transform our federation. Otherwise everything will really collapse.",44

However, Gorbachev was unwilling to relinquish the unitary structure of the CPSU or allow the secession of the Baltic republics. In a July 1, 1989 radio address, he warned that secession would be catastrophic for republics dependent upon the integrated Union economy. If implemented, "calls for economic autarky and spiritual isolation . . . would bring immense material and moral losses to each nation."45 The problem of the Union had to be solved collaboratively. "Self-determination (samoopredelenie)," Chernyaev wrote in August 1989, was "possible . . . only within the framework of the federation." The September 1989 Central Committee draft policy on nationalities codified this outlook officially, asserting "without a strong union there are no strong republics; without strong republics there is no strong union." ⁴⁷

Gorbachev toughened his stance against the Baltics following their sovereignty declarations. 48 Despite his earlier appeal to deal reasonably with the popular fronts, a July 22 Politburo decree accused these organizations of "extremism" and "unsupported criticism of the party apparatus."⁴⁹ After the Baltic people formed a human chain on the August 23, 1989 anniversary of the Nazi-Soviet pact, the Central Committee threatened that a push for independence might precipitate the use of force. "The very viability of the Baltic nations could be called into question."50

⁴⁴ Session of the CC CPSU Politburo, May 11, 1989, Masterpieces of History, 451.

⁴⁵ Mikhail Gorbachev, Speech on Soviet Television, July 1, 1989 in *Soyuz Mozhno Bylo Sokhranit'* (Moscow: Gorbachev Foundation), 83-4.

⁴⁶ Dokladnaya Zapiska A.S. Chernyaeya, Tezisy po natsional'nomy voprosy, August 11, 1989, Fond 2, Opis 1, Delo 8029, Gorbachev Foundation, Moscow, Russia [hereafter GF].

⁴⁷ "Draft Nationalities Policy of the Party Under Present Conditions (CPSU Platform), Adopted at the CPSU Central Committee Plenum, in Furtado and Chandler, eds., Perestroika in the Soviet Republics, 25.

⁴⁸ Readman, "Between Political Rhetoric and Realpolitick Calculations," 6-7.

⁴⁹ Extract from the Minutes of the TsK KPSS Politburo re: the Political Situation in the Baltic Republics, July 22, 1989, Fund 1989, Reel 1.991, Opis 9, Delo 6, RGANI.

⁵⁰ Pravda, August 26, 1989, quoted in Matlock, Autopsy on an Empire, 237.

Gorbachev hoped that by granting the Baltic republics expanded economic autonomy, he could guell their desire for independence.⁵¹ He insisted that the Balts must pursue independence gradually, through a constitutional framework.⁵² Yet, no such framework materialized until the unsatisfactory April 1990 draft law on secession (this law established nearly insurmountable barriers to independence).⁵³ As a result, the Balts doubted the authenticity of Gorbachev's offers. In a November 7 meeting, Gorbachev told the Politburo that leaders from Latvia and Estonia had informed him that "[t]hey are convinced that because the Center is not ready to grant real independence, there will be real no economic autonomy either. This is being used as an excuse to leave the USSR."54 Tensions reached a breaking point in late December. After the Central Committee revoked the Baltics' laws declaring their sovereignty, the Lithuanian communists split officially from CPSU, effectively federalizing the unitary structure of the CPSU. 55 At an a December 25-26 emergency meeting of the Central Committee plenum Gorbachev likened the move to "pushing things to a dismemberment of the USSR." ⁵⁶ By the end of 1989, Soviet Prime Minister Nikolai Ryzhkov "smell[ed] an overall collapse." The Baltic popular fronts would soon triumph in their republican elections and "adopt a decision to leave." This would breed "chaos" and, even more dangerously, stir centrifugal nationalism in "Russia and Ukraine." 57

It is unlikely that Gorbachev could have prevented the Baltics from leaving the Union by democratic means, but his tactics caused the nationalities crisis to deepen. Had he treated the

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⁵¹ See, for example, Session of the CC CPSU Politburo, November 9, 1989, in Savranskaya, Blanton, and Zubok,eds., *Masterpieces of History*, 577.

⁵² Gorbachev, *Memoirs*, 343-45.

⁵³ Matlock, *Autopsy on an Empire*, 358.

⁵⁴ Session of the CC CPSU Politburo, November 9, 1989, in Savranskaya, Blanton, and Zubok, eds., *Masterpieces of History*, 577.

⁵⁵ The move was first proposed by first secretary of the Lithuanian communist party Algirdas Brazauskas in June. Olcott, "The Lithuanian Crisis," 35.

⁵⁶ Matlock, Autopsy on an Empire, 282.

⁵⁷ Session of the CC CPSU Politburo, November 9, 1989 in Savranskaya, Blanton and Zubok,eds. *Masterpieces of History*, 578.

Baltics as exceptions and allowed them to secede from the USSR, he might have prevented the sovereignty contagion from spreading to the other republics.⁵⁸ While this radical step was perhaps unrealistic and politically distasteful, Gorbachev's resistance over the course of 1989 even to the prospect of Baltic independence bred Baltic distrust of his intentions, sharpened the urgency of their demands, and created an adversarial dynamic that had portentous consequences.

Yeltsin's Political Comeback and the Rise of the Democratic Opposition

In early 1989, Boris Yeltsin mounted a political comeback made possible by Gorbachev's democratization. In October 1987, Yeltsin's political career appeared over after Gorbachev expelled him from the Politburo for a speech denouncing the party's conservatism. The two men had developed a bitter personal rivalry soon after Yeltsin arrived in Moscow in 1985.⁵⁹ Yeltsin possessed an unmistakable authoritarian streak and hunger for power that threatened Gorbachev.⁶⁰ The former first secretary of Sverdlovsk, a rough hewn industrial region in the Urals, resented the snobbery of the Moscow party elite and disliked taking orders from the urbane Gorbachev, whom he perceived as patronizing and incompetent.⁶¹ He thus embraced populism, traveling on Moscow's public transportation and condemning party privilege.⁶²

When Gorbachev banished Yeltsin in 1987, it was a blessing in disguise. It cemented his status as an alternative to Gorbachev, the party, and the economic failures of *perestroika*. As *New York Times* journalist Bill Keller wrote in March 1989, Yeltsin "has turned the party's attacks on him to his advantage, using them to underline his underdog status and his bond with

⁵⁸ Chernyaev, My Six Years with Gorbachev, 227, 252-4.

⁵⁹ Their rivalry, in fact, predates Yeltsin's arrival in Moscow and extends back to a dispute they had when Gorbachev was secretary of agriculture. Boris Yeltsin, *Against the Grain: An Autobiography* (New York: Summit Books, 1990), 72.

⁶⁰ Yeltsin, Against the Grain, 70; Colton, Yeltsin, 177.

⁶¹ Colton, Yeltsin, 140.

⁶² Yeltsin, Against the Grain, 84.

⁶³ A number of scholars have emphasized this point. See especially Colton, *Yeltsin*, 155; Stewart, *SIC Transit*, 2.

the common man." ⁶⁴ His strong, if ill-defined, calls for decisive action appealed to the properestroika intelligentsia, while his outsider status and populist critique of party privilege and the exploitative Moscow "center" resonated with the general public. 65 The creation of Congress of People's Deputies, to which Yeltsin was elected in March 1989, gave him a "mechanism for translating popular support into power." 66

Gorbachev and his advisors watched Yeltsin's rise warily. In February 1989, Shaknazarov expressed concern that many high level party members failed to grasp that "we stand on the threshold of real radical reform of our political system." If the upcoming Congress of People's Deputies appeared to be only a "formality," it would cause skepticism that "the party really intend[ed] to transfer power" to new, democratically elected state institutions and fuel rising opposition forces. The only way to prevent the opposition from "gaining new political capital," Shaknazarov argued, was to demonstrate that the Congress "will become the main vessel of popular sovereignty (narodovlastie) in the country."67

While the raucous, nationally televised Congress represented an unprecedented display of democracy, it nevertheless remained an institution controlled by Gorbachev and the party. ⁶⁸ As a result, in late July 1989, the democratic deputies banded together to form the Interregional Group of Deputies (MDG) to maximize their power and overcome the disadvantages of their minority status. ⁶⁹ Along with Yuri Afanasyev, Andrei Sakharov, economist Gavril Popov, and Estonian Victor Palm, Yeltsin was elected one of the group's five co-chairmen. A younger generation of

⁶⁴ Bill Keller, "Soviet Maverick is Charging Dirty Tricks in Election Drive," New York Times, March 19, 1989.

Leon Aron, "Yeltsin: Russia's Rogue Populist" Washington Post, July 3, 1990.
 Stewart, SIC Transit, 140.

⁶⁷ Dokladnaya zapiska M.S. Gorbachevu o C'ezde Narodnykh Deputatov, February 7, 1989 Fond 5 Materials of G.S. Shaknazarov, Opis 1, Delo 18252, GF.

⁶⁸ Colton, Yeltsin, 177.

⁶⁹ "Izbrano Rukovodstvo Mezhregional'noi Deputatskoi Gruppi," July 30, 1989; "Organizatsionnoe oformlenie mezhregional'noi deputastkoi gruppy," Radio Liberty Soviet News Media Report, July 31, 1989 Fond 300, Records of Radio Free Europe/Radio Liberty Research Institute, Subfond 81, Series 1, Box 1007, Open Society Archives, Budapest, Hungary [hereafter OSA].

Russian democrats who would become key Yeltsin supporters also joined, including Sergei Stankevich, leader of the Moscow Popular Front, Arkady Murashev, the group's executive secretary, Galina Starovoitova, an expert on Soviet nationalities, and Ilya Zaslavsky, an activist for the disabled. Many of the liberal intelligentsia in the MDG remained distrustful of Yeltsin's party background and feared that he was using the group as a springboard to power. Nevertheless they recognized that he represented the most politically viable figure in the democratic opposition. When Andrei Sakharov died in December 1989, Yeltsin assumed leadership of the movement.

Intended to function as a "loyal opposition," the MDG drafted a platform in the fall of 1989 voicing dissatisfaction with Gorbachev and calling for "more radical transformations than those that have been carried out in the last two years." Thwarted at the all-Union level, the MDG sensed an opportunity to build an alternative power base in the *republican* parliaments in upcoming early 1990 elections. "These elections, without exaggeration," the platform stated "might become a turning point in the history of *perestroika*." ⁷² In preparation, in January 1990, Democratic Russia, or DemRossiya, was created as an umbrella organization to organize democratic political candidates and mobilize popular support behind a coherent platform of radical reform. By February 1990, 5,000 candidates across the country had joined DemRossiya,

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⁷⁰ "Izbrano Rukovodstvo Mezhregional'noi Deputatskoi Gruppi," OSA.

⁷¹ Sakharov was concerned that Yeltsin lacked constructive ideas. He wrote in 1989 that while he "respect[ed]" Yeltsin, he did not yet see him as a viable alternative to Gorbachev. "He is a person of a different caliber than Gorbachev. Yeltsin's popularity is to some extent dependent on Gorbachev's unpopularity, since Yeltsin is regarded as the main opposition to, and victim of, the existing regime." See Andrei Sakharov, *Moscow and Beyond: 1986 to 1989* (New York: Alfred Knopf, 1990), 115.

⁷² "Proekt Platformy Mezhregionalnoi gruppy narodnykh deputatov SSSR," November-December 1989, Fond 300, Records of Radio Free Europe/Radio Liberty Research Institute, Subfond 80, Series 1, Box 1007, Folder "Congress of Peoples' Deputies: Interregional Group," OSA.

while a mass democratic demonstration on February 4 in Moscow viscerally evinced the movement's growing popular support. 73

By late 1989, Gorbachev's advisors urged him to neutralize Yeltsin as a political alternative. On September 30, Shaknazarov warned that an "organized political opposition" had formed and "seized as their standard bearer Yeltsin," whom they viewed as a "spokesman of their egalitarian mood." Shaknazarov identified Yeltsin's appeal: perestroika was "now perceived by the masses as insufficiently revolutionary." Thus, he proposed a massive "renewal" of party cadres. "Only innovators," he argued, could "save the party and confirm its absolute right to lead." With this strategy, Gorbachev could tackle "the Yeltsin problem," coopting him by giving him a powerful party position. 74 In early 1990, Chernyaev and Aleksander Yakovlev urged Gorbachev to establish the Soviet presidency. Doing so would enable him to transfer his power base from the recalcitrant Politburo and Central Committee to state institutions. At the helm of the state structure, he could enact urgently needed reform. Yakovlev recommended introducing multiparty democracy, offering "real independence for the republics," and removing Prime Minister Ryzhkov, who he viewed as an obstacle to market reform.⁷⁵

Rather than taking this advice, Gorbachev lashed out against the democrats. On October 15, 1989, he publicly attacked Yeltsin, Sakharov, Afanasyev, and Starovoitova, claiming bitterly "We do not need this kind of 'communists." The rift deepened when Gorbachev called in the military at Kryuchkov's suggestion to control a demonstration in Moscow on February 25.77 The

⁷³ Yitzhak M. Brudny, "The Dynamics of Democratic Russia, 1990-1993," Post-Soviet Affairs 9:2: 141-170, 143-44.

⁷⁴ Dokladnaya Zapiska M.S. Gorbachevu o novom etape perestroiki i neobkhodimosti reshitel'nykh deistvii, September 30, 1989, Fond 5, Materials of Georgy Shaknazarov, Opis 1, Delo 18256, GF.

⁷⁵ Anatoly Chernyaev, "The Diary of Anatoly Chernayaev, 1990," January 28, 1990, National Security Archive Electronic Briefing Book No. 317, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB317/index.htm.

⁷⁶ Anatoly Chernyaev, "The Diary of Anatoly Chernayaev, 1989," October 15, 1989, National Security Archive Electronic Briefing Book No. 275, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB275/index.htm. ⁷⁷ Kramer, "The Collapse of East European Communism (Part 2), 50-52.

decision undermined Gorbachev's democratic credentials and the democrats' trust in him.⁷⁸ At a February 27 MDG meeting, Yeltsin observed that for the first time, the group was being referred to openly as the "opposition."⁷⁹ His election to the parliament initiated a portentous shift in the balance of power in the USSR. Although Gorbachev finally secured the presidency on March 19, his failure to subject himself to popular election robbed him of the popular legitimacy Yeltsin would enjoy moving forward.⁸⁰ At a March 22 Politburo meeting, Ryzhkov warned that if Yeltsin and the Interregional Group took Russia "the entire federal superstructure, will very quickly go to pieces."⁸¹

The Bush Administration, From the First Congress of Peoples' Deputies through Malta

By mid-1989, President George H.W. Bush and Secretary of State James Baker viewed the USSR as a "great power in decline," upon whose fate the course of the democratic revolutions in Eastern Europe and the new geopolitical order hinged.⁸² The U.S. objective was to manage this decline peacefully. The stakes were huge. Success promised the end of the Cold War and the global expansion of market democracy. Bush proclaimed on April 17, 1989 "a new breeze of freedom [is] gaining strength Eastern Europe is awakening to yearnings for democracy, independence, and prosperity." Eager to foster this trend, in the spring of 1989, the president shifted U.S. policy to promote Eastern Europe's democratization, prioritizing relations with Eastern European nations based on their progress toward reform and pursuing the removal

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⁷⁸ Chernyaev, My Six Years with Gorbachev, 263.

⁷⁹ "O Sobranii Mezhregional'noi deputatskoi gruppi," February 27, 1990, Fond 2 Materials of A.S. Chernyaev, Opis 1, Delo 8212, GF.

⁸⁰ See, for example, Archie Brown, The Gorbachev Factor; and Colton, Yeltsin.

⁸¹ "Itogi Vyborov na C'ezd Narodnykh Deputatov RSFSR," Politburo, March 22, 1990 in *V Politburo TsK KPSS: po zapisam Anatolia Chernyaeva, Vadima Medvedeva, Georgiya Shaknazarova (1985-1991)* (Moscow: Al'pina Biznes Buks, 2006), 581.

⁸² Baker, The Politics of Diplomacy, 41.

⁸³ George Bush: "Remarks to Citizens in Hamtramck, Michigan," April 17, 1989. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=16935.

of Red Army troops through the Conventional Forces in Europe Treaty (CFE). ⁸⁴ At the same time, however, China's violent crackdown against democracy demonstrators at Tiananmen Square on June 3 provided a sobering counterpoint to optimistic predictions, viscerally illuminating the tenuousness of democracy's advance in Eastern Europe. If Soviet "reform stalled or were reversed, at a minimum America would have to contend with a very unstable international environment." ⁸⁵

Although Bush and Baker viewed Gorbachev as an essential partner in ending the Cold War, they began to fear for his political survival. While Gorbachev was not in any imminent danger of being overthrown, the potential of this outcome seemed to be growing. ⁸⁶ In mid-1989, the NSC established a "Contingency Group" to monitor "the possibility that Gorbachev would fail or be replaced." ⁸⁷ In this context, U.S. leaders became eager to "lock in change." ⁸⁸ Baker noted in October 1989, "although we want *perestroika* to succeed, *we recognize it may not.*" As a result, it was essential to seize the "opportunity to shape the new E[ast]-W[est] security situation," particularly by securing arms control agreements that would permanently reduce the military threat posed by the USSR. ⁸⁹ Thus, between the summer of 1989 and the Malta Summit of December 1989, the administration deepened its investment in Gorbachev's political survival.

Eager to secure U.S. political and economic support for *perestroika*, Gorbachev and his advisors carefully monitored and tried to shape the administration's attitude toward Soviet

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⁸⁴ Bush and Scowcroft, A World Transformed, 38.

⁸⁵ Baker, The Politics of Diplomacy, 41.

⁸⁶ National Intelligence Estimate 11-18-89, "The Soviet System in Crisis: Prospects for the Next Two Years."

⁸⁷ Robert Gates, From the Shadows: The Ultimate Story of Five Presidents and How They Won the Cold War (New York: Simon and Schuster, 1996), 526; Condoleezza Rice, A Memoir of my Extraordinary, Ordinary Family and Me (New York: Ember, 2010), 256; William Webster to Bush, July 28, 1989 and Memorandum from Scowcroft to Bush re: "What if Gorbachev Fails?," folder "Soviet Union, 1989," OA/ID CF00207, Peter W. Rodman, 1989 SF, NSC, GHWBL.

⁸⁸ Baker, The Politics of Diplomacy, 143.

⁸⁹ Handwritten Notes by James Baker on "Press Guidance Items," October 1989, Folder 10, Box 108, Series 8: Secretary of State, James A. Baker III Papers; 1957-2011 (mostly 1972-1992), Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library [hereafter JABP].

reform. In November, Chernyaev relayed a report to Gorbachev from a Soviet delegation to the United States indicating that U.S. public opinion was sympathetic to the general secretary and stating that Bush "cannot stand beneath the growing weight of criticism if he does not react appropriately to Gorbachev's policy." Despite these assurances, Gorbachev feared the administration would seek to take advantage of internal Soviet instability. Increasingly influenced by Soviet conservatives who claimed that "the Heritage Foundation dominated White House thinking," he told West German Chancellor Helmut Kohl in June 1989 that he had heard that the Contingency Group had been created not to monitor the possibility a Soviet collapse, but to provoke it. 91

Gorbachev and his advisors appealed to the United States to avoid fomenting national or democratic movements in Eastern Europe or the USSR. Prior to Bush's trip to Poland and Hungary in July 1989, Gorbachev asked Matlock to tell the president "to please be a little more considerate. What he says has an effect here." Yakovlev and Shevardnadze echoed these sentiments. On July 20, Yakovlev told Matlock that the U.S. Congress's resolution declaring the Baltics "Captive Nations" destabilized the USSR. "Words," he warned, "matter now more than ever." Highlighting Soviet internal "difficulties" to Baker in July, Shevardnadze expressed alarm that some U.S. actors, like Zbigniew Brzezinski, architect of NED nationalities' policy, "would like to exploit Soviet troubles." Shevardnadze's analysis of the Soviet internal

⁹⁰ Dokladnaya Zapiska A.S. Chernyaeva ob otnoshenii obshchestvennosti SShA k SSSR, November 16, 1989 Fond 2, Materials of A.S. Chernyaev, Opis 1, Delo 8116, GF.

Ohernyaev, My Six Years with Gorbachev, 233; Blanton, "U.S. Policy and the Revolutions of 1989," 74.

⁹² The fact that Robert Gates, a hardliner pessimistic about *perestroika's* prospects, headed the group may have amplified this perception. See Matlock, *Autopsy on an Empire*, 198.

⁹³ Zapis' besedy A.N Yakovleva c poslom SShA v SSSR Dzh. Metlokom, July 20, 1989, Fond 10063, Opis 1, Delo 264, State Archives of the Russian Federation [GARF].

⁹⁴ Baker, *The Politics of Diplomacy*, 139. See also McFaul and Goldgeier, *Power and Purpose*, 383, footnote 49. According to Nadia Diuk, beginning in May 1988, Brzezinski "played a key role" in "pushing" the NED to adopt a strategy of aiding "national democratic movements" in the USSR.

situation," Baker recalls, made him significantly more "sensitive to the precariousness of Gorbachev's hold on power." ⁹⁵

In response, the Bush administration refrained from taking actions that might destabilize Gorbachev. In September 1989, Bush declined to meet with Yeltsin in an official capacity during his visit to the United States, opting instead for a casual "drop by." The administration did not want to shun Yeltsin entirely, as he was a potential Gorbachev successor, but according to National Security Advisor Brent Scowcroft "we had to be careful not to let him use a visit as ammunition against Gorbachev." Even Matlock, who was sympathetic to Yeltsin, believed that the trip represented an attempt by Yeltsin to "bolster his political prestige at home." Yeltsin's irate response to the administration's perceived slight made a negative impression and helped underscore Gorbachev's indispensability. 98

Bush continued to show restraint in November when the Berlin Wall fell, West German Chancellor Helmut Kohl introduced a 10-point plan for German reunification, and Baltic calls for Western support intensified. While the president championed the principle of self-determination in the Baltics and Eastern Europe and supported German reunification, he refrained from inflammatory rhetoric that would anger Soviet conservatives or excite democratic, nationalist movements. Despite criticism that "we're not doing enough on Eastern Europe," Bush wrote in his diary on November 8, 1989, "if we mishandle it and get way out looking like

95 Baker, The Politics of Diplomacy, 143.

⁹⁶ Bush and Scowcroft, A World Transformed, 142.

⁹⁷ The Gorbachev regime sought to prevent Yeltsin from doing so. During the trip, a memorandum of dubious veracity materialized in Soviet political circles (Matlock believes the KGB was the source) purportedly written by Yeltsin's trip sponsor, James Garrison of the Esalen Institute, deeming Yeltsin an "authoritarian" demagogue seeking to capitalize on the "dark undertow" of Russian nationalism, See Confidential Memorandum of Jim Garrison, September 1989, Fond 10063, Opis 1, Delo 484, GARF, Matlock, *Autopsy on an Empire*, 250-52.

⁹⁸ Baker, *The Politics of Diplomacy*, 155; Bush and Scowcroft, *A World Transformed*, 142.

[promoting dissent is] an American project, you would invite a crackdown." A quiet, gradual approach was the best way to ensure that history continued to move in the right direction. 99

At the Malta Summit in December 1989 the administration first offered Gorbachev the economic support he increasingly desired. Malta, Baker asserted, represented an opportunity to "promote a public sense, here and abroad, of a new pace and purpose to the U.S.-Soviet dialogue." Thus, Scowcroft advised, Bush should not "play the role of naysayer," but "demonstrate the readiness of the United States to engage what is clearly a changing Soviet Union."101 Large-scale aid was not on the table. Not only did budget woes make it politically untenable, Bush also doubted that Gorbachev "really understood what fundamental economic reform required." ¹⁰² Instead, the administration instead offered limited aid as a political tool, to serve as a symbol of U.S. support for the general secretary and give the Soviet leader a domestic boost. It designed a package of economic incentives that "would not require major tradeoffs or concessions," Treasury Secretary Nick Brady wrote on November 29, 1989, but "could offer a meaningful indication to Gorbachev of our willingness to support his economic reform efforts." While World Bank and IMF membership was out of the question, Bush offered to repeal the Jackson-Vanik amendment and offer the USSR Most-Favored-Nation status (assuming Soviet progress on emigration reform), extend GATT observer status to the USSR, and begin work on bilateral commercial and investment treaties. ¹⁰³

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⁹⁹ Bush and Scowcroft, A World Transformed, 148.

¹⁰⁰ Department of State, Memorandum for The President from Secretary of State James Baker, "Your December Meeting With Gorbachev," November 29, 1989, "Bush and Gorbachev at Malta," NSA.

¹⁰¹ The White House, Memorandum to The President from National Security Adviser Brent Scowcroft, National Security Council Meeting, November 30, 1989, "Bush and Gorbachev at Malta," NSA.
¹⁰² Bush and Scowcroft, *A World Transformed*, 14.

¹⁰³ Memorandum from Nicholas Brady to Bush re: "Economic Relations with the USSR," November 29, 1989, folder "[1991]: U.S. Soviet Economic Relations," OA/ID CF01113, Michael Boskin Files, Council of Economic Advisors, George H.W. Bush Presidential Records, GHWBL.

While U.S. leaders warned Gorbachev of the significant impediments to large-scale aid, they pledged their support for *perestroika* and held out the promise of much greater assistance contingent upon Gorbachev acceding to U.S. geopolitical terms. ¹⁰⁴ Soviet officials took this as evidence of U.S. willingness to provide more substantial economic aid and were disappointed when such assistance did not materialize. ¹⁰⁵

Non-Governmental Groups Respond to the Rise of Nationalities

Between mid-1989 and early 1990, the rise of Soviet nationalities impelled deepening non-governmental engagement with the republics and created growing contradictions between the official and unofficial tracks of U.S.-Soviet policy. During this period, the Bush administration received a great deal of criticism from the anti-communist right and the proreform left for failing to foster sufficiently the political-economic transformation of the Soviet Union. Gorbachev supporters called for massive aid to the general secretary, while hardline adherents to the "totalitarian paradigm" maintained that support for Gorbachev did little more than prop up a failing system. Peter Rodman of the NSC asserted "the system is so inherently rotten that no Western help could save Gorbachev." Secretary of Defense Richard Cheney echoed this sentiment. Cheney infuriated Baker in the spring of 1989 by publicly predicting that *perestroika* would fail. The only way for the Soviet Union truly to transform, he believed, was to

¹⁰⁴ Matlock argues that the two sides defined "support" differently. When U.S. leaders "pledged their support. They did not mean at that point financial support, clearly . . . They meant a sort of political support, endorsement, certainly refraining from creating additional difficulties." Matlock, *Autopsy on an Empire*, 177.

¹⁰⁵ Chernyaev, *My Six Years With Gorbachev*, 235.

¹⁰⁶ George Soros was one of the leading critics from the pro-Gorbachev left. For a typical hardline critique see William Safire, "Who Lost Gorbachev?" September 28, 1989, *New York Times*, pp. A27.

¹⁰⁷ Memorandum from Peter Rodman to Robert Gates re: Your Georgetown Speech, Folder "Soviet Union, 1989," OA/ID CF00207, Peter W. Rodman Files, 1989 SF, NSC, GHWBL.

abandon communism altogether in favor of full-fledged market democracy. ¹⁰⁸ In Moscow, U.S. Ambassador Jack Matlock admired Gorbachev, but urged the administration to support the process of reform, not Gorbachev personally. ¹⁰⁹ Emphasizing the need to expand contacts with democratic forces, in the summer of 1989 he appealed to the administration to invite republican leaders to the United States. ¹¹⁰ He also recommended undertaking a study of the Soviet economy, hoping a plan might be devised for its effective reform. ¹¹¹ While Matlock was against a "so-called Marshall Plan," worried it would "backfire by slowing the Soviets' learning the economic facts of life," he urged the administration to make continued productive relations with Gorbachev contingent not just upon his cooperation in foreign policy, but his willingness to implement market reform. ¹¹²

Matlock believed that decentralizing political-economic reform was not a threat to Soviet stability, but a necessary condition to secure it. The Bush administration agreed. Although it focused its political support on Gorbachev, it simultaneously encouraged the private sector to pick up the slack "on the ground" and forge contacts with those democratic actors that the administration had neither the budget nor the political flexibility to aid. Declaring that "democracy's great strength lies in its private and public institutions," Bush appealed to private sector leaders to promote market-democracy in Eastern Europe and Secretary of State Baker

Other hardliners included Rodman, Cheney's deputy Paul Wolfowitz, Deputy National Security Advisor Robert Gates, and CIA analysts Fritz Ermath, Grey Hodnett, and George Kolt. See Ofira Seliktar, *Politics, Paradigms and Intelligence Failure: Why So Few Predicted the Collapse of the Soviet Union* (London: M.E. Sharpe, 2004), 165-67. See for example, U.S. Embassy Moscow, Cable, Jack Matlock to State Department, "U.S.-Soviet Relations: Policy Opportunities," February 22, 1989, National Security Archive, National Security Archive Electronic Briefing Book No. 364, http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB364/.

¹¹⁰ Zapis' besedy A.N Yakovleva s poslom SShA v SSSR Dzh. Metlokom, July 20, 1989, GARF.

¹¹¹ Matlock, Autopsy on an Empire, 196-7.

¹¹² Department of State, U.S. Embassy Moscow, "Preparing for Malta: Trade Policy Toward the USSR," [cable from Ambassador Jack Matlock], November 14, 1989, "Bush and Gorbachev at Malta," NSA.

¹¹³ For the impact of budgetary issues on U.S. efforts to project soft-power in the waning years of the Cold War, see Nicholas J. Cull, "Speeding the Strange Death of US Public Diplomacy: The George H.W. Bush Administration and the U.S. Information Agency," *Diplomatic History* 34, No. 1 (January 2010): 47-69, 64-5.

emphasized the need to build market-democratic institutions in the USSR. ¹¹⁴ In an October 16, 1989 speech, Baker underscored the importance of Soviet "political and legal" reform, arguing that the Soviet economic crisis was "rooted in the very psychology of Soviet society, reinforced by . . . stagnant political and economic systems." ¹¹⁵ Gorbachev needed to "build up more democratic institutions like the Supreme Soviet." ¹¹⁶

Driven both by rising hopes for the global advance of democracy and fears that Soviet instability might bring about its collapse, a growing number of U.S. non-governmental groups responded to the administration's call to "consolidate" democracy. Citing Baker's October speech, the U.S.-Soviet Human Rights Project Group (HPRG) appealed to the Ford Foundation for funding to "foster legislative and institutional safeguards for the protection of civil and political rights in the USSR. Tord sponsored the HPRG as part of a new initiative expanding funding by \$6 million to "the development of democratic values and pluralism and the integration of the USSR and Eastern Europe into the international system."

As they endeavored to grapple with rising Soviet nationalism, U.S. non-governmental groups pursued a patchwork of policies, at times supportive of the Bush administration's emphasis on stability and Gorbachev's political survival and at times in direct opposition to that strategy. This was apparent in the varying approaches of George Soros, the NED, and the Helsinki Watch. They each expanded contacts in the republics and believed that political-

¹¹⁴

George Bush: "Remarks at a White House Symposium on Eastern Europe," July 6, 1989. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=17249.
 Thomas Friedman, "U.S. Offers to Aid Gorbachev's Plan to Revamp System," October 17, 1989, *New York Times;* James Baker, Address to the Foreign Policy Association, New York City, October 16, 1989.
 James Baker, "Talking Points for Cabinet Meeting," February 15, 1990, Folder 14, Box 108, Series 8: Secretary of State, JABP.

¹¹⁷ Budget Proposal, "Consolidating Democracy in Eastern and Central Europe," Folder 26 "Countries: Eastern Europe," Box 8, Series II, Office of the President, National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division [hereafter NED].

¹¹⁸ The HPRG was sponsored by the International Foundation for the Survival of Humanity, whose leadership included prominent U.S. and Soviet figures, like Tatyana Zaslavskya, Yevgeny Velikhov and ACUSSR president William Green Miller.

¹¹⁹ Ford Foundation 1989 Annual Report, October 1, 1988-September 30, 1989, xvii-xviii.

economic decentralization was essential to avert Soviet collapse or retrenchment, but their individual strategies depended on their perceptions of Gorbachev's commitment to reform. ¹²⁰

George Soros supported Gorbachev, whom he believed wanted to transform "the Soviet Union into an open society." While Soros argued that the "only democratic solution" to the nationalities crisis was to grant the republics greater autonomy, he also echoed Gorbachev's assertion that the territorially contiguous, economically interdependent Union ought to remain relatively "cohesive." Soros pursued a two-pronged strategy to promote this outcome. He urged the administration to provide massive aid, which he believed was essential to resolve the USSR's intertwined economic and nationalities crises. Western assistance would incentivize Gorbachev to embrace radical reform and would underwrite ruble convertibility, necessary to afford the republics greater economic autonomy. Although Soros acknowledged that Gorbachev was more hesitant to embrace the principles of "open society" domestically than in foreign policy, he believed that economics not ideology impeded the general secretary. Western aid could neutralize Gorbachev's fears of the social consequences of marketization and provide him with the political capital to pursue controversial reform. Without a "major new policy departure by president Bush." Soros warned. "the internal pressures in the Soviet Union for

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¹²⁰ Regardless of intent, all non-governmental aid at the republican level carried the risk of being perceived by the Soviet regime as a subversive and spurring backlash against its recipients. This was particularly true in the Baltics, where the regime sought to discredit efforts to "internationalize" the independence struggle as foreign-backed, accusing popular fronts in August 1989 of "abus[ing] the freedom of international relations by contacting foreign organizations." *Pravda*, August 26, 1989 quoted in Matlock, *Autopsy on an Empire*, 237.

¹²¹ Soros, *Underwriting Democracy*, 47.

George Soros, "Not Without U.S. Aid," Wall Street Journal, December 7, 1989, pp. A14

¹²³ Soros, "Not Without U.S. Aid;" Soros, *Underwriting Democracy*, 33. He urged U.S. policymakers to stop thinking in bipolar terms, arguing that the only way to enhance U.S. security moving forward was to integrate the USSR into the new world order. This required creating a "mutual security and assistance pact between NATO and the Warsaw Pact," undertaking massive disarmament, and using the money saved to facilitate the rebuilding of the Soviet economy.

¹²⁴ Soros, "The Gorbachev Prospect."

¹²⁵ Soros, Underwriting Democracy, 65-66.

greater autonomy . . . are likely to escalate . . . forcing Mr. Gorbachev either to engage in a policy of repression or to quit." ¹²⁶

In addition, in the fall of 1989 Soros transformed his foundation in the USSR to "[reflect] the biggest change happening in the Soviet Union – a move away from the center." At the request of local leaders, Soros and the Cultural Initiative (CI) Board decided to establish regional branches in Leningrad and Sverdlovsk and republican branches in Kiev, Ukraine, Tallinn, Estonia, and Vilnius, Lithuania. The intent was to foster the growth of civil society in the newly prominent republics, as well as to provide a model – through this new "confederative" foundation structure - for the reconfiguration of the Union. In October 1989, Soros met in Vilnius with Kazimira Prunskiene, deputy prime minister of Lithuania and key figure in Sajudis, and in Tallinn with leader of the Estonian Popular Front Marjus Lauristin to discuss establishing foundations modeled after the CI. Struck by republican and provincial "resentment" of Moscow, Soros and his advisors took care not to "replicate the oppressive union-center structure." Each branch's executive board would be staffed by locals, and the establishment of a foundation in Yeltsin's native Sverdlovsk would combat inequality in Russia itself, "reassur[ing] people 'in the boondocks,' who resent the natural flow of money, contacts, and interest to the main cities in the Western part of the country, that opportunities for an open society are available to them too."¹²⁷

Soros saw no contradiction in his two-pronged strategy of support for Gorbachev on the one hand and affiliation with the Estonian and Lithuanian popular fronts on the other. Securing large scale Western aid would empower Gorbachev to pursue the path Soros believed he was already inclined to take – granting vastly expanded republican autonomy. At the same time,

¹²⁶ Soros, "Not Without U.S. Aid."

¹²⁷ Soros Foundation – Soviet Union, December 1989 Newsletter, Folder 8 "Personal Office Files – S Files," Box 6, Series II, Office of the President, NED.

Soros's establishment of republican foundations fostered the capacity of the republics to function as autonomous, democratic market oriented entities. 128

The Helsinki Watch took a less charitable view of Gorbachev. Helsinki Watch leaders feared that ethnic tensions and instability would provoke a repressive crackdown, an outcome that the Bush administration was doing little to prevent. They criticized the administration throughout 1989 for being "timid in addressing human rights issues in the Soviet Union for fear of weakening Mr. Gorbachev's position." During 1989, Helsinki began branching out to establish more contacts in the Baltic Republics, where the threat of Soviet backlash loomed largest. The Helsinki Watch hosted visits from Viktoras Petkus, the chairman of the Lithuanian Helsinki Group, Sajudis leader Vytautus Landsbergis, Martin Abolins of Helsinki '86, the Latvian branch of the Helsinki group, and Lagle Parek, an Estonian human rights advocate. ¹²⁹

The NED most actively encouraged nationalist demands for independence and self-determination. While Soros and Helsinki supported the republics' ultimate right of self-determination, they feared nationalism's violent, undemocratic potential and modulated their support for independence. Soros still viewed a Gorbachev-led Union as the best vehicle to advance open society, while the Helsinki Watch was wary that group claims to self-determination would fuel ethnic discrimination and undermine minority rights. ¹³⁰

By contrast, key figures at the NED, like Zbigniew Brzezinski, Nadia Diuk, and Vladimir Bukovsky, viewed national movements as the essential force for breaking the oppressive structure of the USSR and impelling its democratization. While they recognized the capacity of nationalism to trigger a crackdown or catalyze civil war, they believed that the claims of long-

¹²⁸ "Proekty Prinyatie k finansirovaniyu pravleniem mezhdunaradogo fonda 'kul'turnaya initsiativa' v 1989 godu, "Folder "List of Programs, 1988-1994," Fond 349, Records of the IFCI, Subfond 3 Programs, Series 5 Other Programs Files, 1988-1994, Box 1, OSA.

¹²⁹ Helsinki Watch Annual Report, April 2, 1990, Box 1557, Folder 4, Helsinki Watch, Series III.A Grants, CCNY. ¹³⁰*Ibid*.

subjugated peoples for self-determination were inalienable and should be actively encouraged by the West. The USSR represented a more oppressive version of the Russian Empire, subjugating non-Russian nationalities and enriching the metropole at the expense of the peripheries. In a winter 1989 article in *Foreign Affairs*, Brzezinski faulted Western policymakers' for failing to recognize this fact and instead lamenting the demise of Cold War "stability." The West's sympathies should be with the long-oppressed republics. Diuk and co-author Adrian Karatnycky echoed this sentiment. Western leaders sympathized unfairly with the "imperial center" and to view the "non-Russian movements . . . as backward-looking, opposed to modernization and reform." Soviet leaders' tendency to link nationalism to fascism, extremism, and ethnic violence encouraged this view. 133

It was incumbent upon the United States, Brzezinski argued, to articulate a vision for the reconfiguration of the USSR. Left to its own devices, the Soviet regime would likely allow disintegration to progress before "opt[ing] for all-out repression . . . as a last resort." The United States might avert this outcome by pronouncing its support for the USSR's evolution "into a genuinely voluntary confederation or commonwealth." Given the intense admiration of all things American now so fashionable among the politically articulate Soviets," Brzezinski asserted, U.S. support would protect from repression and put pressure on Gorbachev to accept nationalist claims. The imposition of a clear process for achieving "self-determination" would also ameliorate the most radical, dangerous nationalist impulses. While the Baltics would almost inevitably choose independence, most republics would elect to remain in a voluntary,

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¹³¹ Brzezinski, "Post-Communist Nationalism," 17.

¹³² *Ibid* 17

¹³³ Diuk and Karyatnycky, *Hidden Nations*, 35.

¹³⁴ Brzezinski, "Post-Communist Nationalism," 14.

¹³⁵ *Ibid.*, 20.

reconfigured Union. Achieved democratically, this outcome had the potential benefit of staunching future Russian imperial revanchism.¹³⁶

When push came to shove, however, self-determination trumped stability. In the event of a Soviet crackdown, Brzezinski argued, the West's commitment to "human rights" should "dictate a policy . . . tantamount to external support for the non-Russian aspirations." Even if Western governments chose to be "more circumspect," he predicted, "countless private organizations . . . will become more heavily engaged in supporting the victims of the Kremlin's heavy hand." Ultimately, he advocated doubling the NED's budget "for the explicit purpose of assisting democratic national movements in the Soviet Union. Those Balts, Ukrainians, Georgians, Tajiks, Russians and others who are striving to create new relations of mutual respect and equality among their nations deserve encouragement and support." 137

In response to the Bush administration's "circumspect" support for national aspirations, in the fall of 1989, the NED, introduced a program to assist "democratic groups and movements in the Ukrainian, Latvian, Lithuanian and Armenian republics." It partnered with influential domestic Baltic interest groups, like the Lithuanian-American Baltic-American Freedom League (BAFL) and the American Latvian Association, (ALA).

With the NED's support, BAFL and the ALA worked to "internationalize" the cause of Baltic independence. The NED helped popular fronts publicize their message and appeal to Western governments to support Baltic independence claims. In September 1989, the president of BAFL urged Brzezinski to lead a "non-government and independent commission" to observe the winter 1990 republican elections in the Baltics. In October 1989, the ALA reported that NED

¹³⁶ *Ibid.*, 21-22. He argued presciently that abruptly severing Russia's access to economic and geostrategic resources in republics with large ethnic Russian minority populations could later fuel resurgent Russian nationalism.

¹³⁷ *Ibid.*, 24-25.

¹³⁸ National Endowment for Democracy, Fall 1989 Newsletter, Box 5, Folder 18, Series III.2, NED.

support had been critical to sustaining the capacity of its grantees, the Latvian Popular Front and the more radical National Movement for independence, to disseminate their message through independent media. The ALA also pressured the Bush administration not to soften the United States' longstanding policy of non-recognition of Baltic incorporation into the USSR. Then on November 22, 1989, ALA grantees, funded by the NED, led a pro-democracy rally in Riga that produced an open letter to president Bush. They insisted that Baltic independence was not a Soviet internal matter, but a question of international law. This pressure would soon intensify.

In the fall of 1989, NGOs rallied to the Bush administration's call to promote reform on the ground in the USSR. As they filled the void left by the administration's focus on Gorbachev and established contacts at the republican level, the dual tracks of U.S. policy deepened. Their approaches varied based on competing assessments of Gorbachev's capacity to oversee decentralizing, liberalizing reform. Their activities at times complemented the Bush administration's strategy, but more frequently started to undermine it.

The Lithuanian Crisis, March 1990 to June 1990

On March 11, 1990 the newly elected Lithuanian Supreme Soviet declared Lithuania's independence from the Soviet Union. A crisis began to develop after the Lithuanians defied Gorbachev's March 16 ultimatum to revoke their declaration. While the general secretary refrained from using violence to enforce his order, on April 18 he initiated an economic embargo cutting off Lithuania's supply of oil and gas.

Agris Pavlovskis, president of the Baltic-American Freedom League, to Zbigniew Brzezinski, September 12, 1989, Folder 8 "Zbigniew Brzezinski 1989-1990," Box 1 Series II Office of the President, NED; and American

Latvian Association, "Final Grant Narrative Report," October 13, 1989, Folder 5 "Brock [3]" Box 1 Series II, NED. ¹⁴⁰ Ojars Kalnins to Robert Gates, February 22, 1989, Folder "January-February 1989 [4]," OA/ID 30540, Robert D. Blackwill Files, Chronological Files, National Security Council, Bush Presidential Records, GHWBL ¹⁴¹ Memorandum from the American Latvian Association to Condoleezza Rice, November 22, 1989 with Open

¹⁴¹ Memorandum from the American Latvian Association to Condoleezza Rice, November 22, 1989 with Open Letter from the People of Latvia to Bush and Gorbachev attached, November 11, 1989, folder "Malta Summit Papers (Preparation) December 1989," OA/ID CF00717, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

For the Bush administration, the Lithuanian crisis sharpened the tension between the United States' longstanding commitment to the Baltics' right to self-determination and its interest in preserving Soviet stability. Because the Baltics were acquired through an illegal act of aggression, annexed by the Soviets initially under the Molotov-Ribbentrop Pact, the United States and other Western democracies had refused to recognize Soviet control of the Baltics, categorizing them as independent occupied states. Sajudis's strategy was to "internationalize" Lithuania's cause, calling upon the West to stand by its commitment and support Lithuanian independence on the basis of international law.

However, U.S. non-recognition policy increasingly conflicted with U.S. interests as the Soviet Union became a more willing international partner. Hush's vision of a Europe "whole and free" hung in the balance, dependent upon Gorbachev's cooperation to secure a reunified Germany within NATO. Has voters in the German Democratic Republic expressed strong support for reunification in March, the Western powers insisted that the only acceptable way to contain resurgent German aggression was to anchor the reunified state in NATO. Achieving this goal, however, required Gorbachev to allow Germany, a country against which the USSR had fought two World Wars, to join an alliance that represented the Soviets' Cold War arch-enemy. With Red Army troops still stationed in East Germany, the Soviet Union could veto the deal.

Bush and Baker did not believe that Gorbachev would sacrifice *perestroika* and good relations with the West to do so. They suspected he could be cajoled to concede to Western terms

¹⁴² Readman, "Between Political Rhetoric and Realpolitik Calculations," 2-3.

¹⁴³ In January, the administration developed a "two plus four" approach the crucial German issue, which allowed the "two" German states to decide the question of reunification, but gave the "four" allied powers – France, the United States, Great Britain, and the USSR– input into the "external" aspects of the process, like NATO membership. Baker, *The Politics of Diplomacy*, 205-6.

¹⁴⁴ Matlock, *Autopsy on an Empire*, 387. For more on German reunification see, for example, Helga Haftendorn, "The Unification of Germany, 1985-1991," in Melvyn P. Leffler and Odd Arne Westad, eds. *The Cambridge History of the Cold War: Volume III, Endings* (New York: Cambridge University Press, 2010); Zelikow and Rice, *Germany Unified and Europe Transformed.*

if he received certain "assurances." Thus, they were eager to ensure that the general secretary remained in power until the new European order was in place. But instability threatened.

National Security Council Soviet expert Condoleezza Rice warned in February 1990, "Eastern Europe is not free just yet and . . . it is still susceptible to Moscow's volatile internal political situation." Reinforcing these perceptions Gorbachev and Shevardnadze urged the administration not to encourage Lithuanian demands for independence in the lead up to the crisis. In February, Gorbachev thanked Baker for U.S. restraint with respect to Soviet national "processes." Then, a few days prior to March 11, Shevardnadze urged Matlock to avoid meeting with Sajudis. He warned the U.S. ambassador that "there would be people who ... would assume that any contact between the Lithuanians and the American Embassy meant that the United States was manipulating the situation to break up the Soviet Union. To such people this would be a powerful argument in favor of putting down the Lithuanian and Baltic independence movements by force."

Although competing pressures buffeted the administration throughout the Lithuanian crisis, its overarching approach remained relatively constant. On the one hand, Bush and Baker endorsed Lithuania's right to self-determination. They believed that "the long term stability of the USSR" required "a relationship which has the consent of the Baltic peoples." They doubted, however, that Lithuania could be free without Soviet assent. Gorbachev represented

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Memorandum, "A Wobbly Home Front," folder "POTUS Meeting with Gorbachev – May 31, 1990-June 3, 1990
 [1]," OA/ID CF01308, Nicholas R. Burns Files, NSC, SF, GHWBL.
 Memorandum from Condoleezza Rice to Brent Scowcroft re: Showdown in Moscow?, February 1, 1990, folder

¹⁴⁶ Memorandum from Condoleezza Rice to Brent Scowcroft re: Showdown in Moscow?, February 1, 1990, folder "USSR-Gorbachev," OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁴⁷ Record of Conversation Between Mikhail Gorbachev and James Baker, February 9, 1990 in *Masterpieces of History*, 677.

¹⁴⁸ Matlock, Autopsy on an Empire, 324.

¹⁴⁹ Malta Theme Paper: Soviet Domestic Political Change, Human Rights, November 17, 1989 folder "Malta Summit Papers (Preparation) December 1989 [2]," OA/ID CF00717, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

¹⁵⁰ Bush and Scowcroft, A World Transformed, 216.

the best bet for obtaining that assent. If gently pushed, they predicted, he would ultimately accept Lithuanian independence. However, they understood that he could not do so in the short term without risking his political demise. Thus, Bush and Baker refrained from recognizing Lithuanian independence, fearful that doing so might damage U.S.-Soviet relations, cause Gorbachev to withdraw his cooperation on German reunification, incite a crackdown against Lithuanian nationalism, or provoke a conservative coup. Rather, they used U.S. leverage to push the Soviets and the Lithuanians to engage in a dialogue designed to result eventually in the Lithuanian people determining their own fate. ¹⁵¹

The Bush administration, however, did not have a monopoly on U.S.-Soviet policy. The NED and Baltic-American interest groups competed to influence the administration's interpretation of events, challenging Gorbachev's narrative that the Lithuanian question was an "internal" matter and outside interference would endanger *perestroika*. In opposition to the administration's policy, they aided Sajudis in its efforts to "internationalize" its cause and placed heavy pressure on the administration to recognize Lithuania's independence.

Between March 11 and the temporary resolution of the Lithuanian crisis in June, pressure from domestic groups built. In late March, the mounting presence of Soviet troops on the Lithuanian border created fears that "Moscow may be preparing some kind of military intervention." In the face of escalating Soviet belligerence, U.S. (neo) conservative and anti-communist activists and organizations rebelled against the administration's inaction. On March 21, Republican Senator Jesse Helms sponsored a resolution calling for U.S. recognition of

¹⁵¹ Draft Letter from Bush to Landsbergis, April 26, 1990, folder "Lithuania [1]," OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁵² CIA Spot Commentary, March 23, 1990, folder "Baltic Cable Traffic [2]" OA/ID CF00720, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

Lithuania, which failed but garnered 36 votes.¹⁵³ On March 30, the Heritage Foundation published a paper asserting that the United States should not only recognize Lithuania, but extend the republic membership in GATT, the UN, the IMF, and the World Bank, and an economic aid package like rest of Eastern Europe.¹⁵⁴ AFL-CIO president and head of the NED's Free Trade Union Institute (FTUI) Lane Kirkland agreed, arguing also for Lithuania's receipt of Most-Favored-Nation status.¹⁵⁵

These developments placed the administration at an "uncomfortable crossroads." The administration did "not want to undercut our support for reform in the Soviet Union," but a March 28 memo warned, "pressures will continue to increase for us to do something." Bush complained to Gorbachev that the administration's "measured posture has led to growing criticism in this country, including from Congress, the press, and even members of my own party." In an effort to take a decisive, but not destabilizing stand in favor of Lithuanian self-determination, the president proposed a popular referendum in Lithuania to Gorbachev, while Matlock floated the idea with Yakovlev. The Soviets, however, continued to insist that Lithuania could achieve independence only by revoking its declaration, returning to status quo ante, and seeking its independence via a "constitutional" process. ¹⁵⁸

The referendum proposal also failed to appease domestic opinion, provoking outrage from groups like the ALA and the BAFL on the grounds that Lithuania remained an occupied country. The NED-funded ALA feared the implications of such a move for Latvia, whose

¹⁵³ Bush and Scowcroft, A World Transformed, 216.

¹⁵⁴ Heritage Foundation Backgrounder, "How America Can Help Baltic Independence," March 29, 1990.

¹⁵⁵ Letter from Lane Kirkland to George Bush, March 30, 1990, folder "Lithuania [1]" OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁵⁶ Memorandum, "A Possible Way Out on Lithuania," March 28, 1990 folder "Baltic Cable Traffic [1]" OA/ID CF00720, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

¹⁵⁷ Draft letter from Bush to Gorbachev, March 28, 1990 folder "Baltic Cable Traffic [2]," OA/ID CF00720, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

¹⁵⁸ Zapis' Besedy A.N. Yakovleva s poslom SShA v SSSR Dzh. Metlokom, March 30, 1990, Fond 10063, Opis 1, Delo 268, GARF.

population was only 52 percent ethnic Latvian. The precedent of a popular referendum would spell doom for Latvia's hopes of independence, breed ethnic tensions, produce the radicalization of pro- and anti- independence forces, and divide the Baltic States.¹⁵⁹

In an effort to silence this criticism, Bush met with Baltic-American leaders on April 11 to "reaffirm . . . [his] support for the aspirations of the Baltic peoples and seek the understanding of this group for . . . [his] efforts to help the Lithuanian people through quiet diplomacy." Citing the violent Soviet crackdown in Hungary in 1956, Bush warned against stoking unrealistic expectations in the Lithuanian people that the United States was unprepared to defend. He and Baker reiterated their belief that given time, Gorbachev would support Lithuanian self-determination. "It is our sense," Baker argued, "that the Soviet leadership recognizes that ultimately this process will take place." Baltic-American leaders challenged this interpretation. U.S. recognition of Lithuanian independence would help, not hurt *perestroika* and would provide Gorbachev the push he needed to let the Baltics go. Agitated Baltic States in the Union represented a far greater, more destabilizing threat to reform than independent, friendly Baltic States. "Internationalizing" the cause of Lithuanian independence was the best way to "bring pressure to bear on Moscow." 161

Over the next several months, Baltic-American groups took it upon themselves to do so.

Contradictions in U.S. policy deepened following the Soviet economic embargo on April 18.

Frustrated by the administration's "muted" response, the NED and the Baltic-American groups intensified their efforts. On April 25, BAFL president Angela Nelsas cautioned against "another

¹⁵⁹ Letter from Angela Nelsas, folder "Lithuania [2]" OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF; Letter from Ojars Kalnins to Condoleezza Rice, March 30, 1990, folder "Baltic – Other," OA/ID CF00720, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

¹⁶⁰ Memorandum from Brent Scowcroft re: Meeting with Baltic-American Leaders, April 11, 1990, folder "Baltic States [1]," OA/ID CF01411, Robert Hutchings, Country File, NSC, GHWBL.

¹⁶¹ Memorandum of Conversation, Meeting with Baltic-American Leaders, folder "Baltic States [2]," OA/ID CF01411, Robert Hutchings, Country File, NSC, GHWBL.

Munich," warning that it was difficult to "control the emotions of Lithuanians, especially lifelong Republicans, who are concerned that arms control and other issues are being traded for Lithuania's independence." ¹⁶² In the spring of 1990, the NED granted the Lithuanian Information Center funds to support Sajudis, aided the Latvian popular front's publication *Atmoda* through the ALA, and funded the establishment of an information center in Tallin to improve communications with the West. ¹⁶³

Through the Congressional Human Rights Foundation, the NED also funded an international conference planned for the fall of 1990 in Vilnius to call international attention to the plight of occupied Lithuania. However, "Soviet authorities put forth so many obstacles to conducting the conference in the republic" that it was moved to Leningrad. Attended by Lane Kirkland, Lithuanian President Vytautus Landsbergis, and U.S. senators Bob Dole and Zbigniew Romaziewski, the conference served to demonstrate international support not just for Lithuanian independence, but for the other Soviet national groups in attendance, including Central Asian popular fronts, Crimean Tatars, and the Ukrainian Popular Front, Rukh. These U.S. unofficial efforts may have unintentionally helped legitimize claims by Soviet hardliners that the United States sought to destabilize the USSR. By the fall of 1990, the Soviet regime grew increasingly sensitive to U.S. support for Lithuania, perceiving even the \$10 million humanitarian aid sent by

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¹⁶² Memorandum from Sichan Siv to Bush re: Meeting with Bishop Vaicus of Telsiai, Lithuania, April 25, 1990, folder "Chron File: May 1990-June 1990 [2]," Nicholas Burns Files, Chronological Files, NSC, GHWBL.

¹⁶³ NED, Newsletter, Spring 1990, folder 19 "Newsletter: Vol.3" Box 5: NED, Grants, June 1990, Folder 12 "Annual Reports Prep, 1990," Box 1; NED Grants, September 1990, Folder 20 "Public Affairs Response," Box 7, Series III.2, NED.

¹⁶⁴ NED, Grants, June 1990, Folder 12 "Annual Reports Prep, 1990," Box 1; NED, Newsletter, Fall 1990, Folder 20 "Newsletter Fall 1990," Box 5, Series III.2, NED.

¹⁶⁵ "Across Frontiers: Spreading the Message of Free Trade Unionism: A Report on Lane Kirkland's Visit to Poland and the USSR," folder "AFL-CIO Dept. of International Affairs – Kirkland's Trip Report," Box 9, David Brombart Papers, Hoover Institution Archives.

the U.S. Congress as having "the goal of supporting separatism" in Lithuania and "stimulating analogous processes in other regions of the USSR." ¹⁶⁶

The administration, meanwhile, responded to the embargo by continuing to support Gorbachev politically, while using his growing desire for economic aid as leverage to push him to accept U.S. geopolitical terms on Lithuania and Germany. Deeply invested in German reunification, West German Chancellor Kohl and French president François Mitterrand were even less willing than Bush to risk losing Gorbachev's support on Germany by imposing sanctions. In an April 26 letter to Landsbergis, they proposed that Lithuania temporarily suspend its declaration of independence and enter into a dialogue with Moscow. While U.S. public opinion precluded openly endorsing the proposal, Bush and Baker helped Gorbachev by subtly nudging Lithuanian leaders to accept the offer, hinting that the United States welcomed "steps toward breaking the impasse" without appearing to "as[k] the Lithuanians to retreat in the face of Soviet intimidation. 168

For the Bush administration, however, pressure from Congress and Baltic-American groups made it impossible not to impose a penalty on the USSR. Seeking a response that would "avoid irrevocable damage" in U.S.-Soviet relations; "prevent a split" with U.S. allies; "maintain our [U.S.] credibility;" and "use our [U.S.] limited leverage" to push Lithuania and the USSR to begin negotiations, Bush elected to suspend the Malta economic package. ¹⁶⁹ He informed Gorbachev that the United States could not "continue the intensification of economic ties with the Soviet Union at a time when your economic power is being used to repress the Lithuanian

¹⁶⁶ Memorandum to the TsK KPSS from Karen Brutents, Delo 23, Opis 21, Reel 1.0003, Fond 89, RGANI.

¹⁶⁷ Zelikow and Rice, Germany Unified and Europe Transformed, 256.

¹⁶⁸ Scowcroft to Bush, May 3, 1990, folder "Lithuania [1]" OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁶⁹ Memorandum from Brent Scowcroft re: National Security Council Meeting on Lithuania, April 17, 1990, folder "Lithuania [1]" OA/ID CF00719, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

independence movement." He refrained, however, from cancelling the upcoming U.S.-Soviet summit in late May 1990 and offered to resume work on the Malta agreements if the USSR lifted the embargo and entered into a "good faith dialogue." ¹⁷⁰

Gorbachev expressed disappointment that Bush had reneged on his commitment to refrain from "interference" on the Lithuanian issue and warned, "if you want to undermine the [U.S.-Soviet] relationship . . . the you should encourage separatism." He remained eager to conclude the Malta trade deal and to secure larger scale Western aid. On May 18, Gorbachev informed Baker that the USSR required \$15 to \$20 billion. Gorbachev warned that lack of economic support would endanger him politically. "It will be difficult to explain . . . why we are pushing and promoting U.S.-Soviet relations and then find out that in this situation of need, there's no response from the U.S." Concerned by the USSR's declining creditworthiness and, as Treasury Secretary Nick Brady asserted on May 24, convinced that "the current path of Soviet economic reform efforts has very little chance of success," the administration continued to rule out the possibility of offering Gorbachev such aid in the near future. 173

While Bush and Baker conveyed these concerns to Gorbachev, they left open the possibility of more substantial aid in the future if the USSR pursued policies in the United States' geopolitical interests. ¹⁷⁴ Baker told Gorbachev on May 18 "we can't support taxpayer money to subsidize Cuba, Angola, Cambodia efforts." Bush's talking points for the Washington Summit stated even more directly that the U.S. public opinion would not support massive assistance to the USSR until and unless Gorbachev lifted the Baltic embargo, accepted a reunified Germany in

Wilson, *The Triumph of Improvisation*, 185.

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¹⁷⁰ Bush to Gorbachev, April 30, 1990, folder "Lithuania [1]" OA/ID CF00720, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁷¹ Letter from Mikhail Gorbachev to George Bush, May 2 folder "Lithuania [1]" OA/ID CF00720, Condoleezza Rice Files, Soviet Union/USSR SF, NSC, GHWBL.

¹⁷² Memorandum, "Economic Aid for the USSR – the \$20 Billion Question," May 25, 1990, GHWBL.

¹⁷³ Brady to Bush re: Economic Relations with the Soviet Union, May 24, 1990, folder "[1991]: U.S./Soviet Economic Relations," OA/ID CF01113, Michael Boskin Files, Council of Economic Advisors, GHWBL.

NATO, agreed to U.S. terms on the CFE treaty, and ended all "adventurism" in the Third World. Ultimately, Bush was to convey to Gorbachev that U.S. "ability to assist the Soviet economy depends in large part on whether Moscow is ready to take further steps that support Western interests."

At the May 1990 Summit in Washington, the Lithuanian crisis and the German question were largely resolved. The United States signed the coveted trade treaty, but made its ratification contingent on Gorbachev lifting the Lithuanian embargo. The administration also continued, subtly and with careful regard for domestic opinion to push Lithuania to accept to Kohl-Mitterand proposal. On May 18, Baker told Lithuanian Prime Minister Kazimira Prunskiene that although the administration was on Lithuania's "side" and accepted the notion that Lithuanian independence was an international issue, Gorbachev did not. The general secretary believed that his "domestic audience . . . has to be satisfied first." Realism had to prevail temporarily over principles. Defusing the tense standoff and initiating a dialogue that might lead to Lithuanian statehood required Lithuania to "make the first move" and suspend its declaration of independence. On June 29, Lithuania did so, and on July 1, Gorbachev lifted the Soviet embargo and opened talks with Lithuania. At the Washington summit, Gorbachev also assented in principle to a united Germany in NATO, having already been offered a 5 billion deutschmark line of credit from Kohl to defray the cost of troop removal from East Germany.

¹⁷⁵ JAB Notes from Gorbachev Meeting, May 18, 1990, Folder 1, Box 109, Series 8, JABL; One on One Talking Points, folder "POTUS Meeting with Gorbachev – May 31, 1990 – June 3, 1990 [1]," OA/ID CF01308, Nicholas Burns, SF, NSC, GHWBL.

¹⁷⁶ Memorandum from Brent Scowcroft to the President re: Your Meeting with Gorbachev, folder "POTUS Meeting with Gorbachev – May 31, 1990 – June 3, 1990 [1]," OA/ID CF01308, Nicholas Burns, SF, NSC, GHWBL.

¹⁷⁷ Wilson, *The Triumph of Improvisation*, 186.

¹⁷⁸ Talking Points for Lithuanian Prime Minister Prunskiene, May 18, 1990, Folder 1, Box 109, Series 8, JABL

¹⁷⁹ Readman, "Between Political Rhetoric and Realpolitik Calculations," 20; Baker, *The Politics of Diplomacy*, 253.

¹⁸⁰ Bush and Scowcroft, A World Transformed, 25.

Despite these concessions and stunning U.S. victories, larger scale U.S. support was not forthcoming in the summer of 1990.

Discovering the Republics

As the Lithuanian crisis wound down, a more dangerous challenge to the integrity of the Soviet Union emerged. On June 12, 1990, two weeks after electing Boris Yeltsin as its chairman, the RSFSR Supreme Soviet declared Russia's sovereignty. After renouncing his party membership at the 28th party Congress in July, Yeltsin began "acting more and more ... as the head of the 'Russian State,'" publicizing his ambition to make Russia a "presidential republic." and exhorting Russia's autonomous regions to "take as much sovereignty as you can swallow." Russia's move transformed center-republic relations. Is Its example elicited a wave of sovereignty declarations and gave rise to a system of "dual power," pitting Yeltsin and Russia against Gorbachev and the center, that threatened to paralyze the Union. Russia was capable of crippling the Soviet economy by suspending payments to the All-Union Treasury, and the USSR's political and economic institutions could not function without its cooperation.

Few U.S. observers had predicted a Russian-led "parade to sovereignty." In early 1990, nationalities expert Alexander Motyl argued that "Russia in general and Moscow in particular are the center, and the center, obviously, cannot be decentralized." As previously little known republics emerged overnight as increasingly viable international actors and began to seek contacts with and input from the West, U.S. non-state groups scrambled to respond. They made

¹⁸¹ Chernyaev, My Six Years with Gorbachev, 282; Colton, Yeltsin, 177, 186.

¹⁸² Gorbachev, *Memoirs*, 347.

¹⁸³ Uzbekistan, Moldova, and Belarus immediately followed suit and, by December 1990, Kyrgyzstan became the final Soviet republic to declare its sovereignty.

¹⁸⁴ Stewart, SIC Transit, 249.

Alexander Motyl, Sovietology, Rationality, and Nationality (New York: Columbia University Press, 1990), 96.

connections at the republic level, striving to construct viable parliamentary and legal systems capable of sustaining market-democracy against the looming dangers of economic collapse, ethnic violence, and civil war. At the same time, as the rivalry between Gorbachev and Yeltsin deepened, U.S. actors struggled to determine whom to support to best promote the USSR's evolution toward a stable market democracy. While the administration stood behind Gorbachev, unofficial U.S. actors supported Yeltsin and the democratic reformers around him.

"We will be dealing in the near future," Jack Matlock predicted in July 1990, "with a Soviet Union that is very different from today's." By the late spring and summer of 1990, most U.S. observers agreed that the unitary political-economic structure of the USSR could not long be sustained amidst republican demands for sovereignty. The center-republic relationship would have to change, either through repression, anarchic disintegration, or decentralizing democratic evolution. Matlock feared that the contagion of nationalism could produce "truly dangerous scenarios" like civil war, the loss of control of nuclear weapons, or a conservative coup. While economic ties to Moscow and large ethnic Russian populations made secession a less rational choice for republics other than the Baltics, Moldova, and Georgia, "with feelings of nationalism exploding . . . we should not assume that a rational calculation of economic and political costs and benefits will prevail." ¹⁸⁶

For U.S. actors, the central task was to push the USSR toward peaceful, democratic decentralization. Matlock and a number of U.S. observers pressed the administration to stop "funnel[ing] our ties through Moscow" and establish official contacts in the republics. It was essential to expand U.S. engagement in the republics in order to promote their democratization

¹⁸⁶ U.S. Embassy Moscow, Cable, Jack Matlock (drafted by Raymond F. Smith) to State Department, "Looking into the Abyss: The Possible Collapse of the Soviet Union and What We should Be Doing About It," July 13, 1990, in "The End of the USSR, 20 Years Later: Moscow Conference Debates Breakup of the Soviet Union," National Security Archive Electronic Briefing Book No. 364, available online http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB364/.

and to minimize the risk to the United States in the event of a collapse. 187 UNGA-USA representatives Toby Gati and Charles Luck agreed. Acknowledging that the administration had to focus on "state to state" contacts, they urged Scowcroft "to fin[d] subtle ways of opening up contacts" and supporting "promising [reform] experiments" in the republics where most democratically-minded leaders were "building their careers." 188

While the Bush administration remained focused on "state to state" contacts, the Carnegie Corporation of New York and the Ford Foundation took the lead in funding unofficial initiatives to build connections in and knowledge of the republics. 189 Ford and the CCNY supported efforts to establish scholarly exchanges with the republics rather than through the All-Union Academy of Science. 190 "If it is rare . . . to find a Lithuanian who has had access to American institutions in international relations; it is virtually unheard of to find an Uzbek who has," the International Research and Exchanges Board's (IREX) April 1990 grant request to the CCNY asserted. "Nevertheless, Uzbekistan and Lithuania now play a role in world affairs." Conversely, "American expertise" was "overly concentrated in Moscow." With the republics emerging as "entire new countries," it was essential to redress these gaps in knowledge. ¹⁹¹

It was especially vital, IREX president Allen Kassof wrote in May to CCNY president David Hamburg, to address a "nearly total [knowledge] vacuum" on Soviet "ethnic and national tensions." Previously, U.S. concerns about human rights in the Soviet bloc "had revolved around human rights issues associated with communist suppression." Now, the removal of repressive controls released nationalist and ethnic conflict in an empire where "Stalinism . . . [had] retarded

¹⁸⁸ Letter from Toby Gati and Charles Luck to Brent Scowcroft, June 20, 1990, folder "September-October 1990 [2]," OA/ID CF01309, Nicholas R. Burns Files, Chronological Files, NSC, GHWBL. Ford Foundation 1990 Annual Report, October 1, 1989 – September 30, 1990.

¹⁹⁰ Fritz Mosher, Grant Recommendation, May 25, 1990, Folder 1, Box 1220, IREX, Series III.A, Grants, CCNY; Ford Foundation Annual Report, 1990

¹⁹¹ Grant Proposal, April 17, 1990, Folder 3, Box 1220, IREX, Series III.A, Grants, CCNY.

the evolution of institutions dedicated to encouraging tolerance." U.S. actors, Kassof argued, should promote the construction of such institutions "as an investment in future stability." ¹⁹²

In May 1990, the Helsinki Watch, funded by the CCNY and the Ford Foundation, embarked on such a program. Helsinki Watch executive director Jeri Laber feared that "discontent, conflicts and violence" loomed in republics with little human rights monitoring experience, particularly the volatile regions of "Central Asia and the Caucuses." Starting with a May 1990 "mission" to Kazakhstan, the Helsinki Watch began branching out to the republics, treating "each . . . as if it were a new separate country with its own history and problems." ¹⁹³ Building a presence in the republics was essential not just to avert ethnic conflict, but to prevent the Soviet regime from repressing legitimate democratic protests under the pretext of suppressing ethnic violence. The "mission" to Kazakhstan served as the model for such monitoring work. In a published October 1990 report and article by Laber in the New York Review of Books, she refuted the official narrative of December 1986 riots in Alma-Ata – used to justify their repression and subsequent restrictions on freedom of assembly. The Helsinki Watch found that the riots, which broke out after Gorbachev replaced the ethnically Kazakh first secretary with a Russian, were not an expression of anti-Russian Kazakh ethnic violence, but a protest against environmental and economic exploitation by the center. 194 As "previously obscure places" became sites of "bitter ethnic confrontations and protests against Communist rule," it was essential to hold the regime to a standard of transparency. 195

Over the course of 1990, the NED also shifted its strategy slightly in response to growing concerns about the volatile character of nationalism within the disintegrating USSR. In March

¹⁹² Letter from Allen Kassof to David Hamburg, May 3, 1990, Folder 3, Box 1220, IREX, Series III.A, CCNY.

¹⁹³ Jeri Laber, "Grant Proposal to Expand Work in the USSR," November 15, 1990, Folder 4, Box 1557, Helsinki Watch, Series III.A, Grants, CCNY.

¹⁹⁴ *Ibid*; Jeri Laber, "Stalin's Dumping Ground," *The New York Review of Books*, October 11, 1990.

¹⁹⁵ Laber, "Stalin's Dumping Ground."

1990, the NED initiated a study investigating the relationship between nationalism and democracy. It adopted a fall 1990 policy statement underscoring the importance of supporting only "democratic . . . nationality groups or ethnic minorities." While the NED continued to believe that "national democratic movements are essential to the peaceful transition of the Soviet Union," the report stipulated that its grantees must support pluralism and "genuine political participation."

In practice, however, the NED continued funding provocative initiatives likely to be perceived by Moscow as destabilizing. By the fall of 1990, it expanded its focus from four to six republics, including the Baltics, Ukraine, Armenia, and Georgia and, through Bukovsky's Center for Democracy, backed the Crimean Tatars' claims for "national rights." In response to the miners' strikes, the NED increased its support for free trade unionism, which was rapidly becoming a focal point for nationalism, from \$9,000 in 1989 to \$349,826 in 1990. Property In September 1990, AFL-CIO president Kirkland traveled to Moscow, where he led a strategy meeting on union organizing hosted by Matlock and attended by miner strike committees from Ukraine, Belorussia, and Lithuania, as well representatives from Sajudis, the Belorussian Popular Front, and the *Rukh*. Property In NED also funded the Rukh's newspaper, and, as discussed below, deepened its backing of Yeltsin's Russia.

Yeltsin versus Gorbachev

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¹⁹⁶ "A Policy Statement on Nationalities Issue;" National Endowment for Democracy, Fall 1989 Newsletter, Box 5, Folder 18 "Newsletter Volume 3," Series III.2, NED

¹⁹⁷ Report, "National Endowment for Democracy Programs in the Soviet Union," August 1991, folder 20 "Public Affairs Response," Box 7, Series III.2, NED.

^{198 &}quot;Across Frontiers: Spreading the Message of Free Trade Unionism."

¹⁹⁹ National Endowment for Democracy, Grants, June 1990, Folder 12 "Annual Reports Prep, 1990," Box 1, Series III.2, NED

Between May and October 1990, Gorbachev and Yeltsin's rising rivalry intersected with and influenced a debate over how to restructure the economic relationships between the Union and the republics. Initially, both leaders backed the "500 days" or "Shatalin" Plan, calling for a 500-day transition to market via radical economic decentralization. ²⁰⁰ Devised by a team of young Soviet economists, including Gorbachev's economic advisors Stanislav Shatalin and Nikolai Petrakov and Yeltsin's advisors, deputy prime minister of the Russian Republic, Grigory Yavlinsky and Russian Finance Minister Boris Fyodorov, the political implications of the plan were as important as the economic ones. Although overly ambitious and loosely conceived, the plan would sever the control of the command-administrative economy that anchored the unitary structure of the USSR.²⁰¹ Each republic would manage its own economy, while an Inter-Republic council led by the president, not the party, would coordinate the Union economy.²⁰² Republics would contribute taxes to the Union budget, and enterprises would pay taxes only to localities and the republics. ²⁰³ Under the plan, privatization, price liberalization, monetary reform, and demonopolization, along with drastic cuts to foreign aid and spending on defense, security, and enterprise subsidies were to be implemented "all at once" over 500 days. ²⁰⁴

As the Shatalin group worked on the 500-Day plan, Soviet Prime Minister Nikolai Ryzhkov formed a rival group to devise an alternative plan. The Ryzhkov plan retained the centralized administrative structure, proposing moderate changes like administered price reform

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²⁰⁰ On the Shatalin Plan and its political impact, see Colton, *Yeltsin*; Padma Desai, "From the Soviet Union to the Commonwealth of Independent States: The Aid Debate," *The Harriman Institute Forum* 5 no. 8 (April 1992): 1-15, 4-5; Marie Lavigne, *Financing the Transition in the USSR: The Shatalin Plan and The Soviet Economy* (New York: Institute for East-West Security Studies, 1990); Stewart, *SIC Transit*.

²⁰¹ "500 Days to Shake the World," *The Economist*, September 15, 1990.

²⁰² Soros, Underwriting Democracy, 110.

²⁰³ Jeannine Braithwaite, "Transition to Market: The Shatalin Plan," folder "USSR [3]," OA/ID CF01328, Nicholas Rostow Files, SF, NSC, GHWBL.

²⁰⁴ "500 Days to Shake the World." Within the first 100 days, privatization would be initiated through the conversion of state enterprises to joint stock companies and the reorganization of collective farms into private plots. Prices would be freed entirely by day 250 and by day 400, 70% to 80% of state enterprises would be privatized

to be executed by the central party bureaucracy. After initially endorsing the 500 Day Plan Gorbachev's support began to waiver in mid-September 1990. Fearful that the Shatalin Plan's rapid decentralization and marketization would produce suffering and undermine his authority and the integrity of the USSR, in October 1990 he backed a hybrid plan that attempted unsuccessfully to fuse the Ryzhkov and 500 day plans.²⁰⁵

Over the summer and fall of 1990, Gorbachev, Yeltsin, and Ryzhkov sought the validating legitimacy of U.S. economic, intellectual, and rhetorical backing. U.S. policymakers and non-state actors debated what support to provide to whom, weighing how their efforts might shape the trajectory of Soviet reform and the Yeltsin-Gorbachev rivalry. Opinions of Yeltsin in the West were divided. While some observers believed that he represented the best hope for a market oriented, democratic USSR, others viewed him as an authoritarian populist who had assumed the democratic mantle in the pursuit of power. ²⁰⁶ After his visit in September 1989, Bush, Baker, and Scowcroft remained wary of Yeltsin. 207 Other Western policymakers agreed. In a June 1 meeting with Vadim Zagladin the ambassadors from Luxembourg and Belgium expressed fear that Yeltsin might "seize control" of the process of restructuring the USSR and use it to serve his own "authoritarian" ends. Gorbachev had yet to propose concrete ideas for a new draft Union Treaty, and the Belgian ambassador worried that if Yeltsin succeeded in achieving the post of Russian president "to which he obviously aspires . . . the West will find itself facing a prospective terror – is it really possible to trust such a man with the nuclear button?",208

²⁰⁵ Gorbachev, Memoirs, 381-2; Soros, Underwriting Democracy, 115.

²⁰⁶ Aron, "Yeltsin: Russia's Rogue Populist."

²⁰⁷ Bush and Scowcroft, A World Transformed, 142, 521.

²⁰⁸ "O vyskazyvanniyakh poslov stran Evropy o situatsii v SSSR," June 1, 1990, Fond 3, Materials of V. Zagladin, Opis 1, Delo 7270, GF.

In contrast, in June 1990, Toby Gati and Charles Luck of the UNGA-USA urged the Bush administration to embrace Yeltsin as an "alternative" to Gorbachev. The administration's "tendency" to laud Gorbachev as a "great reformer" actually impeded reform in the USSR. The political cache of U.S. backing had "reinforced the consolidation of power in [Gorbachev's] office and his reluctance to move forward with meaningful reforms." Gati and Luck rejected the notion that Gorbachev embodied "stability." Soviet economic woes would continue to deepen and tensions between nationalities would continue to sharpen until and unless the USSR adopted a plan that allowed radical political decentralization and economic reform. Unwilling to change the "whole system," Gorbachev represented not stability, but a looming collapse. ²⁰⁹

The NED offered the most enthusiastic support for the Yeltsin-led democratic opposition. In early 1990, it funded an effort by the Free Congress Foundation, run by religious conservative and Heritage Foundation co-founder Paul Weyrich, to support the Interregional Group. After meeting MDG executive director Arkady Murashev in the USSR in late 1989, Weyrich invited him to the United States to "see how free elections work." In March 1990 Weyrich received an NED grant to support the MDG's new Initiatives Foundation, intended to build the organizational coherence of the democratic movement by "strengthen[ing] communication and cooperation among democratic activists throughout the Soviet Union." In addition, the NED built connections with Yeltsin's inner circle, inviting figures like Sergei Stankevich and Ilya Zaslvasky to the United States in the spring and summer of 1990.

Other NGO leaders, like Soros and the William Green Miller of the ACUSSR, straddled a middle ground. On one hand, they agreed with Gati and Luck's assessment that promoting

²⁰⁹ Letter from Toby Gati and Charles Luck to Brent Scowcroft, June 20, 1990.

²¹⁰ David Broder, "Soviet Change Comes Calling in DC," February 11, 1990, *Chicago Tribune* page 111; "Deistvyushchie Litsa," *Sovietskaya Rossiya*, November 4, 1990.

²¹¹ Grants, June 1990, Folder 12 "Annual Reports Prep, 1990," Box 1, Series III.2, NED

NED Fall 1989 Newsletter, Box 5, Folder 18 "Newsletter Volume 3," Series III.2, NED

radical political-economic reform in the USSR was vital to securing geopolitical stability. However, they differed from Gati and Luck in that they initially refrained from coming down on the side of either Yeltsin or Gorbachev. Although Miller harbored doubts about Gorbachev's capacity to push reform forward, he continued to admire the general secretary and believed that establishing a viable federal structure required Yeltsin and Gorbachev to collaborate. ²¹³ Soros concurred. When Yeltsin tried in early July 1990 to "enlist [Soros's] support for the reform program of the Russian Federation," Soros insisted that Russia "cannot succeed on its own," because "the Western powers ... will only deal with Gorbachev. There is only one way; you must form an alliance with Gorbachev."214

Soros eagerly backed the Shatalin plan as a joint Gorbachev-Yeltsin venture. After Fyodorov informed Soros at an August 1 meeting that the Shatalin group would "welcome" the input and approval of Western economists, Soros organized a group of prominent Western economists including Jeffrey Sachs, with whom he had recently partnered in Poland, Larry Summers of Harvard, and Ed Hewett of Brookings to review the plan. When the plan was complete, Soros sponsored its translation into English, circulated it among Western governments and international financial institutions (IFIs) and offered the Shatalin team legal feedback.²¹⁵ In a July letter, Soros urged the G-7 heads of state to provide assistance – namely a \$25 billion dollar ruble stabilization fund – to empower the USSR to undertake difficult but essential monetary reform.216

²¹³ Letter from William Green Miller to Ford Foundation, May 8, 1990, Reel 6920.2, Grant 90-1361, FF. ²¹⁴ Soros, *Underwriting Democracy*, 101-102.

²¹⁵ Konsul'tatsii Deputatov Verkhovnogo Sovieta RSFSR s Iuridicheskoi Firmoi "Arnold i Porter," Iuristami I Spetsialistami no perekhodu k rynochnoi ekonomike: vstrecha sponsor fonda Sorosa, "Board Meeting 13 [4] 1990," Fond 349, Subfond 1, Series 2 Board Minutes, Box 5, OSA; Soros, Underwriting Democracy, 113 Soros, Underwriting Democracy, 102-103.

While Kohl provided Gorbachev with separate aid in return for German reunification, at the Houston G-7 Summit in July 1990, U.S. leaders did not answer Soros's and Gorbachev's requests for assistance. An August 1990 to "mak[e] recommendations" and "establis[h] criteria under which Western economic assistance could effectively support Soviet reform. Over the following months, Bush and Baker remained unwilling to offer Gorbachev the economic aid he requested, but continued to emphasize "high visibility," low cost assistance. An August 1990 meeting of the Council of Economic Advisors concluded that the United States should support initiatives that served as "visible signs of U.S. support for Soviet reform," but could "generate strong private sector interest and involvement and face minimal USG budgetary outlay." Thus, when Gorbachev urged Baker on September 13 that in a "difficult time of transition" it was "critical" for the United States to "help us now," the administration declined his request for a \$1 billion to \$1.5 billion loan.

By September, Gorbachev was caught in the middle of a widening split between the Ryzhkov and Shatalin plans. After Ryzhkov publicly denounced the Shatalin Plan on September 11, the Russian Supreme Soviet passed the plan on its own. On September 24, the All-Union Supreme Soviet gave Gorbachev emergency powers to implement economic reform. After prolonged wavering, on October 24, he endorsed the hybrid plan.

Preoccupied with coordinating an international response to Saddam Hussein's August 2 invasion of Iraq, Bush and Baker invested their focus and influence in securing Soviet

²¹⁷ Bush and Scowcroft, A World Transformed, 295-6.

²¹⁸ Statement by the IMF, IBRD, EBRD, and OECD, September 19, 1990, folder "[1991]: U.S. Soviet Economic Relations," OA/ID CF01113, Michael Boskin Files, CEA, GHWBL.

²¹⁹ Technical Cooperation Proposals for the USSR," August 9, 1990, folder "[1990]:8/9/90 (11 AM), Interagency Meeting of IMF Led Study, Soviet Union (Chaired by Mr. Boskin)," OA/ID CF0113-023, Michael Boskin Files, CEA, GHWBL.

²²⁰ Meeting with Gorbachev, Secretary Mosbacher, U.S. Trade Delegation, Moscow, USSR, Folder 5, Box 109, Series 8: Secretary of State, JABP; Wilson, *The Triumph of Improvisation*, 191-92.

cooperation rather than pushing for the adoption of the Shatalin Plan. Over the next several months, they depended on the USSR to support resolutions placing economic sanctions on Iraq and authorizing the use of force at the U.N Security Council.²²¹ On August 3, the USSR joined the United States in condemning Iraqi aggression and by September, Gorbachev signed the "two plus four" agreement finalizing German reunification. Eager to sustain Gorbachev's geopolitical cooperation, the administration was unwilling to jeopardize U.S.-Soviet relations by making its political support for Gorbachev contingent upon his willingness to accept the Shatalin Plan. On September 13, even as Gorbachev wavered on economic reform, Baker reaffirmed U.S. support for the general secretary almost unconditionally, telling Gorbachev that he "cannot fail."²²²

The administration tried to "avoid taking sides" in the Soviet economic debate for fear of weakening Gorbachev. ²²³ In reality, the effect of U.S. policy was to give tacit endorsement to the Ryzhkov plan. When a commercial mission of U.S. business executives travelled to the USSR in mid-September to explore opportunities for direct foreign investment, they met only with the Ryzhkov team. ²²⁴ Additionally, the Bush administration's reliance on IFIs, like the IMF, seemed to signal its endorsement of these organizations' partnership with the Union center. After an investigatory trip to Moscow in July for the Houston economic study, IMF Director Michael Camdessus reported that the IMF, whose main contact was the Ryzhkov government, was "in a very difficult, if not dangerous, position . . . of helping the central government assert its control over the republics." Some IMF directors suspected that "the Soviets were interested in cooperating with the Fund and other outside institutions in order to . . . preempt the ability of the

²²¹ Bush and Scowcroft, A World Transformed, 304.

JAB Notes from 9/13 Meeting with Gorbachev, Folder 5, Box 109, Series 8: Secretary of State, JABP.

223 Note for David Compart from Nicholas Burns, October 3, 1000 folder "Sentember October 1000 [21]" O

²²³ Note for David Gompert from Nicholas Burns, October 3, 1990 folder "September-October 1990 [2]," OA/ID CF01309, Nicholas R. Burns Files, Chronological Files, NSC, GHWBL.

²²⁴ Matlock, *Autopsy on an Empire*, 415.

republics to deal with the institutions individually."²²⁵ Illustratively, the IMF initially invited only the Ryzhkov government to its annual meeting in late September 1989, until Soros intervened to help secure the Shatalin group's invitation and fund its travel. ²²⁶

As a result of these policies, the Bush administration arguably missed an opportunity to incentivize political-economic reform that *might* have prevented the further deepening of the Yeltsin-Gorbachev split and acceleration of disintegrative processes in the USSR. Increasingly dependent on foreign policy victories to help him secure his domestic position, the political benefit of receiving large-scale U.S. backing – and the danger of losing U.S. support – could have emboldened Gorbachev to embrace reform and eased his fears of its potentially devastating social consequences. In fact, Gorbachev's initial embrace of the 500 Days Plan was based on his belief that the United States had committed itself at Malta to providing large-scale economic support to *perestroika*. "Otherwise," according to Chernyaev, "the program later called '500 Days' would never have been designed."

As Gorbachev waffled on the Shatalin Plan, U.S. non-governmental actors shifted their support to Yeltsin. They increasingly viewed Russia and the RSFSR Supreme Soviet, not Gorbachev and the Union institutions as the key vehicles for the Soviet Union's political-economic transformation. By the fall of 1990, the "dual track" U.S. policy began to mirror and fuel the trend toward "dual power" in the USSR. Soros, the ACUSSR and other non-governmental groups joined the NED in supporting the construction of a viable, sovereign political economic order in the RSFSR that challenged Gorbachev's control of the Union. The

²²⁵ Status Report on Fund (IMF) Participation in Soviet Study, July 31, 1990, folder "German Unification," OA/ID CF00716, Condoleezza Rice Files, 1989-1990 SF, NSC, GHWBL.

²²⁶ Soros, *Underwriting Democracy*, 113; Louis Uchitelle, "Economic Memo; Quiet Moves at Bank Talks: A Reshaping of East Europe," September 29, 1990, *New York Times*.

²²⁷ Chernyaev, My Six Years with Gorbachev, 235.

²²⁸ Seliktar, *Politics, Paradigms and Intelligence Failure*, 165-67.

NED supported the establishment of a new Russian constitution, providing Freedom House with a \$30,000 grant to assist the new RSFSR constitutional commission in the document's drafting. The project also enlisted American "expertise" to produce a Russian version of the "Federalist Papers." Citing a shift in power to Yeltsin and Russia and a "shift of leading reformers from active support of Gorbachev to the ranks of Boris Yeltsin," the ACUSSR began emphasizing training Russian parliamentarians. Finally, following Gorbachev's rejection of the Shatalin Plan, Soros's Cultural Initiative partnered with the Washington DC law firm Arnold and Porter and Ruslan Khasbulatov, deputy chairman of the RSFSR Supreme Soviet to "provide legal and economic expertise on draft laws relating to the political and economic transition to market." Yet, Soros lamented, "the chance of replacing the Soviet Union with a new kind of Union capable of generating popular support has been irretrievably lost." 232

Conclusion

The failure of the Shatalin Plan made the collapse of the Soviet Union far more likely. Gorbachev missed his last best chance to re-establish control of the pro-reform vanguard and neutralize the potency of Yeltsin's challenge. Following the plan's rejection, Gorbachev moved increasingly to the right. With the power of Russia in his hands, Yeltsin became a more formidable foe, using a "war of laws" to challenge Gorbachev's authority. "The Center-Republic

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²²⁹ National Endowment for Democracy Newsletter, Fall 1990, Folder 20, Box 5, Series III.2, NED; NED Grants, September 1990, Folder 20 "Public Affairs Response," Box 7, Series III.2, NED.

²³⁰Letter from William Green Miller to Jeannette Mansour, September 13, 1990, Folder 6, Box 1431.6, Series III.A, Grants, CCNY.

²³¹ Konsul'tatsii Deputatov Verkhovnogo Sovieta RSFSR s Iuridicheskoi Firmoi "Arnold i Porter," Iuristami I Spetsialistami no perekhodu k rynochnoi ekonomike: vstrecha sponsor fonda Sorosa, "Board Meeting 13 [4] 1990;" Rasporyazhenie Pervogo Zamestitel'ya Presedatelya Verkhovnogo Sovieta RSFSR o napravlenii gruppy narodnykh deputatov RSFSR i ekspertov SShA, folder "Board Meeting 11, 1990," Fond 349, Subfond 1, Series 2 Board Minutes, Box 5 Folder, OSA.

²³² Soros, *Underwriting Democracy*, xi.

split," Condoleezza Rice argued in November 1990, "is no longer a theoretical one." ²³³ Tensions between Moscow and the republics paralyzed the Soviet state and had started to threaten its disintegration.

The United States helped contribute to these internal Soviet dynamics. The "dual track" U.S. policy grew increasingly contradictory and undermined the Bush administration's emphasis on supporting Gorbachev. Eager to sustain the global democratic revolution against the backdrop of rising nationalism and instability in the USSR, numerous non-governmental groups responded to the administration's appeals to the private sector to "consolidate" democracy. These groups established contacts with and developed knowledge of the republics. In some ways, their policies complemented the Bush administration's focus on stability, as they endeavored to promote rule of law through the development of market-democratic institutions in the republics. Yet, with the Lithuanian crisis, and then even more sharply with the split between Gorbachev and Yeltsin, their efforts contradicted those of the administration. The "dual track" division of U.S. policy mirrored and exacerbated the widening gulf between the center and the republics.

Both the "tracks" arguably had destabilizing consequences. U.S. support for Lithuania and the Yeltsin-led democratic opposition nurtured Soviet perceptions that the United States was attempting to destabilize the USSR. Reports to this effect by late 1990 abounded. A November 4 article in *Sovietskaya Rossiya* argued that "the \$40,000 given by the NED" to support the Paul Weyrich's aid to the Interregional Group "without a doubt . . . symbolizes the approval of the United States government of the political actions undertaken by Weyrich and the associations created by those actions." Similarly, a Central Committee directive in early 1991 accused Western media of providing a platform for Yeltsin and Democratic Russia. Such actions

²³³ Rice, "Whither the Soviet Union."

²³⁴ "Deistvyushchie Litsa," *Sovietskaya Rossiya*, November 4, 1990.

"contradict official announcements of Western leaders about their interest in stabilizing the situation in the USSR." While this evidence is suggestive rather than conclusive, it illuminates how U.S. democracy assistance raised Soviet anxieties about, and lent credence to, accusations of foreign meddling by Soviet hardliners.²³⁵

The Bush administration may have erred in equating Gorbachev with stability. Concerned with achieving Soviet cooperation to establish a "Europe whole and free" and a "new world order," U.S. leaders were careful not to destabilize Gorbachev, who used his own political weakness to win their support. However, by late 1989, Gorbachev's unwillingness to embrace decentralizing economic and political reform was itself a source of the Soviet instability.

The administration arguably missed an opportunity to push Gorbachev to support the Shatalin Plan. Its doubts about the economic merit of large-scale aid were justified, as was its hesitancy to jeopardize its geopolitical aims. Had Gorbachev embraced the Shatalin Plan in the fall of 1990, he might have initiated a hardline coup, as his efforts to create a more decentralized Union did in the August 1991. However, he might also have seized his "last, best" chance to recoup his position as the leader of reform, neutralize Yeltsin's challenge, and quell nationalist impulses. The administration's single-minded focus using the promise of large-scale aid as a tool to sustain geopolitical cooperation, rather than to support economic reform, contributed to Gorbachev's reluctance to take this risk and contributed to a growing perception among Soviet conservatives that the general secretary was receiving nothing in return for his concessions to the West.

²³⁵ CC CPSU, "On some measures of opposition of instigating actions of Western Radio Stations," March 15, 1991, Fond 89, Opis, 21, Delo 67, RGANI.

Chapter Four

The Prospect of Disintegration, October 1990-August 1991

Between the fall of 1990 and August 1991, a battle unfolded over the shape of the Soviet state with profound implications for U.S. security and the post-Cold War international order. By November 1990, the Cold War was over. Germany had been reunified within NATO, the CFE Treaty had been signed, and the USSR had joined the United States in condemning Iraq's invasion of Kuwait. Yet, just as the USSR became a cooperative partner, its own domestic instability began to threaten the "new world order." U.S. policymakers and non-governmental actors confronted one portentous question: what sort of Soviet Union would emerge? By the spring and summer of 1991, even the Bush administration, long preoccupied with external Soviet behavior, shifted its focus. "The outcome of this internal struggle over the USSR's political and economic fate," Undersecretary of State Lawrence Eagleburger wrote president George Bush in late July 1991, "has become our dominant foreign policy concern."

This Soviet struggle hinged on the outcome of an intensifying, apparently inexorable drive by the republics to obtain independence and increased sovereignty vis-à-vis the center. The October 1990 failure of the Shatalin Plan had hardened the battle lines between republican and democratic leaders, on the one hand, and conservative military, security, and party forces at the center, on the other. Strong enough to "veto" the center, the republics defied Moscow and refused to contribute to the Union budget. The resultant crisis of authority bred spiraling economic, social, and political instability that could not be reversed until the center-republican

¹ Lawrence Eagleburger to George Bush re: Your Visit to the USSR, folder POTUS Trip to Moscow and Kiev, July 29-August 1, 1991 [1]," OA/ID CF01308, Nicholas R. Burns, Subject File, National Security Council, George H.W. Bush Presidential Records, George H.W. Bush Presidential Library [hereafter GHWBL].

² Condoleezza Rice, "Whither the Soviet Union," November 23, 1990, folder "USSR – Gorbachev," OA/ID CF00719, Condoleezza Rice, Soviet Union/USSR Subject Files, NSC, GHWBL.

relationship was clarified. President Mikhail Gorbachev, U.S. observers agreed, had three choices: 1) continue to muddle through, allowing the crisis to deepen; 2) force the republics to remain in the Union on the center's terms through repression; or 3) endeavor to promote the USSR's evolution toward market democracy by allowing the radical devolution of power to the republics, but, in so doing, risk provoking either a hardline coup or the disintegration of the Soviet state.³

Navigating competing pressures, Gorbachev worked feverishly between the fall of 1990 and the failed conservative coup in August 1991 to craft a new Union Treaty salvaging the USSR in some form. Initially aligning himself with conservative forces, he sought to impose upon the republics a Draft Union Treaty, published November 24, 1990, that offered them few concessions and no clear path to independence. By April, however, Gorbachev moved back to the reformers' camp. Forging a tenuous alliance with Boris Yeltsin, Gorbachev and the "center" entered into negotiations with nine of the fifteen republics (dubbed the "9+1" process) on a new Union Treaty. The final draft of the treaty, published in mid-August, 1991, radically reconfigured the Union, establishing a confederation of sovereign republics with a shared economic space and a common military and foreign policy controlled by a popularly elected president. ⁴

It is unclear whether the Union Treaty would have prevented the eventual collapse of the Soviet Union had it been adopted. The 9+1 process temporarily contained, but did not resolve, the tensions between the center and the republics. On the eve of the treaty's signing, key

³ See for example, Graham Allison and Robert Blackwill, "America's Stake in the Soviet Future," *Foreign Affairs* 70 no.3 (Summer 1991): 77-97; NIE 11-18-19, "Implications of Alternative Soviet Futures, June 1991, in Benjamin Fischer, ed. *At Cold War's End: U.S. Intelligence on the Soviet Union and Eastern Europe, 1989-1991* (Honolulu, HI: University of the Pacific Press, 2000).

⁴ "Treaty of the Union of Sovereign States," in Charles Furtado, Jr. and Andrea Chandler, eds. *Perestroika in the Soviet Republics: Documents on the National Question* (Boulder, CO: Westview Press, 1992), 57.

questions remained unsettled.⁵ The fate of the non-participating Baltic states, Georgia, Moldavia, and Armenia was undetermined; Gorbachev and Yeltsin continued to jockey for authority over institutions and resources on Russian soil; and the increasingly pro-independence Ukraine threatened not to participate in the new Union.⁶ As treaty architect Georgii Shaknazarov wrote in July 1991, a Union without Ukraine – the Slavic, second most populous republic and home to sixteen percent of the Soviet nuclear arsenal - was "inconceivable."

Ultimately, the center-republic conflict could not be contained. Seeking to prevent the treaty's enactment and preserve the Union as it was, on August 19, Gorbachev's former conservative allies launched a coup against him. Thanks largely to Yeltsin, who rallied the Soviet people against the unconstitutional seizure of power and demanded Gorbachev's reinstatement, the coup failed. It nevertheless spurred the USSR's unraveling. Undermining the anti-reform forces at the center, it all but removed the need for Yeltsin's strategic alliance with Gorbachev and eliminated barriers to independence for the republics. On August 24, the Ukrainian Parliament declared independence, to be ratified by popular referendum on December 1, while Yeltsin brought All-Union institutions under Russian control. Unleashing impulses that the 9+1 process had only barely contained, the coup doomed the Union.

Many accounts of the United States' response to the Soviet collapse begin with the August coup, which is understandably treated as the decisive historical rupture marking the

⁵ Michael Dobbs, "Soviet Republics Sign Central Asian Pact: Union Treaty Text Shows Moscow Concessions," *The Washington Post*, August 15, 1991.

⁶ Michael Dobbs, "Yeltsin Promises Russian Takeover Of Its Resources," *The Washington Post*, August 14, 1991.

⁷ Shaknazarov to Gorbachev, July 27, 1991, Fond 5, Materials of G. Shaknazarov, Opis 1, Delo 18137, Gorbachev Foundation, Moscow, Russia [hereafter GF]; Sara Zahra Kutchesfahani, *Politics and the Bomb: Exploring the Role of Epistemic Communities in Non-Nuclear Proliferation Outcomes*, Ph.D. Dissertation, University College of London, 2010, 156; Leon Aron, "Ukraine's Difficult Road to Independence," *Backgrounder* no. 835 (Washington DC: The Heritage Foundation, June 14, 1991).

demise of the USSR. 8 However, this chapter demonstrates that the groundwork for critical aspects of the U.S. response to the coup was laid in the earlier period, between October 1990 and August 1991. Using the struggle over the Union Treaty as a lens, it examines how U.S. actors defined their interests in and endeavored to influence the process of reshaping of the Soviet state between the fall of 1990 and the August 1991 putsch. With the Bush administration preoccupied with the Gulf War, it contends that non-governmental actors led the way in adapting to transformed geopolitical realities in the Soviet Union. In particular, two non-governmental networks – one associated with the National Endowment for Democracy (NED) and the other associated with the Carnegie Corporation of New York (CCNY) - played an important, but heretofore overlooked, role. Building connections with congressional and Soviet partners, these networks exerted competing pressures on the Bush administration and contributed to small, but important shifts in the administration's outlook and policy. In so doing, they helped lay the foundation for the U.S. response to the coup, building ideas and connections whose influence and utility would grow in the uncertain environment following the August putsch.

Shifting from its traditional Cold War focus on "Avoiding Nuclear War" to "Cooperative Security," the Carnegie Corporation funded projects at Harvard, Stanford, and Brookings aimed at identifying, averting, and drawing policymakers' attention to the dangers associated with the Soviet collapse, from nuclear proliferation and sale of defense assets to the disintegration of the Soviet army. Asserting that the USSR's peaceful demilitarization, and by extension, U.S. security, hinged on the fate of the Soviet revolution, CCNY actors pushed the administration to

⁸ See, for example, Anders Aslund, *How Russia Became a Market Economy* (Washington DC: The Brookings Institution, 1995); Stephen Cohen, Failed Crusade: America and the Tragedy of Post-Communist Russia (New York: W.W. Norton and Company, 2000); James Goldgeier and Michael McFaul, Power and Purpose: U.S. Policy Toward Russia After the Cold War (Washington, DC: Brookings Institution Press, 2003). Serhii Plokhy's excellent recently published work The Last Empire: The Final Days of the Soviet Union (New York: Basic Books, 2014) argues that the Soviet collapse can be explained by examining the five-month period between July and December 1991 (pg. xviii). By contrast, this dissertation argues that both the internal Soviet dynamics that produced the collapse and many of the key initiatives that shaped the U.S. response emerged well before this window.

support market-democratic reform and defense conversion. Because few CCNY-backed projects produced tangible policy outcomes prior to the coup, their impact during this period has been overlooked. However, the Harvard-Soviet "Grand Bargain," urging the West to provide massive aid contingent upon radical Soviet reform, influenced the administration's strategy and Soviet political struggles in the lead up to the July 1991 London G-7 summit.⁹ The network's new focus on "Cooperative Security" laid the groundwork for post-coup security initiatives, most notably the Nunn-Lugar Cooperative Threat Reduction Program, to "assist the former Soviet Union to disable, transport, store, dismantle, and prevent the proliferation of nuclear, chemical, and other weapons." While scholars generally treat Nunn-Lugar as a post-coup initiative, this chapter illuminates its deeper history as one of several interrelated security initiatives that emerged from the Carnegie funded network. ¹¹

A competing network connecting the NED with U.S. Baltic and Ukrainian émigré groups lobbied Congress and the administration to shift U.S. support from the center to the republics. The dissolution of the Soviet state, these actors argued, would not endanger U.S. security, but advance it, eliminating once and for all the communist enemy and dividing its vast arsenal among smaller, less threatening and more reform-minded republics. While such pressure was not

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⁹ For the most part, scholars and memoirists have paid very little attention to the Grand Bargain, mostly taking time only to note that it failed. See for example James Baker and Thomas DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P. Putnam's Sons, 1995), 478; Michael Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War* (Boston: Little and Brown, 1993); George Bush and Brent Scowcroft, *A World Transformed* (New York: Vintage Books, 1998), 503; Goldgeier and McFaul, *Power and Purpose*, 63-4; Jack Matlock, *Autopsy on an Empire: An Ambassador's Account of the Collapse of the Soviet Union* (New York: Random House, 1995), 536-8, 552.

Sam Nunn and Richard Lugar, "The Nunn-Lugar Initiative: Cooperative Demilitarization of the Former Soviet Union," in Allan E. Goodman, ed. *The Diplomatic Record, 1992-1993* (Boulder, CO: Westview Press, 1995).
 See, for example, Paul Bernstein and Jason Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program* (Washington DC: National Defense University, 2010); Ashton Carter and William Perry, *Preventive Defense: A New Security Strategy for America* (Washington DC: Brookings Institution Press, 1999); Richard Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in John M. Shields and William C. Potters, eds., *Dismantling the Cold War: U.S. and NIS Perspectives on the Nunn Lugar Cooperative Threat Reduction Program* (Cambridge, MA: The MIT Press, 1997), 41-60; Kutchesfahani, *Politics and the Bomb;* Nunn and Lugar, "The Nunn-Lugar Initiative."

a new phenomenon, by late 1990 its power and impact spiked. Its budget expanded, the NED made the Soviet Union its "major country of priority" in 1991, while the growing momentum of Baltic and Ukrainian independence created an "explosion of interest" among Soviet émigré groups in their home countries. Particularly significant and provocative was the NED's new focus, in partnership with Ukrainian-American organizations, on aiding and advocating U.S. support for Ukrainian independence. While this NED-backed network failed to win Bush over prior to the coup, it nevertheless built allies in Congress and the administration, like Defense Secretary Richard Cheney. Cheney's influence in the fall of 1991 helped push Bush to recognize Ukraine in a more precipitous and destabilizing manner than he might otherwise have done. ¹³

The Bush administration endeavored, somewhat unsuccessfully, to walk the fine line between these competing domestic and geopolitical imperatives. By the early spring of 1991, the administration tentatively shifted its strategy, embarking on a policy of aid and outreach to the republics. Although the president, Secretary of State James Baker, and National Security Advisor Brent Scowcroft publicly rejected the "false dichotomy" between the center and the republics, they were acutely sensitive to the fact that this new strategy might stimulate separatism or be perceived as interfering in Soviet internal affairs. Thus, even as the administration reached out to

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¹² This quotation is from the Lithuanian charge d'affaires in May 1991. See Robert Toth, "New Ties to the Old Country," *Los Angeles Times*, May 14, 1991. For information on the NED's rising budget, see *National Endowment for Democracy 1991 Annual Report*, October 1, 1990-September 30, 1991, 50.

According to Beschloss and Talbott, Dennis Ross said of the recognition decision, "this is what happens when the political side of the White House starts to take over." See Beschloss and Talbott, *At Highest Levels*, 449. For accounts of the post-coup impact of this network, see Robert McConnell, "Mykhailo Horyn in DC," *The Ukrainian Weekly*, October 28, 1991; Susan Fink, "From 'Chicken Kiev' to Ukrainian Recognition: Domestic Politics in U.S. Foreign Policy," *Harvard Ukrainian Studies* 21, no.1 (June 1997): 11-61; Olexy Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine," Discussion Paper 95-09, Center for Science and International Affairs, Harvard University, August 1995.

the republics, it endeavored to preserve its security relationship with the Soviet center and lent its political – if not economic - support to Gorbachev and the 9+1 process. 14

Ultimately, U.S. influence had a mixed impact. U.S. assistance played an indirect role in defeating the coup by helping Soviet democrats broadcast their message during those turbulent days in August. However, the triumphant legacy of the failed coup, widely interpreted as retroactively validating the utility of democracy aid and the appeal of U.S. political-economic values, in many ways obscured the destabilizing impact of U.S. influence in the preceding period. ¹⁵ In fact, this chapter suggests, the combined impact of official and unofficial U.S. efforts to promote market-democracy in the USSR intensified Soviet conservatives' growing suspicions that it was the official policy of the United States to weaken the USSR and provoke its collapse. In turn, Gorbachev's closeness to the United States and considerable geopolitical concessions tarred him as an agent, witting or not, of U.S. ill intentions. ¹⁶ This image of Gorbachev contributed to Soviet conservatives' decision to attempt his overthrow.

Gorbachev Turns Right

On December 20, 1990 Soviet Foreign Minister Eduard Shevardnadze suddenly resigned, warning, "dictatorship is coming." Shevardnadze made his announcement in response to Gorbachev's ominous shift to the "right" over the fall of 1990. During this period, an accelerating "war of laws" between the center and the republics produced political, economic, and social chaos, while shortages of food and medical supplies raised the specter of a winter

¹⁴ The administration outlined this shifting strategy in a number of documents. See, for example Memorandum, "U.S. Response to the New Soviet Pluralism," June 13, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Nicholas Burns and Ed Hewett, USSR Chron. Files, NSC, Bush Presidential Records, GHWBL.

¹⁵ Democracy assistance practitioners and journalists gave democracy aid a great deal of credit for helping defeat the coup. See, for example, NED, Annual Report 1991, Lois Romano, "Boris Yeltsin's Man in DC: Allen Weinstein, Rallying To the Cause of Democracy," The Washington Post, August 24, 1991.

¹⁶ See James Risen, "Coup Collapse Alter's West's Aid Politics," Los Angeles Times, August 26, 1991; Beschloss and Talbott, *At Highest Levels*, 393-4; Plokhy, *The Last Empire*, 17.

17 "Shevardnadze Resigns: Gorbachev Says He's 'Stunned,'" *Los Angeles Times*, December 20, 1990.

humanitarian crisis. Restoring order and promoting economic recovery required clarifying the relationships between the republics and the center. Gorbachev was not prepared to accept the radical devolution of power to the republics. Instead, he was determined to force all fifteen republics to accede to the November 1990 Draft Union Treaty that gave them less authority than they had already claimed for themselves. As Brent Scowcroft observed on December 8, 1990, Gorbachev had "apparently decided to hold the Union together – including the Baltic States – whatever the cost, at least for now." ¹⁸

Gorbachev made a series of personnel moves and institutional changes designed, as

Condoleezza Rice observed, as a "last ditch attempt to assert the authority of the Center." He

offered a moderate concession to the republics. Enhancing the power of the Federation Council,
a body composed of republican leaders, Gorbachev hoped to entice the republics to remain in the

Union. The council, however, was unlikely to be effective as long as Gorbachev's vision of the

Union remained irreconcilably at odds with the republics. In a November 19 memo to Baker,

Dennis Ross of the Policy Planning Staff argued that the council "won't work if Gorbo doesn't
face reality" and grant "real autonomy to the republics." That same day Yeltsin led the
republics' revolt against Gorbachev's proposal, rejecting his offer to share power as a ploy to
preserve the center's authority without granting the republics the sovereignty they demanded. 22

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¹⁸ Brent Scowcroft to Bush, December 8, 1990, folder "Baltics," OA/ID CF00718, Soviet Union/USSR Subject File, Condoleezza Rice, NSC, Bush Presidential Records, GHWBL.

¹⁹ Rice, "Whither the Soviet Union."

²⁰ Archie Brown, *The Gorbachev Factor* (New York: Oxford University Press, 1997), 275-77.

²¹ Handwritten Note from Dennis Ross to James Baker, November 19, 1990, Folder 7, Box 109, Series 8: Secretary of State, James A. Baker III Papers; 1957-2011 (mostly 1972-1992), Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library. [Hereafter JABP]

²² Soyuz Mozhno Bylo Sokhranit' (Moscow: Gorbachev Foundation), 211; Francis Clines, "Yeltsin Rejects Gorbachev's Reorganization Plan," New York Times, November 20, 1990.

In light of this impasse Gorbachev relied increasingly on the threat of force to hold the Union together. ²³ He created a Security Council to replace the Presidential Council as his chief advisory body and filled this new body with representatives from the KGB, military, and Ministry Internal Affairs (MVD).²⁴ Gorbachev's appointments reflected his growing alienation from reform forces. Dropping liberal Alexander Yakovlev, he selected several hardliners who would organize the August coup, including KGB chief Vladimir Kryuchkov, Finance Minister Valentin Pavlov (who would soon replace Nikolai Ryzhkov as prime minister), Defense Minister Dmitry Yazov, and Gennady Yanyaev, also selected for the newly created post of Soviet vice president. In addition, Gorbachev replaced liberal MVD minister Vadim Bakatin with former Latvian KGB chief and coup plotter Boris Pugo, naming as Pugo's deputy Afghanistan veteran General Boris Gromov.²⁵

These were dangerous allies. They resented the disorder that *perestroika* had caused domestically and blamed Gorbachev for a series of unilateral concessions to the West, from the reunification of Germany and "loss" of Eastern Europe, to the CFE Treaty, to cuts in defense spending, to collaboration with the United States against longtime Soviet ally Iraq. Not only had these moves undermined the Soviet Union's international power, they had also eroded the status of Soviet military and security institutions domestically and rendered their place in the demilitarizing, liberalizing USSR increasingly tenuous.²⁶ The future of the military was an especially explosive topic. Under the terms of the CFE Treaty, signed November 19, thousands of Red Army troops were to return home from Europe. No housing or employment existed for

Rice, "Whither the Soviet Union."
 David Remnick, "Gorbachev Gets Approval To Consolidate His Power, *The Washington Post*, November 18,

²⁵ Brown, The Gorbachev Factor, 275-6.

²⁶ See, for example, Kurt Campbell, "Iron Gnome: The Coming Soviet Napoleon," *The New Republic*, March 4, 1991; Beschloss and Talbott, At Highest Levels, 273.

these troops, raising the specter of social unrest, a prospect that Gromov used to engineer the growth of Soviet internal security forces. Calling upon discharged soldiers and officers to devote themselves to "the preservation of order" domestically, he oversaw the expansion of MVD forces from 50,000 to 300,000 over the fall and winter of 1990 and 1991.²⁷ The growth of internal security forces increased the likelihood of repressive violence. "[I]n the name of civil order and economic salvation," Rice warned, "these instruments could be turned first against the most radical nationalist elements and slowly but surely against reform in general."28

By late December 1990, U.S. observers feared that Gorbachev would use social instability as a pretext to impose martial law and crack down against Baltic independence. Previously, he had eschewed such a course. After a conversation with Shevardnadze in November 1990, Ross reported, "there'll be no martial law . . . Gorbo recognizes it's impossible, could not be implemented, might trigger civil war." By late December, however, Shevardnadze was gone and Gorbachev and his new allies ratcheted up pressure on the Baltics. On December 26, 1990, the USSR Congress of People's Deputies granted Gorbachev power to enforce direct "presidential rule" on any republic that defied his orders, while Kryuchkov gave a December 22 speech defending "bloodshed" in the name of law and order. 30 No longer certain of Gorbachev's intentions, U.S. officials and NGOs faced daunting challenges.

The Bush Response: Focus on Iraq

During the final months of 1990, the Bush administration was preoccupied with building a coalition to expel Iraqi forces from Kuwait. The president's primary objective in U.S.-Soviet

²⁷ Campbell, "Iron Gnome." ²⁸ Rice, Whither the Soviet Union."

²⁹ Handwritten Note from Ross to Baker, November 19, 1990, JABP.

³⁰ Vincent Schodolski, "Gorbachev Warns Lithuania to Yield," *Chicago Tribune*, January 11, 1991; Kryuchkov quoted in Beschloss and Talbott, At the Highest Levels, 297.

relations was to secure Soviet backing for this goal.³¹ The United States needed the USSR to support a U.N. resolution, passed November 29, authorizing the use of force if Iraqi president Saddam Hussein did not withdraw from Kuwait by January 15 and to refrain from brokering separate settlement with Iraq in the interim. Never guaranteed, Soviet support grew increasingly tenuous following Shevardnadze's resignation. Deemed by Bush "the last voice of moderation close to Gorbachev," the foreign minister had exercised a liberalizing influence on the general secretary. Although Gorbachev assured Bush that Soviet policy would not falter, Bush feared that Shevardnadze's loss would make Gorbachev more "vulnerable" to pressure from conservatives.³²

The administration sought to achieve its objectives in the Gulf and "get as much as we could out of the Soviets" before Gorbachev either fell from power or reversed course in foreign policy. 33 Despite his drift rightward, U.S. leaders continued to view Gorbachev as the best alternative and an essential partner.³⁴ Because Soviet support in Iraq was essential for a "credible coalition," Baker believed, "our need . . . for Gorbachev's personal engagement was greater than ever." Thus, the administration worked to ensure his political survival, tabling an initiative, under serious discussion in the summer of 1990, to expand its contacts at the republican levels. 35

While the administration endeavored to secure Gorbachev's support and survival in the short term, it did little to stave off Soviet instability in the long term. This was evident in its approach to the USSR's deepening economic crisis, the extent of which was laid bare by the December 1990 publication of a Joint Study of the Soviet Economy, commissioned at the

35 Baker, The Politics of Diplomacy, 281, 472-73.

Baker, *The Politics of Diplomacy*, 281.
 Bush and Scowcroft, *A World Transformed*, 430.

³³ Baker, *The Politics of Diplomacy*, 475.

³⁴ Rice, "Whither the Soviet Union." Even Rice conceded "with so much at stake, we may still choose to support Gorbachev. Arguably, even a more conservative Gorbachev is better than an unabashed dictator."

Houston G-7 Summit. 36 In response to Gorbachev's requests for aid, on December 12 the Bush administration offered the Soviet Union a modest package of humanitarian aid and technical assistance. The president issued a Jackson Vanik waiver, extending the Soviet Union \$1 billion in credits to purchase grain and gave \$5 million to the private organization Project HOPE to facilitate the distribution of medical supplies in the USSR.³⁷ Bush also proposed a technical assistance package to modernize Soviet food distribution and recommended that the Soviet Union receive Special Associate Status in the International Monetary Fund. 38

This aid package was not intended to address the USSR's deep economic problems, but to ensure Gorbachev's survival and continued support on Iraq.³⁹ Prior to the president's announcement, Dennis Ross reported from Moscow that U.S. food assistance would give Gorbachev a major political boost. "It is not even the amount but the principle of our help to which he can point," Ross argued [emphasis original]. "The payoffs of help are vastly greater, indeed disproportional, to the actual help." The administration continued to rule out larger scale aid that might facilitate the USSR's market transition. The Soviet Union's declining creditworthiness, lack of a "viable . . . reform package," and absence of a clearly delineated political structure made it unready to receive aid. The Council of Economic Advisors concluded that the December Joint Study "confirm[ed] U.S. position that western financial or balance-of-

³⁶ IMF, World Bank, OECD, and EBRD, *The Economy of the USSR* (Washington DC: The World Bank), 1990.

³⁷ Matlock, *Autopsy on an Empire*, 437.

³⁸ George Bush, "Remarks on the Waiver of the Jackson-Vanik Amendment and on Economic Assistance to the Soviet Union," December 12, 1990. Online by Gerhard Peters and John T. Woolley, The American Presidency Project. http://www.presidency.ucsb.edu/ws/?pid=19152.

³⁹ Janet Cawley and George de Lama, "U.S. to Give Food Aid to Soviets," *Chicago Tribune*, December 13, 1990. The Chicago Tribune reported, "other officials made it clear that Soviet backing was a major factor in the president's decision."

40 Handwritten Note from Ross to Baker, November 19, 1990, JABP.

payments assistance would be inappropriate at this time."⁴¹ With a rising U.S. budget deficit, the administration also worried about domestic backlash. Anticipating criticism even for the December 12 package, the president's talking points instructed him to emphasize that he was not "loaning" money to the credit poor USSR, only "guaranteeing commercial credits."⁴²

While such concerns were valid, the administration's response betrayed a lack of vision and leadership. Had Bush clearly articulated the West's stake in the Soviet economic transition, he might have built domestic and international support for more robust aid. Moreover, U.S. Ambassador to the USSR Jack Matlock argued, rather than withholding aid because the USSR did not have a "viable" reform plan, the United States could have provided "consistent advice and an international framework of support for a politically viable reform policy." ⁴³

With the Bush administration slow to react to internal developments in the Soviet Union, or consider their potentially revolutionary implications for U.S. security and the post-Cold War order, non-governmental actors took the lead. The Carnegie and NED sponsored networks proved especially influential. Both linked U.S. security to the outcome of the struggle in the USSR and argued that the United States had a narrow window of opportunity to secure a democratic peaceful, post-Cold War order. However, they offered competing solutions for doing so and exercised conflicting pressures on Bush and the internal Soviet political struggles.

From Avoiding Nuclear War to Cooperative Security

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⁴¹ Memorandum, "G-7 Study of the Soviet Economy: Talking Points for administration Officials," December 7, 1990, folder "Meeting Files: December 1990: 12/7/90," OA/ID 08061, Michael Boskin, Council of Economic Advisors, Bush Presidential Records, GHWBL.

⁴² "Soviet Creditworthiness," folder "Meeting Files: December 1990: 12/7/90," OA/ID 08061, Michael Boskin, CEA, Bush Presidential Records, GHWBL.

⁴³ Matlock, Autopsy on an Empire, 441.

Led by president David Hamburg, in the fall of 1990 the Carnegie Corporation changed the name of its Avoiding Nuclear War Program (ANW), established in 1983, to "Cooperative Security." More than just a change in title, the decision represented an effort to reorient ANW's priorities in light of two tectonic geopolitical shifts: the end of the Cold War and rising Soviet instability. Taken together, these developments rendered inoperative the bipolar paradigm of superpower confrontation that had so long informed the ANW's objectives, creating unprecedented threats and opportunities.

For Hamburg, Iraq's invasion of Kuwait underscored the extent to which the fate of the "new world order" hung upon the USSR's internal evolution. U.S.-Soviet cooperation against Saddam Hussein signaled a chance to construct an international system around the principle of "cooperative security," in which the United States and USSR collaborated to reduce their nuclear arsenals and military-industrial complexes and combat common threats, from environmental degradation, to terrorism, to regional conflicts. Hussein's desire to obtain weapons of mass destruction also viscerally evoked the dangers to international security of a Soviet collapse. If political or economic instability caused the USSR to lose control over or sell its nuclear and defense assets to "rogue" regimes, the impact would be globally destabilizing. Ashton Carter, a Harvard scholar and key member of the Carnegie network, reflected on the "unaccustomed" nature of the threat. "No one in the Atomic Age had yet had to face the prospect of an entire continent strewn with nuclear weapons undergoing a convulsive political and social revolution against communism."

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⁴⁴ Patricia Rosenfield, A World of Giving: CCNY, A Century of International Philanthropy (New York: CCNY, 2014), 337.

⁴⁵ CCNY, PoP Task Force Grant Recommendation Memorandum, April 1991, Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY.

⁴⁶ Ashton Carter, "Origins of the Nunn-Lugar Program," Presentation to the Presidential Conference on William Jefferson Clinton: The "New Democrat" from Hope, Hofstra University, November 10-12, 2005.

In the summer and fall of 1990, a network of U.S. academics, legislators, and Soviet actors, many of whom had longstanding connections to the ANW program, began to turn their attention to this new threat. Key players included John Steinbrunner of Brookings, William Perry of Stanford, Ashton Carter of Harvard's Center for Science and International Affairs, and Graham Allison and Kurt Campbell of Harvard's Kennedy School. Legislators and longtime participants in the Carnegie-funded Aspen seminar on U.S.-Soviet relations Les Aspin (D-WI), Sam Nunn (D-GA), and Richard Lugar (R-IN), and Soviet "new thinkers," like Andrei Kokoshin of the Institute of the United States and Canada (ISKAN), were also involved. 47

Three projects were especially influential. The initiative that most directly laid the groundwork for Nunn-Lugar was the establishment of the Prevention of Proliferation (PoP) Task Force. David Hamburg hatched the idea at the August 1990 Prague Aspen Conference, when he called for "new cooperative global efforts to halt the spread of weapons of mass destruction." Senator Sam Nunn, also in attendance, echoed Hamburg, contending that "the lesson of Saddam Hussein's aggression was that industrialized nations must place non-proliferation at the top of their policy agendas." The United States therefore must seize upon the opportunity to collaborate with the USSR to promote non-proliferation. ⁴⁸

When Hamburg returned from Prague, he began working to establish a "high-level task force . . . to study and bring leadership attention to cooperative great power approaches to non-proliferation." In a November 12, 1990 memo to former deputy Secretary of State and CCNY board member Warren Christopher and CCNY staffers Jane Wales and Fritz Mosher, Hamburg recommended that the CCNY create a task force of policymakers and academics to address this

⁴⁷ Kutchesfahani's *Politics and the Bomb* identifies some members of this network, but misses others, particularly Allison and the Kennedy School group. See also Rosenfeld, *A World of Giving*, 339-41

⁴⁸ Grant Recommendation Memo, April 30, 1991, Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY. ⁴⁹ *Ibid.*

issue. ⁵⁰ The task force, Hamburg proposed, could be built around Nunn, who had an established interest in nuclear security and modeled after the CCNY-funded Nunn-Warner Working Group on Nuclear Risk Reduction, which had played a key role in the establishment of nuclear risk reduction centers in the United States and USSR in 1987. ⁵¹

The task force's objectives were to 1) "identify knowledge gaps" and "areas of greatest danger" relating to proliferation; 2) draw "public and leadership attention" to those dangers; and 3) "build capacity within and outside of governments" to meet those threats. ⁵² By February 1991, its structure coalesced. The Brookings Institution would coordinate the task force, which would be composed of experts working on U.S.-Soviet cooperative security, including Carter of Harvard, Perry of Stanford, and Steinbrunner of Brookings. ⁵³ To ensure its policy relevance, the task force was to "advise and receive advice from" a Steering Committee composed of Nunn, Lugar, Steinbrunner, Hamburg, and Alexander George of Stanford. ⁵⁴

A second thrust of the CCNY program was to promote collaboration between the U.S. and Soviet military-industrial establishments on post-Cold War demilitarization. While both countries faced pressing questions about how to scale back their military postures and defense industries, the challenge was especially daunting for the USSR. As thousands of Red Army soldiers returned home, the CCNY funded a study by Harvard's Kurt Campbell, head of a

David Hamburg to Warren Christopher, Fritz Mosher and Jane Wales re: Proposed Task Force on the Prevention of Proliferation of Weapons of Mass Destruction," November 12, 1990, Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY.

⁵¹ The Nunn-Warner group included Stanford's William Perry. See Rosenfield, *A World of Giving*, 332; Bernstein and Wood *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program*, 2-3.

⁵² Mosher and Wales to Hamburg, December 18, 1991, Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY.

⁵³ Brookings was developing its own Cooperative Security Program and received a \$1.2 million grant in October 1990 to study "the operational aspects of cooperative security arrangements" that "would enable nations to achieve greater security at a lower cost." It had also received a grant from the MacArthur Foundation in 1989 to begin its Cooperative Security Program. See CCNY Grant Recommendation, October, 1990, folder 5, Box 1454, Brookings Institution, Series III.A, Grants, CCNY.

⁵⁴ Grant Recommendation Memorandum, Brookings Institution, "For a Task Force on the Prevention of Proliferation," June 13, 1991 Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY.

civilian advisory group to the Joint Chiefs, on the potential of U.S. military contacts to influence post-Cold War Soviet strategic thinking.⁵⁵

Equally staggering was the problem of converting the USSR's heavily militarized economy to civilian purposes. In March 1990 ISKAN's Andrei Kokoshin told Perry that Soviet Marshal Akhromeyev wanted to explore collaboratively the implications of Soviet defense cuts. Encouraged by Les Aspin, chairman of the House Armed Services Committee (HASC), Perry, Kokoshin, and Aspin's HASC deputies developed a joint Stanford-ISKAN project to facilitate Soviet defense conversion in April 1990. Enthused that Aspin's involvement "assured cooperation from Congress," Carnegie awarded Stanford \$180,000 in October 1990.⁵⁶

The Stanford project was premised upon the notion that promoting Soviet defense conversion was a vital interest of the United States. In 1988, 6.4 million people were employed by Soviet defense industries. Between 1989 and 1990, 300,000 of those people lost their jobs. If the USSR reduced defense spending from 20 percent to the U.S. level of 5-6 percent of its GNP, 4 million jobs would be lost, concentrated in the nuclear, ground forces, and aviation industries, where the USSR's best technology and skilled researchers resided. This raised the risk that unemployed Soviet nuclear scientists would sell their services to the highest bidder, like Iraq or Iran. Given these stakes, the Stanford project sought to spur defense conversion by promoting U.S.-Soviet joint ventures and convincing U.S. policymakers of their interest in facilitating U.S. investment in this process. 57

⁵⁵ This project laid the groundwork for deeper post-coup collaboration between the Kennedy School and the Soviet, then Russian, military, discussed in chapter six. Kurt Campbell, Final Narrative on Study of U.S.-Soviet Military Diplomacy, May 13, 1991, folder 5, Box 1555, Harvard University, Series III.A, Grants, CCNY.

⁵⁶ William Perry, Report on Meeting with Kokoshin, et al, March 15, 1990; William Perry, re: Program for HASC, April 18, 1990; and CCNY Grant Recommendation, Stanford University "Toward a Study of the Soviet Defense Industry," October 1990, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY.

⁵⁷ Stanford University, "Status Report on Conversion After July Delegation," July 1991, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY.

Finally, beginning in mid-1990, Hamburg encouraged Graham Allison, leader of the CCNY-funded Harvard-ISKAN Joint Study on Crisis Prevention, to "disrupt business as usual" at Harvard and seize the "golden moment" to respond to new dangers and opportunities in the Soviet Union. ⁵⁸ In response, Allison reconfigured Harvard's Avoiding Nuclear War program (which shared a name with, but was distinct from the CCNY program) by splitting the program into two "strands." Strand I would maintain Harvard's traditional emphasis on external security issues, but shift its focus to the repercussions of declining Soviet power and stability. As part of Strand I, Allison would continue to oversee the Harvard-ISKAN Joint Study. ⁵⁹

Allison would also lead the more radical, newly established Strand II, "Strengthening Democratic Institutions" (SDI II). SDI II "stretch[ed] beyond the traditional definitions" of security. Embracing the Sakharovian notion that the internal character of the Soviet system shaped its external behavior, the Strengthening Democratic Institutions project, Allison explained, was premised upon the assumption that the "U.S. stake in Gorbachev's *perestroika* and *democratization* of Soviet society extends beyond our values to include our security." SDI II would provide "serious technical assistance to key individuals in government, parliament, and institutes in building free markets and democratic political institutions." Reflecting changing priorities, the CCNY allotted Strand I \$600,000 and Strand II \$735,000. 60

A key aspect of Allison's approach was his belief that the economic, political, and geostrategic components of the USSR's "triple transition" were inextricably intertwined. ⁶¹ Thus, he proposed to establish an office in Moscow to oversee both Strand I and Strand II. Rather than

⁵⁸Allison to Hamburg, April 16, 1990 Folder 2, Box 1550, Harvard University; and CCNY Grant Recommendation Memo, May 25, 1990, Folder 6, Box 1535.6, Harvard SDI II, Series III.A, Grants, CCNY.

⁵⁹ CCNY Grant Approval, June 1990 Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY.

⁶⁰Allison to Mosher and Hamburg re: Proposal for Renewal of Harvard's ANW Project, May 8, 1990, Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY.

⁶¹ Allison to Hamburg, Robert Blackwill and Bruce Allyn re: "Mission to Moscow," November 14, 1990, Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY.

flitting in and out of the USSR as "flying carpets bearing wise men," the "experimental" Moscow office would offer Soviet actors "sustained" engagement. ⁶² Building off of Joint Study contacts with Georgii Shaknazarov, Vladimir Lukin, Georgy Arbatov, Andrei Kokoshin, and Victor Kremeniuk, Harvard experts would respond "rapidly and flexibly to Soviet . . . eagerness to reach out for ideas and assistance." Eschewing traditional academic timetables, they would instead provide "timely assistance to policymakers in the United States . . . to ensure that the unprecedented opportunity . . . to extend both peace and freedom is not squandered." ⁶³

During a November 1990 trip to the USSR, the key aspects of Allison's program began to fall into place. As part of Strand I, Harvard solidified connections with Arbatov, Kremeniuk, and Kokoshin of ISKAN, initiating collaboration on the issue of Soviet denuclearization. The Harvard-ISKAN group focused especially on the threat posed by non-strategic, tactical nuclear weapons in the event of Soviet disintegration. The Soviet General staff had started to transfer these weapons back to Russia in mid-1990.⁶⁴ They were "most likely to be used in an accidental or unauthorized manner or to find their way into international arms bazaars." Allison and Harvard colleague Robert Blackwill began working to "raise the understanding and attention to these stakes in Western policy."

The November trip also gave rise to the Grand Bargain. Beginning in mid-1990, Allison and Jeffrey Sachs, Harvard economist and economic advisor to Poland, had started "exploring with key officials in the Soviet Union . . . the kinds of technical assistance that might be most

⁶² Graham Allison, "Western Assistance to the Soviet Union Great Transitions Economic and Political," November 15, 1990, Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY.

⁶³ Grant Approval Memo, June 29,1990, Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY. ⁶⁴ Leon Sigal, *Hang Separately: Cooperative Security Between the United States and Russia, 1985-1994* (New York: Century Foundation, 2000), 233.

⁶⁵ Allison to Mosher re: Interim Report on ANW Project Focusing on the Strand for Which I am Responsible," October 17, 1991, Folder 6, Box 1535, Harvard ANW, Series III.A, Grants, CCNY.

helpful" in promoting marketization.⁶⁶ While Sachs and Allison concluded that Soviet reform should be based on the Polish model of rapid price liberalization and austere monetary reform, they did not believe the USSR could implement such a plan without substantial Western economic and intellectual assistance. Thus, on November 20, Allison met with Grigory Yavlinsky, a liberal Soviet economist and an architect of the Shatalin plan, to discuss the role that Western assistance could play in aiding Soviet reform. Allison and Yavlinsky agreed to organize a Joint Working Group of U.S. and Soviet economists, including Sachs, to prepare a Joint Proposal.⁶⁷ Bush had already missed one key opportunity to promote Soviet reform at a "decisive moment," Allison and Sachs believed, by failing to offer large-scale aid at the Houston G-7 or in support of the Shatalin Plan. This time the United States must take the lead. ⁶⁸

The NED and the Evolution of U.S. Democracy Assistance in the USSR

Between late 1990 and late 1991 the National Endowment for Democracy expanded and adapted its mission in the USSR. Like Carnegie's ANW network, the endowment had to adjust to a changing global context. The crumbling of communism in the Soviet bloc and waning of ideological competition elevated democracy assistance from a controversial, anti-communist Cold War weapon to a more legitimate, mainstream endeavor to promote a seemingly universal human aspiration for "freedom." Because "democratic norms and procedures are now recognized as universally applicable," NED president Carl Gershman asserted in the endowment's 1991

⁶⁶ Grant Approval Memo, June 29 1990 Folder 2, Box 1550, Harvard University, Series III.A, Grants, CCNY.

⁶⁷ Graham Allison and Grigory Yavlinsky, *Window of Opportunity: The Grand Bargain for Democracy in the Soviet Union* (New York: Pantheon Books, 1991), vii-viii.

⁶⁸ Jeffrey Sachs, "Promoting Economic Reform in the Soviet Union," May 5, 1991, Case No. 266286, CO165, WHORM: Subject File, Bush Presidential Records, GHWBL; Graham Allison, "Western Assistance to the Soviet Union Great Transitions Economic and Political;" Allison and Yavlinsky, *Window of Opportunity*, vii.

annual report, "promoting democratic development can now be embraced as a common enterprise of the international community." 69

In 1990, the United States Agency for International Development (USAID) incorporated democracy assistance into its economic development strategy and became the chief U.S. provider of democracy aid in Eastern Europe. USAID's move reflected a broader shift toward a more "neoliberal" concept of development borne in part out of the collapse of statist communist regimes. While Cold War modernization theory treated state-led economic development as an essential prerequisite for political liberalization, ascendant neoliberal models imagined the free market, not the state, as the engine of economic growth. Thus, they treated political freedom and economic prosperity as mutually constitutive and interdependent. This outlook helped generate the explosion of democracy assistance in the Soviet bloc. It also contributed to an emerging contradiction between U.S. efforts to democratize the Soviet Union and U.S. efforts promote its market transformation through macroeconomic austerity measures like those recommended by the Grand Bargain and later "shock therapy." These market reforms were unpopular and could only be implemented successfully by a state insulated from the democratic popular opinion.

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⁶⁹ Carl Gershman, "President's Report," National Endowment for Democracy 1991 Annual Report, 5.

⁷⁰ In 1990, USAID started a Democratic Pluralism Initiative. The program, designed to promote "open markets and open societies," represented a "broadening of the development mandate . . . in line with the assumption of recent and current United States policy that societies require open social and political, as well as economic, systems." See U.S. Agency for International Development, *The Democratic Pluralism Initiative: A Manual for Mission Application*, prepared by Raymond Gastil, April 26, 1990, PN-ABH-433. On USAID's embrace of democracy assistance, see also Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington DC: Carnegie Endowment for International Peace, 1999), 6; USAID, *USAID Policy: Democracy and Governance*, November 1991.

⁷¹ On the trend toward neoliberalism and the convergence of development and democracy assistance see Michael Latham, *The Right Kind of Revolution: Modernization, Development, and U.S. Foreign Policy from the Cold War to*

Latham, *The Right Kind of Revolution: Modernization, Development, and U.S. Foreign Policy from the Cold War to the Present* (Ithaca, NY: Cornell University Press, 2011); Thomas Carothers, "Democracy Support and Development Aid: The Elusive Synthesis," *Journal of Democracy* 21 no. 4 (October 2010): 12-26; Nicholas Guilhot, *The Democracy Makers: Human Rights and the International Order* (New York: Columbia University Press, 2005).

⁷² On the contradiction between these aims see Jerry F. Hough, *The Logic of Economic Reform in Russia* (Washington DC: The Brookings Institution, 2001), 61; Stephen Haggard, "Democracy and Economic Growth," paper prepared for the U.S. Agency for International Development, Democratic Pluralism Initiative, June 15, 1990, PN-ABI-449. Haggard warned, "Contrary to what is often thought, the transition to a more market oriented economy demands greater governmental capabilities in a number of areas."

The rise of democracy assistance as an official tool of U.S. foreign policy reaffirmed the NED's mission, reflected its budget increase from \$16.8 million in 1990 to \$25 million in 1991. However, it also created competition that forced the endowment to stake out its turf. In Eastern Europe, USAID started to infringe on NED prerogatives and use the NED to administer its grants. Urging a "line of demarcation" between the two organizations' funds and objectives, Gershman warned that using official USAID funds to support NED-style projects like political party building would tie such controversial initiatives to the U.S. government. All Still, AID's role in the former Soviet empire continued to expand in early 1991. Its democracy assistance budget rose to \$100 million and Bush began using USAID to channel small amounts of aid to the

Spurred by AID's expansion and by a March 1991 GAO report critiquing the NED's grant management, the endowment began rethinking its strategic priorities. ⁷⁶ By the end of the year, it concluded that its "comparative advantage" - flexibility and independence - enabled it to fund more controversial projects and made it best suited for "pre-breakthrough countries" where authoritarian systems were still in place. Thus, in 1992 it planned to begin transitioning away from the USSR. ⁷⁷

However, in late 1990 and 1991, the endowment fixed its attention and resources squarely on the USSR. "There is no democratic struggle more momentous," its 1990 Annual

⁷³ "USIA Funds Obligated to NED," Folder 8 "Carothers Correspondence," Box 2, Series III.2 National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division. [Hereafter NED].

⁷⁴ Christopher Madison, "The New Democratizers," *The National Journal*, December 7, 1991; Gershman, "President's Report," *National Endowment for Democracy Annual Report 1990*, 7. In 1990, USAID provided the NED with \$10.8 million funding to administer AID grants in Eastern Europe.

⁷⁵ Curtis Tarnoff, "U.S. Assistance to the Former Soviet Union 1991-2002: A History of Administration and Congressional Action," *CRS Report for Congress*, January 15, 2005. In February, Bush authorized USAID to spend \$5 million to ship privately donated medical supplies to Ukraine and the Baltics.

⁷⁶ United States Government Accountability Office, *Promoting Democracy: National Endowment for Democracy's Management of Grants Needs Improvement*, GAO/NSIAD-91-162, March 1991.

⁷⁷ National Endowment for Democracy, "Strategy Document," January 1992; Gershman, "President's Report," *NED 1991 Annual Report*, 5-6.

Report declared, "than the one being waged in the Soviet Union by emerging political parties, trade unions, local governments . . . and national democratic movements in the republics." In response to shifting Soviet conditions, the NED's approach to the USSR acquired three new thrusts. First, NED funds began flowing much more through its core institutes, eager to support rising trade unions and political parties. In the 1991 fiscal year, the AFL-CIO's Free Trade Union Institute (FTUI) budget jumped to \$1 million, while the Democratic Party's National Democratic Institute (NDI) and the Republican Party's International Republican Institute (IRI) received significant NED funding after making exploratory missions to the USSR in the summer and fall of 1990. 80

The second shift reflected a broader trend among U.S. non-governmental actors, including George Soros and the Helsinki Watch: a focus on providing anti-crisis aid to democratic leaders at the local and municipal levels. A September 1990 NDI delegation concluded that local Soviet democrats were in desperate need of Western assistance. In the spring of 1990, democrats, like mayor Anatoly Sobchak of Leningrad and Mayor Gavril Popov of Moscow and his deputy Sergei Stankevich, had been elected to Soviet city governments for the first time. These inexperienced leaders represented the Soviet populace's first direct contact with democracy. If they failed, the population would associate democracy with disorder and be more receptive to the reimposition of authoritarian rule. Underwritten by a \$164,976 NED

⁷⁸ Gershman, "President's Report," *National Endowment for Democracy Annual Report 1990*, 7.

⁷⁹ NED funds had previously flowed almost entirely through discretionary grants.

⁸⁰ Originally named the National Republican Institute for International Affairs, or NRIIA, the NED's Republican Party institute changed its name at the end of 1991 to the International Republican Institute, or IRI. I will refer to it throughout this dissertation as the IRI to avoid confusion. "Summary of the FTUI's USSR and Baltic States' Program," July 1991 and "National Endowment for Democracy Programs in the Soviet Union," August 1991, Folder 20 "Public Affairs Response, Box 7, Series III.2, NED.

⁸¹ National Democratic Institute for International Affairs, "Strengthening Local Democracy in the Former Soviet Union, 1990-1992, April 1992, PN-ABP-855, http://pdf.usaid.gov/pdf_docs/PNABP855.pdf.

⁸² National Democratic Institute for International Affairs, News Release, "NDI Recommends Urgent Western Assistance for Soviet Reforms, September 21, 1991.

grant in December 1990, the NDI held a Moscow conference to provide training on "Democratic Governance and City Politics," attended by 30 city councils in Russia and Ukraine, as well as Stankevich and Sobchak.⁸³ Emphasizing the interdependence of free markets and political systems, former vice president and NDI chairman Walter Mondale urged the rejection of the authoritarian model of growth, warning against the "dangerous myth . . . that authoritarian rulers are better able to control an economic crisis." To build unity among these embattled democratic leaders, the conference established a network called Russian League of Cities. ⁸⁵

Along similar lines, in the fall of 1990, Soros's Cultural Initiative (CI) introduced a series of measures to promote good governance, rule of law, and human rights at the local level. The CI's committee on "Civil Society" introduced an exchange program to educate newly elected municipal deputies, a crisis monitoring initiative, and, "given the anxiety about the distribution of Western humanitarian aid," worked to create independent local committees to "oversee the distribution" of food and medical supplies throughout the USSR. ⁸⁶ In addition, the CI funded an effort by the Moscow Helsinki Group's Larissa Bogoraz to conduct seminars educating regional human rights monitors, while the Helsinki Watch continued to observe "hot points" in the Soviet Union. ⁸⁷ Building off its initial mission to Kazakhstan, Helsinki collaborated with and shared information on crises throughout the Soviet republics with the Memorial Society. ⁸⁸

⁸³ NDI, "Strengthening Local Democracy in the Former Soviet Union, 1990-1992."

⁸⁴ Walter Mondale, "Democracy In the Soviet Union: Only Brave New Words?" *NDI Reports* (Fall 1990 / Winter 1991).

NDI Assists Local Government Reform in the Soviet Union" and "NDI Reports (Fall 1990 / Winter 1991).
 "Obosnovanie Byudzheta Programmy 'Grazhdanskoe Obshchestvo' na 1991 g." Folder "Board Meeting 13 [4] 1990," Fond 349 Subfond 1 Series 2, Board Minutes, Box 4, Open Society Archives, Budapest, Hungary [OSA].
 Letter from Larissa Bogoraz to the CI, Folder "November 13, 1990, Board Meeting 14 [3] 1990," Fond 349 Subfond 1 Series 2, Board Minutes, Box 5, OSA; Proekty, Podderzhanye Sovietsko-Amerikanskim Fondom "Kul'turnaya Initsiativa" v 1990 godu, Folder "Descriptions of Programs and Commissions," Fond 349, Subfond 1 Registration Documents, Box 2, OSA.

⁸⁸ Fritz Mosher, Grant Recommendation Memorandum, April 11, 1991, folder 3, Box 1557, Helsinki Watch, Series III.A, Grants, CCNY; Proekt "Goryachie Tochki," April, 27, 1991, folder "Board Meeting 18 [1] 1991," Fond 349 Subfond 1 Series 2, Board Minutes, Box 6, OSA; Proekty, Podderzhanye Sovietsko-Amerikanskim Fondom

This trend toward unofficial anti-crisis aid reflected frustration with the Bush administration's "Moscow-centrism" and failure to provide more substantial help to local Soviet democrats. ⁸⁹ It had the potential to be interpreted by the Soviet leadership as provocative; the democrats whom Soros, Helsinki, and the NDI supported were increasingly at odds with Gorbachev. However, it was driven fundamentally by a desire to preserve stability by bolstering democratic institutions to prevent social chaos, economic collapse, and conservative backlash.

The Rise of Ukrainian Independence and its U.S. Support Network

The most provocative new prong of the NED's policy was its support for Ukrainian independence, which represented an existential threat to the viability of the Soviet Union. 90 Ukraine was critical to the USSR's economy, defense, and superpower status. The second largest republic, with a population of 52 million, Ukraine was home to 11 million ethnic Russians and produced a quarter of Soviet agricultural products. 91 It also housed 16.1 percent of the USSR's strategic nuclear arsenal, distributed between Russia (65.5%), Belarus (4.5%), and Kazakhstan (7.6%), over 400,000 troops, and 17.1 percent of Soviet defense production. 92

The Ukrainian independence movement, which first began to emerge following the 1986 Chernobyl nuclear disaster, reflected the tenuous, divided history of Ukrainian statehood.⁹³ After declaring independence from the Russian Empire in 1918, in 1921 Ukraine's East was retaken by the Soviet Union. Its Western provinces Bessarabia, Bukhovina, and Galicia were incorporated

Kul'turnaya Initsiativa" v 1991 godu," Folder "Descriptions of Programs and Commissions," Fond 349 Subfond 1 Registration Documents, Box 2, OSA.

⁸⁹ Helsinki Watch Annual Report 1991, folder 3, Box 1557, Helsinki Watch, Series III.A, Grants, CCNY.

⁹⁰ NED 1991 Annual Report.

⁹¹ Aron, "Ukraine's Difficult Road to Independence."

⁹² R. Jeffrey Smith, "U.S. Officials Split Over Response to an Independent Ukraine," *The Washington Post*, November 25, 1991; Kutchesfahani, *Politics and the Bomb*, 156; Stanford University, "Status Report on Conversion After July Delegation."

⁹³ On the historical roots of Russia's 2014 military intervention in Ukraine, see Rajan Menon and Eugene Rumer, *Conflict in Ukraine: The Unwinding of the Post-Cold War Order* (Cambridge, MA: MIT Press, 2015).

into Romania and Poland, only to be reclaimed by the USSR after World War II. In Ukraine's heavily Catholic West, nationalism stemmed primarily from a desire to reclaim Ukraine's cultural-linguistic heritage and European identity, while in the industrial, Russified East it was motivated largely by worker protest against an exploitative center.

From the West rose the Rukh (Movement), established in September 1989 by nationalist poet Ivan Drach and Helsinki dissident Vyacheslav Chornovil. This umbrella organization of democratic forces led a drive to reassert Ukraine's cultural and political sovereignty. It won enough seats in the March 1990 elections to the Ukrainian Supreme Soviet to form an opposition bloc and spur the Ukrainian communist party to embrace the cause of sovereignty as it own. ⁹⁴ After the Ukrainian Supreme Soviet declared the republic's sovereignty in July 1990, in late October, the Rukh went further, declaring its aim full independence, ⁹⁵

By the fall of 1990, the goals of workers in the East began to converge with those of the Rukh. Unrest in the coal mining Donbass (Donetsk) region, motivated initially in July 1989 by resentment of economic exploitation by the center, began to morph into explicit support for independence. In October 1990, Donetsk labor leader Yuri Boldyrev advocated the establishment of a "common anti-communist front' to unite the Rukh and the less nationally conscious workers of the Donbass." An AFL-CIO delegation reported, "in much of Ukraine, worker activism is closely linked with popular sentiments for autonomy or independence."

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⁹⁴ Aron, "Ukraine's Difficult Road to Independence."

 ^{95 &}quot;Declaration of Sovereignty of the Ukrainian Supreme Soviet," July 16, 1990 and "Law on Economic Independence in the Ukrainian SSR," August 3, 1990 in Furtado and Chandler, *Perestroika in the Soviet Republics*.
 96 Mark Beissinger, *Nationalist Mobilization and the Collapse of the Soviet State* (New York: Cambridge University Press, 2002), 393-400.

⁹⁷ Adrian Karatnycky, "Rukh Awakening: There Goes Another Soviet Republic," *The New Republic*, December 17, 1990.

⁹⁸ AFL-CIO Department of International Affairs, "Across Frontiers: Spreading the Message of Free Trade Unionism, A Report on: President Lane Kirkland's Visit to Poland and the USSR and an AFL-CIO Delegation to the Second Miners Congress in the USSR, folder 9 "AFL-CIO Dept. of Int. Affairs – Kirkland's Trip Report," Box 4, David Brombart Papers, Hoover.

The unity of the Ukrainian independence movement in late 1990, however, should not be overstated. Leading Rukh democratic parties could not agree on a strategy to pursue independent statehood. While the Ukrainian Democratic Party endorsed gradualism, the more radical Ukrainian Republican Party (URP), led by Western Ukrainians Chornovil and Lev Lukanyenko, advocated immediate independence. As a result, U.S. scholar Leon Aron observed, the URP's "appeal in Eastern Ukraine is limited." This disorganization rendered the movement vulnerable to cooptation by the Ukrainian Communist Party. The party's slippery, politically skilled leader, Leonid Kravchuk, was interested primarily in preserving his own authority and using autonomy to shield Ukraine from reform.

Despite its problems, the Ukrainian independence movement produced great excitement in the United States. Key figures affiliated with the NED, like AFL-CIO chief of International Affairs Adrian Karatnycky, hoped to facilitate the emergence of a "common anti-communist front for Ukrainian independence." ¹⁰¹ Thus, the NED embarked on a series of projects to help connect diverse Ukrainian democrats with each other and the West. Grants to Freedom House and the Ukrainian Writers Union supported the Rukh's independent press and communications equipment. ¹⁰² Between October 14 and 28, a labor delegation including FTUI director Richard Wilson and Karatnycky traveled to the Second Ukrainian Miners' conference in Donetsk. Informed by labor leaders that the lack of an "infrastructure of communications" was their biggest obstacle, Wilson and the FTUI arranged to print and distribute Russian language

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⁹⁹ Aron, "Ukraine's Difficult Road to Independence," 9.

¹⁰⁰ Matlock, Autopsy on an Empire, 571.

Lewis Siegelbaum and Daniel Walkowitz, "The AFL-CIO Goes to Ukraine," *The Nation*, November 2, 1992.

¹⁰² NED 1990 Annual Report; "Summary of the FTUI's USSR and Baltic States' Program."

pamphlets on collective bargaining and labor organization and provide printing presses and "expense paid trips to the United States for selected strike committee members." ¹⁰³

At the same time, the NED began to establish connections with U.S.-Ukrainian organizations newly invigorated by the rise of Ukrainian independence. The endowment's two key allies were the Ukrainian National Association (UNA), to whom the NED gave \$65,000 in aid over the 1991 fiscal year, and Ukraine 2000, which received \$150,000. 104 The Washington DC based Ukraine 2000 was one of 23 U.S. Rukh support groups formed in late 1989. Led by former Reagan administration assistant Attorney General Robert McConnell, it coordinated the U.S. Rukh movement's government relations. 105 The UNA was the "world's largest Ukrainian fraternal organization." In support of Ukraine's sovereignty declaration, it announced its intention in September 1990 to open a press bureau in Kiev, establish a political action committee, and create a Fund for Ukraine's Rebirth modeled after the NED. 106

After Rukh chairman Mykhailo Horyn was invited to the United States by Congressman Frank Wolf (R-VA), the UNA and Ukraine 2000 worked in tandem to host and set up meetings for Horyn with the Bush administration, Congress, and the NED. Horyn's September 1990 visit, Ukraine 2000 leader Robert McConnell asserted, proved to be a "watershed" event for "Ukraine and Ukrainian-Americans." An articulate advocate for the cause of Ukrainian independence, Horyn's emphasis on rule of law, minority rights, and pluralism helped to "dispel myriad misperceptions" about the intolerant, destabilizing character of Ukrainian nationalism. ¹⁰⁸ By the end of his visit, Horyn had won key allies for his cause, most importantly Defense

¹⁰³ AFL-CIO, "Across Frontiers;" Siegelbaum and Walkowitz, "The AFL-CIO Goes to Ukraine."

^{104 &}quot;Mykhailo Horyn Arrives in U.S.," *Ukrainian Weekly*, September 2, 1990.

¹⁰⁵ Fink, "From 'Chicken Kiev' to Ukrainian Recognition," 32.

¹⁰⁶ NED 1991 Annual Report; "UNA to Open Kiev Press Bureau, Create a Political Action Committee," Ukrainian Weekly, September 23, 1990.

¹⁰⁷ "Mykhailo Horyn Arrives in U.S;" *National Endowment for Democracy 1990 Annual Report.* He met with AFL-CIO leader Lane Kirkland, Gershman, and NDI president Brian Atwood.

¹⁰⁸ McConnell, "Mykhailo Horyn in DC."

Secretary Richard Cheney. While Bush and Baker refrained from meeting with Horyn at Gorbachev's behest, Horyn made a very positive impression on Cheney, who claimed after their hour-long meeting, "if I didn't have any other commitments, I would spend the rest of the day in this discussion." ¹⁰⁹

Second Baltic Crisis, January-March 1991

Just as the Bush administration prepared to launch an air war against Iraq, Soviet troops initiated a crackdown in Latvia and Lithuania. After seizing control of several printing offices on January 11, the Soviet army and Ministry of the Interior forces attacked the TV headquarters in Vilnius on January 13, killing 15 people. A week later, the violence spread to Latvia, when Soviet MVD "Black Beret" troops killed five in an attack on the police headquarters in Riga. Gorbachev denied responsibility, but was slow to condemn, the violence. Either "he cannot control the MVD and Army, or he does not want to," Condoleezza Rice observed. 111

Events in Latvia and Lithuania pushed the schism between the center and the democratic, pro-independence forces in the republics to a breaking point. On January 13, Yeltsin's Russia signed a mutual security pact with the Baltics, while Democratic Russia organized a 200,000 person rally on January 20 demanding the withdrawal of Soviet troops from Lithuania and requesting that all foreign aid be sent to the republics, not the center. In February, the Baltics, Georgia, Moldavia, and Armenia declared that they would boycott an upcoming referendum on the Union, and Yeltsin called for Gorbachev's resignation, a demand Soviet miners endorsed in a

¹⁰⁹*Ibid*; See also, Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine;" Fink, "From From 'Chicken Kiev' to Ukrainian Recognition: Domestic Politics in U.S. Foreign Policy," Thorn Shanker, "Soviet Troops Attack in Latvia," *Chicago Tribune*, January 21, 1991.

¹¹¹ Memorandum from Condoleezza Rice to Brent Scowcroft re: Responding to Moscow, folder "Baltics," OA/ID CF00718, Condoleezza Rice, Soviet Union/USSR Subject File, NSC, Bush Presidential Records, GHWBL.

¹¹² Matlock, *Autopsy on an Empire*, 497; Thorn Shanker, "Gorbachev Denies Ordering Raid: Leader blames Lithuania Deaths on Baltic Nationalism *Chicago Tribune*, January 15, 1991.

March 1 All-Union Strike. ¹¹³ In retaliation, Gorbachev sought Yeltsin's impeachment, banned protests, and deployed 50,000 troops to Moscow to quell democratic unrest.

Gorbachev's increasingly authoritarian behavior provoked a debate over the future of U.S. policy toward the USSR. ¹¹⁴ The flashpoint of the Baltic crisis produced growing coordination between the NED, U.S.-Ukrainian and Baltic groups, and members of Congress, who pressured the administration to back away from support for Gorbachev, channel aid to the republics and support their independence movements.

On January 11, Soviet émigré groups established the "Coalition to Promote Democracy in Soviet European Republics," which included the NED-funded UNA, American Latvian Association (ALA), and Georgia's Project for Peace. The coalition called for the cancellation of the U.S.-Soviet February 1991 summit and the 1991 Moscow CSCE Conference and urged Congress to "enact legislation which will support self-determination for all within the Soviet Union." The ALA, for whom the NED funded a crisis Telex link with Latvian democrats, also sponsored a January 13 Washington DC rally in support of Baltic independence, attended by Rep. David Bonior (D-MI), Ukraine 2000's McConnell, and co-chairmen of the Helsinki Commission Rep. Steny Hoyer (D-MD) and Senator Dennis DeConcini (D-AZ). McConnell urged the administration to "be realistic in its assessment of Gorbachev." Congress, Rice warned, "will make it miserable for us," especially if the administration did not take "a stance tough enough." On January 22, Scowcroft met with leaders of the prominent Baltic American

¹¹³ Yitzhak M. Brudny, "The Dynamics of Democratic Russia, 1990-1993," *Post-Soviet Affairs* 9:2, 141-170, 151; Bush and Scowcroft, *A World Transformed*, 497.

¹¹⁴ Michael McFaul and Sergei Markov, *The Troubled Birth of Russian Democracy: Parties, Personalities, and Programs* (Stanford, CA: Hoover Institution Press, 1993), 15.

^{115 &}quot;Ethnic Coalition Calls on Bush to Take Action," Ukrainian Weekly, January 20, 1991.

^{116 &}quot;Ukrainian, Baltic Americans Unite to Protest," Ukrainian Weekly, January 20, 1991; NED 1991 Annual Report.

¹¹⁷ Memorandum, Rice to Scowcroft re: Dealing with the "Lull" in the Baltic Crisis," January 19, 1991 folder

[&]quot;Baltics," OA/ID CF00718, Rice, Soviet Union/USSR Subject File, NSC, Bush Presidential Records, GHWBL.

groups, including the ALA, after chief of staff John Sununu warned that Republican outrage over the Baltics was becoming "a major political problem." ¹¹⁸

The administration struggled to find a response "tough enough" to placate domestic critics and "avert disaster in the Baltics, but not so strident as to alienate the Soviets into bolting the coalition." An interagency committee led by Robert Gates recommended imposing sanctions. ¹²⁰ Fears that Gorbachev would abandon the Iraq coalition, Rice argued, were overblown. "He still needs the West more than the West needs him." ¹²¹ Bush, however, worried that too harsh a penalty would "bolster the hardliners around Gorbachev and cause him to stop cooperating with us." ¹²²

Bush refrained from imposing sanctions. However, he explained in a January 23 letter to Gorbachev that he would suspend the prospective February 1991 summit and much of the December 12, 1990 economic aid package until the USSR took "positive steps toward the peaceful resolution" of the crisis in the Baltics. While "no one wishes to see the disintegration of the Soviet Union," Bush emphasized, U.S. economic aid was contingent upon a Baltic path to independence. ¹²³

Outraged by this relatively mild response, Congress and NED-backed émigré groups took action. Hoyer and DeConcini's Helsinki commission organized the first official Congressional delegation to the Baltics in February 1991, while Senator Robert Dole (R-KS) and Bonior drafted HR 1603 in collaboration with the Coalition to Promote Democracy in Soviet European

¹¹⁸ Beschloss and Talbott, *At Highest Levels*, 318; Memorandum, Burns to Scowcroft re: "Your Meeting with Representatives of Major Baltic-American Organizations," January 21, 1991, folder "Baltics," OA/ID CF00718, Rice, Soviet Union/USSR Subject File, NSC, Bush Presidential Records, GHWBL.

¹¹⁹ Baker, *The Politics of Diplomacy*, 381.

Raymond Garthoff, *The Great Transition: American Soviet Relations and the End of the Cold War* (Washington DC: The Brookings Institution, 1994), 446.

¹²¹ Condoleezza Rice to Brent Scowcroft re: Responding to Moscow, folder "Baltics," OA/ID CF00718, Condoleezza Rice, Soviet Union/USSR Subject File, NSC, Bush Presidential Records, GHWBL.

¹²² Bush and Scowcroft, A World Transformed, 496.

¹²³Quoted in Plokhy, *The Last Empire*, 194-95.

Republics. ¹²⁴ Introduced in the House in March 1991, the bill called for the United States to "support self-determination and independence for all Soviet republics which seek such status" and "shape foreign assistance . . . to support republics whose governments are democratically elected." ¹²⁵ At a March 1 Senate hearing, Joe Biden (D-DE) reiterated the need to "begin to look beyond Gorbachev" and "increase direct aid to Soviet democratic and free market groups." With the conclusion of the Gulf War, U.S. policy began to shift. In late February, USAID funded the transportation of \$4 million of privately donated medical supplies to Ukraine and the Baltics. Moving forward, Undersecretary of State Robert Zoellick assured Biden, the administration would "use what leverage . . .we have at a variety of levels to press for . . . reform." ¹²⁶

The 9+1 Process

Just as tensions in the Soviet Union appeared to reach a breaking point, Gorbachev and Yeltsin achieved an unexpected rapprochement. In a March 17, 1991 all-Union popular referendum over seventy percent of participants favored "preserv[ing] the USSR as a renewed federation of equal sovereign republics." Even though six republics boycotted, Gorbachev interpreted the outcome as a mandate to save the Union. Realizing that the Union could not be reconstituted on the center's terms without massive force, which would doom *perestroika* and any hope of Western aid, Gorbachev proposed a new Union Treaty devolving to the republics much of the power they demanded. At Gorbachev's Novo-Ogarevo dacha on April 23, 1991, nine of the fifteen Soviet republics including Russia, Ukraine, Belarus, Azerbaijan, and all five

¹²⁴ "Congress Visits the Baltic States," *Latvian News Digest* 15 no.1, (March 1991): 8.

H.R.1603, "To support democracy and self-determination in the Baltic States and the republics within the Soviet Union, 102nd Congress, https://www.congress.gov/bill/102nd-congress/house-bill/1603.

¹²⁶ Al Kamen, "U.S. Relations With Soviets Said to Face 'Difficult Period," *The Washington Post*, March 1, 1991.

¹²⁷ David Remnick, "Soviets Vote On Future Of Union," *The Washington Post*, March 18, 1991.

¹²⁸ JAB Notes from 3/15/91 Meeting w/USSR Pres. Gorbachev, Moscow, folder 1, Box 110, Series 8, JABP. When Gorbachev declared "I could be a dictator!," Baker replied, "Yes – and then you would lose your place in history."

Central Asian states announced their intention to sign this treaty. Non-participating republics remained bound by the 1922 Union Treaty and would not be granted independence immediately, but would be able to seek it through an as yet ill-defined "constitutional process." ¹²⁹

Yeltsin and Gorbachev came together because they needed each other. Gorbachev needed the popular Yeltsin to mobilize support for the treaty and fend off a conservative attack at the April Central Committee plenum. Yeltsin, for his part, did not want the USSR to collapse, but wanted to expand Russia's and his own power within the Union. Cooperating with Gorbachev was his best bet for doing so. The alternative – Gorbachev's demise and a conservative crackdown - would doom Yeltsin's aspirations for himself and for Russia. Moreover, Yeltsin recognized, the West would not work him unless he collaborated with Gorbachev.

This alliance, however, remained uneasy. Yeltsin and Gorbachev represented "two poles" battling over the extent of the center's power and jockeying for Western support throughout the 9+1 process. Yeltsin created and won the post of popularly elected president of Russia on June 12. He and his domestic base remained suspicious that Gorbachev might "use [the Union Treaty] to hang on to power and then not make good on his promises." Threatened by Yeltsin's rising power and anxious that the West would shift its support, Gorbachev, Yeltsin recalled, "was still making every effort to prevent me from being elected president of Russia."

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¹²⁹ Dobbs, "Soviet Republics Sign Central Asian Pact; David Remnick, "Gorbachev-Yeltsin Accord Based on Mutual Needs," *The Washington Post* April, 26, 1991.

Brown, The Gorbachev Factor, 287; Yeltsin, The Struggle for Russia, 26-27.

¹³¹ Brown, *The Gorbachev Factor*, 287.

¹³² Bush and Scowcroft, *A World Transformed*, 505; Plokhy makes a similar argument about the impact of U.S. pressure on Yeltsin after the coup. See Plokhy, *The Last Empire*, 187-88; 220-21 ¹³³ Yeltsin, *The Struggle for Russia*, 36.

¹³⁴ David Remnick, "Gorbachev-Yeltsin Accord Based on Mutual Needs," *The Washington Post* April, 26, 1991; Brudny, "The Dynamics of Democratic Russia," 153-4.

¹³⁵ Anatoly Chernyaev, *The Diary of Anatoly Chernyaev*, 1991, June 15, 1991, National Security Archive Electronic Briefing Book No. 345; Yeltsin, *The Struggle for Russia*, 27.

Against this backdrop, U.S. actors worked to shape the process of political-economic reform in the Soviet Union. CCNY initiatives, like Allison and Yavlinsky's Grand Bargain, pressed the Bush administration to use aid to facilitate the 9+1 process. In contrast, the NED-backed network argued against any aid that might prop up the Union, focusing instead on supporting Ukrainian independence as a mechanism by which to undermine 9+1 and promote the USSR's collapse. The Bush administration walked a tenuous middle path, endeavoring to reach out to the republics without destabilizing Gorbachev, and offering political support to the 9+1 process without providing large-scale aid.

The Bush Administration and the "New Soviet Pluralism"

In April and May 1991, the Bush administration hesitantly embarked on a policy of aid and outreach to the republics. Bush was sensitive to domestic accusations of "giving a cold shoulder . . . to the Russian Federation." As the republics gained power, it became important to establish relationships with them. A May 1991 CIA report argued that Gorbachev's "domination . . . has ended and will not be restored." It predicted that within a year, "a major shift in power to the republics will have occurred, unless it has been blocked by a traditionalist coup." ¹³⁷

A debate over how to proceed divided the administration. The Defense Department, led by Cheney and his deputy Paul Wolfowitz, argued for the most radical shift toward the republics. Cheney had a much higher opinion of Yeltsin than did Bush and Baker. He viewed the Russian leader not as a demagogue or a political opportunist, but as the embodiment of the "passionate anti-Soviet feelings" and democratic aspirations of the Soviet people. He believed that only the

Memorandum, Draft Talking Points for Meeting With Boris Yeltsin, June 15, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.
 Directorate of Intelligence, "Gorbachev's Future," May 23, 1991.

demise of communism could transform the Soviet Union into a U.S. ally and advocated shifting U.S. support from Gorbachev to Yeltsin and the republics. Matlock and new NSC Soviet expert Ed Hewett, who replaced Condoleezza Rice, took a more moderate position. They urged the president to reject the "false dichotomy" between the center and the republics and support reform at "all levels." A May NSC report argued that Soviet "grassroots reform is moving ahead, to a significant extent independent of the twists and turns of Soviet high politics." Supporting such reform would not "undermine," but "complement" the administration's center-driven national security policy, "as long as we do not step over the line and begin interfering in Soviet internal affairs." [emphasis added]

Officially, Bush, Baker, and Scowcroft affirmed that supporting "trends toward economic and political pluralism" at all levels advanced U.S. interests and values. In a June memorandum to the president, however, Scowcroft raised a fundamental question that betrayed their unofficial reservations: "how [do] we support the trends toward pluralism without becoming entangled in Soviet internal affairs?" The president remained wary of provoking separatism and undermining his relationship with Gorbachev, who retained crucial authority in foreign policy and defense. "My view," Bush wrote on March 17, 1991, "is you dance with who is on the dance floor – you don't try to influence this succession and you especially don't do something

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¹³⁸ Paul Wolfowitz, "Shaping the Future: Planning at the Pentagon, 1989-1993," in Melvyn Leffler and Jeffrey Legro, eds. *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11* (Ithaca NY: Cornell University Press, 2011), 56; Ofira Seliktar, *Politics, Paradigms and Intelligence Failure: Why So Few Predicted the Collapse of the Soviet Union* (London: M.E. Sharpe, 2004), 165-67.

¹³⁹ Matlock, Autopsy on an Empire, 508; Bush and Scowcroft, A World Transformed, 499.

Memorandum, U.S. Policy on the USSR, folder "USSR Contingency Papers (Past)" OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL; Beschloss and Talbott, *At the Highest Levels*, 361.
 Scowcroft to Bush re: Meeting with Secretaries Baker, Brady, Cheney re: U.S.-Soviet Relations, June 13, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL; Baker, *The Politics of Diplomacy*, 477.
 Baker, *The Politics of Diplomacy*, 477.

that would [give the] blatant appearance [of encouraging] destabilization." He concluded, "we meet with republican leaders, but we don't overdo it." ¹⁴³

This cautious approach prevailed. U.S. policy supported – politically, if not economically – the 9+1 process and the preservation of the Union center in some form. Even as the administration established contacts with the republics, it tried to avoid doing so in a destabilizing way. This was evident in its April and May 1991 technical assistance strategy. The administration would request from Congress \$20 million dollars to support democratic and market reform in the USSR to be administered by USAID in the fiscal year 1992. This assistance would be "direct[ed] . . . to republic and local governments," where "the most energetic . . . proponents of reform are to be found." In contrast to Eastern Europe, however, USAID would avoid "direct support for political institution-building." The administration believed that this would "likely be seen both in Moscow and elsewhere as direct interference in Soviet domestic politics and could jeopardize . . . other forms of U.S.-Soviet cooperation." ¹⁴⁴

Similarly, while Bush broadened ties with Yeltsin, he made this expanded support contingent upon the Russian leader's cooperation with Gorbachev in the 9+1 process. The president's talking points for a June 1991 meeting with Yeltsin in Washington DC instructed him to applaud Yeltsin for his cooperation on 9+1, but to emphasize that U.S. contact with Russia did not signal a shift away from Gorbachev. In a June 20 memo, Scowcroft underscored that the president was to leave Yeltsin with "no doubts" that "we retain strong relations with the center, and in particular with Mikhail Gorbachev. We are expanding our relations with the republics, not

¹⁴³ Bush and Scowcroft, A World Transformed, 500.

¹⁴⁴ "Technical Assistance to the USSR: Action Plan," April 30, 1991, folder "Soviet Policy Group Meetings 1991: April 26, 1991," OA/ID CF01599, Burns and Hewett, Subject Files, NSC; and Memorandum, Draft U.S. Technical Assistance to the USSR, folder "USSR Contingency Papers (Past)" OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL.

at the expense of center, but rather in response to a centrally-initiated decentralization." ¹⁴⁵ Eager to establish his credentials as a "statesman," Yeltsin assured Bush that he and Gorbachev could "only act together." ¹⁴⁶ Subsequently, Bush reported to Gorbachev "I worried about Yeltsin. He behaved very well, but I didn't want you to think I was shifting away from you." ¹⁴⁷

Ukraine: The Crucial Republic

Nonetheless, U.S. unofficial democracy assistance grew increasingly provocative. Much of this support was directed toward Russia. The NED granted the NDI and IRI \$152,000 to fund Democratic Russia's establishment of a Moscow printing plant, while the IRI received \$250,000 to run political training seminars in Moscow and the republics. The conservative Krieble Institute partnered with the NED to "develop . . . programs . . . which actively advance the democratization processes" in the USSR. Krieble supported Yeltsin's presidential bid, training his campaign manager Aleksandr Urmanov in Western political techniques. The Washington D.C. Center of Democracy, founded by Allen Weinstein (who led the 1983 study creating the NED), hosted Yeltsin in June and awarded him its International Democracy prize, and Soros's Cultural Initiative expanded its efforts to promote Russian state-building. In April 1991, the CI's "Legal Culture" committee, led by head of the Russian constitutional commission Oleg Rumyantsey and chairman of the RSFSR Supreme Soviet legislative committee Sergei Shakrai,

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 ¹⁴⁵ Draft Talking Points for Meeting With Boris Yeltsin, June 15, 1991; Memorandum from Scowcroft to Bush re: Meeting with President of the Russian Republic Boris Yeltsin, June 20, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.
 146 Bush and Scowcroft, A World Transformed, 505.

¹⁴⁷ Memorandum of Conversation, Meeting with President of Gorbachev of the USSR, July 17, 1991, Winfield House, London, folder "Lithuania [2], CF04187, Burns, Subject File, NSC, Bush Presidential Records, GHWBL. ¹⁴⁸ NED 1991 Annual Report; "National Endowment for Democracy Programs in the Soviet Union," August 1991, Folder 20 "Public Affairs Response, Box 7, Series III.2, NED.

¹⁴⁹ Brochure, Krieble Institute of the Free Congress Foundation, folder "SU; Krieble Institute," Box 16, Center for Democracy Papers, Hoover Institution, Stanford, CA [hereafter Hoover].

¹⁵⁰ Center for Democracy Fact Sheet, March 4, 1992, folder SU: NGA Moscow Office, Box 15, Center for Democracy Papers, Hoover Institution, Hoover; Jon Weiner, "The Cold Turkey Boys: Yeltsin's American 'Advisors," *The Nation*, December 16, 1991.

declared its goal "to create in the Russian Federation . . . a market economy and authentic democracy." ¹⁵¹

This aid unsettled Gorbachev. In July 1991, he shared his suspicion with Chernyaev that the United States was "financing Yeltsin's campaigns." With Yeltsin and Gorbachev cooperating for the time being, however, this unofficial aid to Russia represented less of an existential threat to the USSR than the efforts by the NED, Ukrainian interest groups, and their congressional allies to support Ukrainian independence.

Ukraine's participation in the new Union grew uncertain over the spring and summer of 1991. While 70% of Ukrainians favored preserving the Union in the March referendum, 80% stipulated that they would only support Ukraine's inclusion under the terms of its July 1990 declaration of sovereignty, which included problematic conditions like Ukraine's right to its own army. ¹⁵³ By July 1991, Chernyaev observed, Ukraine appeared to believe that it "can survive on its own ... it wants to leave." ¹⁵⁴ A June 1991 U.S. intelligence report echoed this claim. Economic ties to Russia notwithstanding, as pro-independence sentiment rose in Ukraine, so too did the chance that Ukrainian leaders would push for the republic to "go its own way." ¹⁵⁵

The NED and its Ukrainian-American allies sought to fuel these sentiments by expanding aid to the independence movement. Beginning in March, the newly established Coordinating Committee for Aid to Ukraine (CCAU), an umbrella organization that included Ukraine 2000 and the UNA, met regularly with Rukh leaders to devise and implement a strategy for aiding

¹⁵¹ "Tseli Raboty Komissii Pravovaya Kult'ura," Folder "Board Meeting 18 [3] 1991," Fond 349 Subfond 1 Series 2, Board Minutes, Box 6, OSA.

¹⁵² Chernyaev, The Diary of Anatoly Chernyaev, 1991, June 15, 1991.

¹⁵³ *Ukraine Lives!* (Parspanny, NJ: Ukrainian Weekly, 2002), 19; "Declaration of Sovereignty of the Ukrainian Supreme Soviet, July 16, 1990 in Furtado and Chandler, *Perestroika in the Soviet Republics*.

Chernyaev, The Diary of Anatoly Chernyaev, 1991, July 6, 1991.

NIE 11-18-19, "Implications of Alternative Soviet Futures, June 1991.

Ukraine.¹⁵⁶ In June, the FTUI signed a technical assistance agreement with the Donbass miners, while the NED funded projects by Ukraine 2000 and the UNA to help the Rukh buy publishing equipment and create a Lviv publishing center "supporting democratic reform.¹⁵⁷

Domestically, the NED network sought to persuade the administration that Ukrainian independence advanced U.S. national security interests. ¹⁵⁸ Reflecting the administration's shift toward the republics, Rukh leaders attended a USIA conference on American governance in early April organized by McConnell. As part of this trip, they met with the NSC's Hewett and Nicholas Burns. ¹⁵⁹ Horyn stayed on to speak at an NED conference. Rejecting the 9+1 process as a ploy to perpetuate the oppressive Soviet empire, Horyn urged the United States to support Ukrainian independence as a vehicle for eliminating its Soviet enemy once and for all. ¹⁶⁰ Several days later Congressman Chris Smith (R-NJ) entered Horyn's portentous conclusion into the *Congressional Record*: "Mr. Horyn . . . suggests that Ukraine can play an important role in the collapse of the Soviet empire." ¹⁶¹

Two weeks later, Ukraine 2000 sponsored a visit by Chornovil and Lev Lukanyenko of the Ukrainian Republican Party (URP). In meetings with deputy Secretary of Agriculture Richard Crowder, Undersecretary of State for Human Rights Richard Schifter, Deputy Secretary of State Curtis Kamman, members of the IRI and Leon Aron of the Heritage Foundation, Chornovil and Lukanyenko framed their argument for Ukrainian independence in terms that would appeal to the Bush administration – as promoting geopolitical stability. Mounting tensions

¹⁵⁶ "U.S. Committee to Aid Ukraine Meets, Discusses Priorities," *Ukrainian Weekly*, July 14, 1991.

¹⁵⁷ National Endowment for Democracy Annual Report, 1991; "Summary of the FTUI's USSR and Baltic States' Program," July 1991 Folder 20 "Public Affairs Response, Box 7, Series III.2, NED.

¹⁵⁸ Fink, "From 'Chicken Kiev' to Ukrainian Recognition," 12.

^{159 &}quot;Ukrainian Deputies Study American Democracy," Ukrainian Weekly, April 21, 1991.

¹⁶⁰ "NED Conference focuses on 'Unfinished Revolution,'" Ukrainian Weekly, May 5, 1991.

¹⁶¹ Christopher Smith (NJ), "National Endowment for Democracy," Congressional Record, May 1, 1991, E 1521.

between the Soviet center and republics threatened to provoke a conflagration. "If the empire continues," Chornovil told Crowder, "it will be a destabilizing force in Europe." ¹⁶²

Their argument gained momentum in the U.S. media. After meeting with Chornovil, Paul Gigot of the *Wall Street Journal* praised his "wisdom and restraint," contending the "path to Soviet 'stability' is the one of peaceful independence for the republics." Similarly, after meeting with Lukanyenko, Aron published a June 1991 Heritage Foundation Backgrounder, later cited by Gorbachev as evidence that the United States was trying to stimulate Ukrainian separatism. Aron argued that Ukrainian independence would advance vital U.S. interests by pushing back the Soviet military threat and creating a market for U.S. goods in the heart of Europe. Instead of being deterred by Moscow's accusations of "meddling," the administration should respond to calls for support from Ukrainians themselves. In particular, the NED should help non-violent democratic forces, like the URP, campaign more effectively. After meeting with Lukanyenko, the NED's IRI did just that, including the URP in its "political education" program.

"America's Stake in the Soviet Future:" The Debate Over the Grand Bargain

In contrast, in May 1990, Allison and Yavlinsky publicly proposed their Grand Bargain, premised upon the notion that the West should use the promise of large-scale aid as a tool to encourage Gorbachev to embrace market reform and spur forward the 9+1 process. Under the terms of the bargain, the United States, Japan, and Western Europe would provide the USSR

¹⁶² "Chornovil, Lukianenko Meet with Officials in Washington, *Ukrainian Weekly*, June 2, 1991.

¹⁶³ Paul Gigot, "As the Baltics Go, So Goes the Soviet Union," Wall Street Journal, May 10, 1991.

¹⁶⁴ Aron, "Ukraine's Difficult Road to Independence."

¹⁶⁵ "Soviet Union: Preparing Soviet Democrats to Meet Future Challenges," *NRI News* (Spring 1991); "Sodeistvie Politcheskomu Pliuralizmu v Sovietskom Soyuze: Konferentsiya NRIMO (NRIIA) v Moskve," September 20-22 1991, folder 7 "Osnovy politisheskogo pliuralizma," Box 3, Democraticheskaya Rossiya Papers, Hoover.

with \$15 to \$20 billion per year in grants contingent upon its adoption of a coherent program of "comprehensive political and economic restructuring." ¹⁶⁶ The program would require the USSR to embrace five economic "principles": 1) macroeconomic stabilization, 2) privatization, 3) legal guarantees for private property and contracts, 4) an open economy based upon free trade, ruble convertibility, and protection of investment; and 5) limited government intervention. Politically, the USSR would need to adopt the new Union Treaty, implement democratic elections at all levels, and acknowledge the right of non-signatory republics to obtain independence by 1992. ¹⁶⁷

In the spring of 1991, Gorbachev indicated to Western leaders his interest in an invitation to the July 1991 London G-7 summit and began working to develop an economic reform plan capable of attracting Western support. ¹⁶⁸ Gorbachev was very interested in the Allison-Yavlinsky Grand Bargain. After initiating the 9+1 process, Gorbachev recruited Yavlinsky as an economic advisor. On May 18, Allison, Yavlinsky, and Sachs presented their Grand Bargain proposal to Chernyaev, who endorsed the plan. ¹⁶⁹ Gorbachev, however, remained torn between embracing the market reforms mandated by their proposal and retaining aspects of the centralized command system, as recommended by Valentin Pavlov's April 22 "anti-crisis" plan. ¹⁷⁰

In May 1991, Gorbachev asked if he could send a delegation to the United States to discuss the Soviet Union's plans for economic reform. Bush accepted, but underscored to

¹⁶⁶ Press Release from Harvard Conference on Moscow's Transition to Economic and Political Democracy, May 17, 1991, folder 1, Box 1552, Harvard, Series III.A Grants, CCNY.

¹⁶⁷ "Window of Opportunity: Joint Program for Western Cooperation in the Soviet Transformation to Democracy and the Market Economy" June 17, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.

¹⁶⁸ Tarnoff, "U.S. Assistance to the Former Soviet Union;" Bush and Scowcroft, A World Transformed, 503.

¹⁶⁹ Chernyaev, My Six Years with Gorbachev, 351; Beschloss and Talbott, At Highest Levels, 385.

¹⁷⁰ Meeting on US-Soviet Economic Relations, June 3, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.

Gorbachev his belief that Pavlov's plan would not work.¹⁷¹ Despite this warning, in meetings with Baker and Bush on May 29 and 31, Yevgeny Primakov repeatedly contradicted Yavlinsky, giving administration officials the impression that the regime was not committed to the market reforms outlined in the Grand Bargain.¹⁷² Although Yeltsin signed off on Yavlinsky's plan for radical market reform, on June 20 he indicated to Bush his preference for private investment in and MFN for Russia. Grand Bargain aid, Russian foreign minister Andrei Kozyrev told State Department officials in May, would be used to "keep afloat a system that should be allowed tosalvsink."

Over the course of June and July, a U.S. debate swirled over the Grand Bargain. A team of Hoover Institution economists, enlisted by Yeltsin in early 1991 to advise Russian reform, led the assault.¹⁷⁴ Their critique had two major thrusts. First, linking aid to reform was "patronizing." Second, despite the Grand Bargain's emphasis on conditionality, it would "strangle reform" allowing the Soviet state to delay difficult guns versus butter choices. Hoover economist Judith Shelton condemned the plan as a "welfare" scheme that would turn the U.S. government into the new "Gosplan" and the Soviet people into "280 million permanent wards feeding off of the West." "Western private investment," she argued, was "the only real hope for the Soviets' long-term economic salvation."

The Grand Bargain raised a difficult dilemma for the administration. U.S. leaders had no interest in pledging the aid it recommended. Doing so would not be economically effective, they

¹⁷¹ Beschloss and Talbott, At Highest Levels, 386.

¹⁷² JAB Notes from 5/29/92 Meeting w/USSR advisor Primakov, folder 3, Box 110, Series 8: Secretary of State, JABP; Bush and Scowcroft, *A World Transformed*, 503; Baker, *The Politics of Diplomacy*, 478.

¹⁷³"Meeting with the President of Russian Republic, Boris Yeltsin," June 20, 1990, Bush Presidential Library, Memcons and Telecons, http://bush41library.tamu.edu/files/memcons-telecons/1991-06-20--Yeltsin.pdf; Beschloss and Talbott, http://bush41library.tamu.edu/files/memcons-telecons/1991-06-20--Yeltsin.pdf; Beschloss and Talbott, https://doi.org/10.2016/j.gen/teles/memcons-telecons/1991-06-20--Yeltsin.pdf; Beschloss and T

Weiner, "Yeltsin's American Advisors."

¹⁷⁵ News Release, "Hoover Scholars: Soviet Economic Reform Lies With Individual Republics," *Stanford News Service*, June 20, 1991; Judy Shelton, "'Grand Bargain,' Big Rip Off," *New York Times*, July 12, 1991.

believed, because the USSR had not clarified its political structure or demonstrated its "commitment to markets." These were legitimate worries. The radical market reforms called for by the Grand Bargain had little popular support in the USSR and the plan glossed over the weak capacity of the Soviet state to implement such reforms. The administration also feared the political repercussions of massive aid. Pledging the USSR billions, Baker told Primakov, when it continued to spend 20% of its GDP on defense, subsidize Cuba, and block Baltic freedom, was politically untenable. With the U.S. economy faltering, the aid burden was liable to fall heavily on the United States. Germany had already given billions in aid to the Soviet Union in 1990 in return for reunification and Japan was involved in a territorial dispute with the USSR. 178

Nevertheless, Bush was eager to make the G-7 summit a "political success" for Gorbachev.¹⁷⁹ Doing so, however, would be difficult because of the "unrealistic expectations" that the Grand Bargain had created.¹⁸⁰ The administration's solution was to promote an alternative aid package publicly to serve as a "defense" against the Grand Bargain. The objective of this less costly plan was not to bring about the USSR's market transformation, but to 1) mollify U.S. domestic critics; 2) rein in Gorbachev's expectations; and 3) signal U.S. support for Gorbachev that would encourage his continued geopolitical cooperation.

Baker articulated the strategy of the "defense" at a June 3 meeting, emphasizing that, although Soviet economic reform had little chance of success, aid was an essential tool to push Gorbachev toward geopolitical progress on the START treaty, CFE implementation, and Baltic independence. "It's not what happens internally in the USSR that is important; it's what happens

¹⁷⁶ Reddaway and Glinski, *The Tragedy of Russia's Reforms*, 35, 56.

¹⁷⁷ JAB Notes from 5/29/92 Meeting w/USSR advisor Primakov, JABP.

¹⁷⁸ McFaul and Goldgeier, *Power and Purpose*, 63-5.

¹⁷⁹ Bush and Scowcroft, A World Transformed, 503.

¹⁸⁰ Robert Zoellick, Notes for June 3 NSC Principals Meeting (without POTUS) on U.S. Economic Relationship with the USSR," June 3, 1991, folder 3, Box 110, Series 8: Secretary of State, JABP.

externally," Baker argued. The purpose of U.S. aid, Richard Darman of the OMB underscored, was to serve as a "good PR package." "In defining the U.S. interest," he argued, "we need to be somewhat Machiavellian. What is the minimum amount necessary from us to mollify a regime with which we wish to work on other matters?" ¹⁸¹

The administration offered a modest package, holding out the possibility for additional aid in the future if the USSR demonstrated a "commitment . . . to markets." Bush outlined the U.S. terms in a pre-summit letter to Gorbachev. In addition to approving Gorbachev's request for \$1.5 billion in agricultural credits, the United States would expand technical assistance and support Special Associate Status at the IMF and World Bank. If Gorbachev demonstrated a commitment to markets, following the G-7, these IFIs would help "design a reform plan for your country that enjoys international credibility." While Bush left open the possibility of future large-scale aid, he made no promises. Rather he advised Gorbachev that drawing upon Soviet gold reserves, cutting foreign aid, and "reduc[ing] dramatically defense expenditures" would "enhance international confidence" and "greatly assist you in attracting foreign investment." 183

Graham Allison countered by redoubling his efforts to promote the Grand Bargain. In a summer 1991 article in *Foreign Affairs*, Allison and Blackwill argued that the failure of reform in the USSR would lead either to a hardline coup or, worse, the uncontrolled collapse of the USSR and loss of "command and control" of its nuclear weapons. "[N]o single event in the postwar period," they argued, "would pose such high and uncontrollable risks of nuclear war as the violent disintegration of the Soviet Union into civil wars and chaos." U.S. economic aid

¹⁸¹ Meeting on US-Soviet Economic Relations, June 3, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.

¹⁸² Technical assistance would focus on joint projects to promote Soviet defense conversion and U.S. private investment in the Soviet energy sector.

¹⁸³ Bush to Gorbachev, folder "USSR Chron File: July 1991," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.

represented not charity, but a self-interested investment in U.S. and international security. Having spent \$5 trillion dollars to fight the Cold War, the United States must not "opt out now when the Soviet future is being formed." ¹⁸⁴

In a July 12 letter to Bush, Allison attempted to sell the president on the key elements of the Grand Bargain. The entire point of the Grand Bargain was to motivate Gorbachev to take the first, vital leap toward reform by promising massive aid "to absorb the immense political costs associated with . . . [its] dislocations." Instead of waiting for Gorbachev to demonstrate his "commitment to markets," Allison argued, the administration should proactively encourage him to do so. If Gorbachev "was willing to go for it [market reform], or even almost willing" at the London G-7, the United States should lead the G-7 in developing jointly with the USSR a plan for reform and providing massive aid contingent upon its step by step implementation. The United States and its G-7 allies should then collaborate over the subsequent years with Soviet officials to oversee the plan's enactment. ¹⁸⁶

This approach would advance U.S. geopolitical interests, Allison claimed. Through sustained, high-level engagement by prominent figures like Secretary of State Baker, the West could use aid as an incentive to secure Soviet demilitarization, Baltic independence, and the peaceful unfolding of the 9+1 process. In this way, the United States and the West could "maximiz[e] the likelihood that" the center and the republics would form "some reasonable, decentralized, voluntary federation rather than fall into political paralysis or chaos." ¹⁸⁷

¹⁸⁴ Graham Allison and Robert Blackwill, "America's Stake in the Soviet Future," *Foreign Affairs* 70 no.3 (Summer 1991): 77-97, 91, 94.

¹⁸⁵ Graham Allison, "Would the West's Billions Pay Off?" Los Angeles Times, June 3, 1991.

Allison to Bush, July 12, 1991, folder "USSR Chron File: July 1991," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.
 Ibid.

While Allison did not convince the president, some officials within the administration favored the Grand Bargain's "forward leaning" approach. In a June 7 memorandum to Scowcroft, Ed Hewett and Nick Burns of the NSC echoed Allison's central claim: Gorbachev's decision to embrace economic reform hinged on his perception of Western support. Gorbachev "appear[ed] to be using Yavlinsky to probe our willingness to respond with radically altered approaches to a dramatic acceleration in his reforms." So far, they warned, we have come off as "defensive, seemingly unwilling, or unable to rise to the Gorbachev challenge." 188

Ultimately, Gorbachev failed to embrace market reform. In both his pre-summit proposal and his presentation at the G-7, Gorbachev "was vague . . . and his language still stressed mixed economy and socialist goals." His failure stemmed in part from domestic opposition inside Russia to the Grand Bargain. On June 17, Valentin Pavlov requested special powers over the economy at the Supreme Soviet without first consulting Gorbachev. He justified the move by attacking the Grand Bargain as a plan to reshape the USSR on the West's terms. "I know a few gentlemen from Harvard University. They do not know our way of life. We can hardly expect them to explain everything to us." Victor Kucherenko, chair of the budget and finance committee, asserted that the Grand Bargain perversely required Russia to "work" for foreign advisors, rather than the reverse. ¹⁹⁰ The plan's "conditions," Kryuchkov complained, required "the implementation of fundamental reforms . . . not as they are envisioned by us, but as they are dreamed up across an ocean." ¹⁹¹

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¹⁸⁸ Draft memo from Scowcroft to Bush written by Tim Deal, Hewett, and Burns and attached in memo from Deal, Hewett and Burns to Scowcroft, June 7, 1991, folder "USSR Chron File: June 1991 [1]," OA/ID CF01407, Burns and Hewett, USSR Chron Files, NSC, Bush Presidential Records, GHWBL.

¹⁸⁹ Bush and Scowcroft, *A World Transformed*, 507. See "Lichnoe Poslanie Prezidenta SSSR Gorbacheva M.S. Glavam Gosudarstv – Uchastnikam Vstrechi "Semyorki" v Londone," July 11, 1991, Fond 2, Materials of A.S. Chernyaev, Opis 1, Delo 8732, GF; "G-7 Meeting with President Gorbachev," July 17, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-07-17--Gorbachev.pdf. ¹⁹⁰ Craig Whitney, "Kremlin Divided Over Economic Plan," *New York Times*, June 18, 1991.

¹⁹¹ Beschloss and Talbott, At the Highest Levels, 393.

It is unclear whether the West could have persuaded Gorbachev to take the leap toward market reform by offering massive aid recommended by the Grand Bargain, or whether such a plan could have been successfully implemented. The thinness of Soviet support for radical market reform and the weakness and disorder or the Soviet state meant that Western aid might have done little good. 192 As Chernyaev acknowledged, the president genuinely sought to protect Gorbachev from embarrassment by warning him that he would not be returning from London with "a bag of hundreds of billions." ¹⁹³ Nevertheless the administration arguably missed an opportunity to embolden Gorbachev and give a powerful endorsement to the 9+1 process. They sent him home from London with nothing to show for his longstanding cooperation with the West. Worse yet, his flirtation with the Grand Bargain had opened him to accusations of being a Western pawn. Bush would later acknowledge that there was not "any doubt" that Gorbachev had been overthrown because he was "too close to us." Further contributing to hardliners' perceptions that Gorbachev was trading concessions for (not much) aid, the USSR reached a deal with the United States on the START arms control treaty to be signed at the upcoming U.S.-Soviet summit. Subsequently, at that summit Bush requested that Congress grant the Soviet Union MFN Status and ratify the June 1990 Trade Agreement. 195 Yazov complained to Scowcroft "that everything was going . . . [the United States'] way, while the Soviet military was deteriorating daily."196

Aid For Security: The Continuing Evolution of the Cooperative Security Network

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¹⁹² Gorbachev advisor Aleksander Yakovlev, for example, admitted to Secretary of State James Baker that the USSR had squandered the substantial aid it received from West Germany in return for reunification. The money had fallen through the cracks of a chaotic system. Yakovlev lamented, "it's just gone." See Baker, *The Politics of Diplomacy*, 529.

¹⁹³ Chernyaev, My Six Years with Gorbachev, 351.

¹⁹⁴ Bush and Scowcroft, A World Transformed, 522

¹⁹⁵ Plokhy, *The Last Empire*, 16-17.

¹⁹⁶ Bush and Scowcroft, A World Transformed, 514.

In addition to funding Allison's Grand Bargain, the CCNY supported more modest initiatives aimed at advancing U.S. security by aiding the Soviet Union's internal transformation. These efforts laid the groundwork for the post-coup passage of the Nunn-Lugar amendment. The Carnegie-funded Cooperative Security network connecting experts with influential policymakers continued to develop over the spring and summer of 1991. The Prevention of Proliferation Task Force held preliminary meetings in July and secured the participation and influential backing of Senators Nunn and Lugar. ¹⁹⁷

At the same time, the Stanford-ISKAN defense conversion project lobbied the administration and Congress to provide more substantial support for Soviet demilitarization. In February and July 1991, Stanford project experts hosted Soviet ISKAN delegations in the United States. These delegations met with policymakers and defense contractors, including House Armed Services Staff, representatives from the State, Defense, and Commerce departments, and Lockheed Martin, Boeing, and MITRE corporations. In July, the Soviets emphasized the need for Most-Favored-Nation status, to "enhance their ability to export to the United States." ¹⁹⁸ In addition, that month David Holloway and Perry traveled to USSR, accompanied by Condoleezza Rice, who joined the project after leaving the administration.

Upon their return, Rice, Holloway, and Perry worked to draw U.S. policymakers' attention to the vital U.S. interest in facilitating defense conversion. Holloway shared the findings of their trip report in his August testimony before the House Armed Services Committee. Soviet defense conversion, the report argued, would help "lock in" cuts to the defense industry, "reduce economic incentives for arms exports," and "incentivize arms

Hamburg to Wales re: PoP Sub Group Meeting in Aspen CO, July 15, 1991; Wales to Lugar, July 23, 1991;
 Wales to Nunn, July 23 1991; Grant Recommendation Memorandum, Brookings Institution, "For a Task Force on the Prevention of Proliferation," June 13, 1991 Folder 3, Box 1455, Brookings Institution, Series III.A, CCNY.
 David Bernstein, re: Report on Conversion Visit of Soviets, February 12-19, 1991 July 1991, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY.

control."¹⁹⁹ Sustained interaction between U.S. and Soviet defense executives would foster "transparency and confidence building." Defense conversion was also essential to build Soviet political consensus behind market reform. Leaders of the defense industry had played an important role in blocking the passage of the Shatalin Plan in the fall of 1990. They feared that market reform and defense spending cuts would bankrupt their industries. "If conversion does not offer a viable alternative for defense industrialists and bureaucrats," the Stanford experts argued, "they will be increasingly resistant to both political and economic reform." ²⁰⁰

Holloway, Perry, and Rice argued that conversion required the provision of incentives to convince managers of its "benefit of their industry." ²⁰¹ U.S. capital could provide these crucial incentives if officials in Washington took steps to eliminate barriers to private investment in the USSR. The Bush administration should publicly assert that investment in defense conversion advanced U.S. interests. In addition, it should establish joint working groups on defense conversion, ease COCOM restrictions, and increase technical assistance to the USSR on "all facets of Western business practices." It should also order a Commerce Department study on the "changing business, financial and legal infrastructures in the Soviet Union and the republics" to "assist U.S. businesses in understanding how to do business in the Soviet Union."

Graham Allison echoed these conclusions in an August 2 letter to Senator Sam Nunn, emphasizing the importance of Bush administration rhetoric to "affirm that we are encouraging private investments by American companies in sound business ventures in the Soviet Union." Having worked jointly on the issue with Kokoshin, he was convinced of the need to establish a

¹⁹⁹ Stanford University, "Status Report on Conversion After July Delegation," July 1991, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY.

Bernstein to Mosher, August 2, 1991, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY
 Stanford University, "Status Report on Conversion After July Delegation," July 1991, Folder 1, Box 1670, Stanford University, Series III.A, Grants, CCNY.
 Ibid.

Defense Enterprise Conversion Fund, which would insure investments in the USSR and could be promoted domestically as "a 'buyout fund' for particularly pernicious Soviet defense enterprises.²⁰³

By winning the support of key allies in Congress, like Nunn, Lugar, and Les Aspin, rehearsing influential arguments that framed aid as an investment in security, and drawing the attention of policymakers and the public to the threat posed by the disintegration of the Soviet arsenal, the CCNY network positioned itself to exert key post-coup influence.

Summit: Moscow and Kiev

With Ukraine's participation in the new Union Treaty hanging in the balance, Bush's planned visit to Kiev as part of the July 29-August 1 summit acquired significant implications. Once more, Scowcroft recommended that Bush should attempt to balance competing domestic and geopolitical imperatives and "establishing relationships with the republics without damaging your good relations with Gorbachev." ²⁰⁴

Gorbachev was eager to win U.S. support for the 9+1 process by demonstrating his "common position" with Yeltsin. ²⁰⁵ Upon Bush's arrival in Moscow, both Yeltsin and Gorbachev underscored the threat posed by Ukrainian independence. Yeltsin told Bush that Ukrainian independence would "cripple the Union," leaving an imbalance between the Slavic and Central Asian republics, while Gorbachev emphasized his anxiety about the president's trip to Kiev, citing Aron's Heritage Foundation report. ²⁰⁶ "It is well known that not long before your

²⁰³ Letter from Graham Allison to Sam Nunn re: Defense Conversion, folder 2, Box 1552 Harvard, Series III.A, Grants, CCNY.

²⁰⁴ Scowcroft to Bush re: Your Meeting with Gorbachev, folder POTUS Trip to Moscow and Kiev, July 29-August 1, 1991 [1]," OA/ID CF01308, Burns, Subject File, NSC, Bush Presidential Records, GHWBL.

²⁰⁵ K vstreche v Novo-Ogarevo, July 1991, Fond 5 Materials of G. Shaknazarov, Opis 1, Delo 18145, GF.

²⁰⁶ Bush and Scowcroft, A World Transformed, 512; See Aron, "Ukraine's Difficult Road to Independence."

visit, the Heritage Foundation prepared a report in which it recommended that the president use his visit to Ukraine to stimulate a separatist mood there, because it has strategic significance." Bush assured Gorbachev that the United States did not want to do anything to interfere with Ukraine's signing of the Union Treaty. ²⁰⁷ "I am not about to support separatism in any instance," the U.S. president promised, framing his trip to Kiev as a non-inflammatory venture, comparable to Gorbachev's visit to Minnesota in 1990. ²⁰⁸

Bush, however, recognized that unlike Minnesota, which remained happily in the United States, Ukraine's drive for independence represented an existential threat to Gorbachev's vision of the Soviet Union. As a result, he was "hyper-cautious to avoid anything that might embarrass Gorbachev during the Kiev trip." In an August 1 meeting, he discouraged Kravchuk and Prime Minister Vitold Fokin's attempts to enhance Ukraine's international standing by forging relations with United States independent of the USSR. The possibility of opening a Ukrainian consulate in the United States, he explained, "would depend on the details of the Union Treaty ... I want to deal respectfully with the center." Bush also claimed that separate Ukrainian MFN status was unnecessary, as the republic would be included under the new U.S. deal with the USSR. Finally, in a speech before the Ukrainian Supreme Soviet, Bush appeared to discourage Ukraine's aspirations for independence. "Americans," the president warned, "will not support

²⁰⁷ Sensatsiya! 'Glavred' vpervye obnaroduyet zapisi besed Gorbacheva s mirovymi liderami ob Ukraine," http://glavred.info/archive/2009/10/05/163604-3.html.

²⁰⁸ *Ibid*; Memorandum from Brent Scowcroft to Bush re: Your Meeting with Gorbachev, folder POTUS Trip to Moscow and Kiev, July 29-August 1, 1991 [1]," OA/ID CF01308, Nicholas R. Burns, Subject File, National Security Council, Bush Presidential Records, GHWBL.

²⁰⁹ Matlock, Autopsy on an Empire, 565.

²¹⁰ "Meeting with Ukrainian Supreme Soviet Chairman Leonid Kravchuk," August 1, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-08-01--Kravchuk.pdf.

those who seek independence in order to replace a far off tyranny with a local despotism" or "aid those who promote suicidal nationalism based upon ethnic hatred."211

Outraged Ukrainian-Americans interpreted the speech, later dubbed "Chicken Kiev" by conservative journalist William Safire, as an endorsement of the Soviet empire. ²¹² On August 2, Senator Dennis DeConcini declared that he was "stunned" by the president's effective backing of the Draft Union Treaty. 213 Eugene Iwanciw of the NED-backed UNA echoed this claim, faulting the administration for casting Ukraine's legitimate desire for independence as "suicidal nationalism," a "Kremlin term." ²¹⁴ The CCAU demanded a meeting with Bush. Following the August 6 meeting, James Schaeffer of the Bush administration's Office of the Public Liaison warned the NSC's Ed Hewett that Ukrainian-Americans' outrage was rising. Schaeffer suggested that the administration should find ways to ameliorate the frustration of this émigré community, a traditional Republican constituency. "The situation [with Ukrainian Americans] as it stands now is relatively tense. The sooner we discuss action steps, the better."²¹⁵ Within the administration, Secretary of Defense Cheney, who had been impressed by Rukh leader Mykhailo Horyn back in September 1990 represented a key ally. Cheney's devotion to the Ukrainian-American cause of independence would intensify sharply in response to the coup. ²¹⁶ Like the CCNY network, the NED network stood poised to exert expanded influence following the coup.

²¹¹ George Bush: "Remarks to the Supreme Soviet of the Republic of the Ukraine in Kiev, Soviet Union," August 1, 1991. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=19864.

William Safire, "After the Fall," New York Times, August 29, 1991.

²¹³ Senator Dennis DeConcini (AZ), "President's Visit to Ukraine," Congressional Record 137: 121 (August 2, 1991) in folder "USSR Chron File: November 1991 [2]," Nicholas R. Burns and Ed Hewett, Chron File National Security Council, Bush Presidential Records, GHWBL.

²¹⁴ Memorandum from Eugene Iwanciw to Jim Schaeffer re: Reaction to President Bush's Kiev Speech, August 7, 1991, folder "USSR Chron File: November 1991 [2]," OA/ID CF01311, Burns and Hewett, Chron File, National Security Council, Bush Presidential Records, GHWBL.

²¹⁵ James Schaeffer to Ed Hewett, August 6, 1991, folder "USSR Chron File: November 1991 [2]," Nicholas R. Burns and Ed Hewett, Chron File National Security Council, Bush Presidential Records, GHWBL. ²¹⁶ Wolfowitz, "Shaping the Future: Planning at the Pentagon, 1989-1993,"

The Coup

On the eve of the signing of the new Union Treaty, Gorbachev's erstwhile conservative allies launched a coup to remove him, imprisoning him in his vacation home in Crimea. Under the pretext that Gorbachev had fallen ill, the "Gang of Eight" including Kryuchkov, Yazov, Pugo, Pavlov, and Yanaev established the State Committee on the State of Emergency, or GKChP, and assumed control of the Soviet Union. The GKChP justified its action as necessary to restore order, prevent the "dismembering" of the Soviet Union, and revive the USSR's international standing.²¹⁷

The United States' reaction to the GKChP's seizure of power was vitally important to Soviet actors, particularly Boris Yeltsin, who the GKChP made the fateful error of failing to arrest. Standing atop a tank in front of the Russian White House, Yeltsin rallied the Soviet people against the unconstitutional putsch. He demanded Gorbachev's safe return, exhorted workers to strike, and urged the army to refrain from using force against the Soviet people. At the start of the coup on August 19, Yeltsin's aides sent a fax to the Bush administration, as well as to a number of non-governmental groups, including Weinstein's Center for Democracy and the NDI, appealing to the United States to help Yeltsin spread his message. ²¹⁸ "The Russian government has no ways to address the people," the fax read. "All radio stations are under control. The following is [Boris Yeltsin's] address to the Army. Submit it to USIA. Broadcast it over the country. Maybe Voice of America. Do it! Urgent!"²¹⁹

²¹⁷ It is also likely that the putschists acted to preserve their positions after learning that Yeltsin, Gorbachev and Kazakhstan's Nursultan Nazarbayev planned to remove them following the Treaty's signing. See "Message to the Soviet People from the State Committee for the State of Emergency," August 18, 1991 in Furtado and Chandler, *Perestroika in the Soviet Republics*, 57; Boris Yeltsin, *The Struggle for Russia*, trans. Cathy Fitzpatrick (New York: Random House, 1994), 38-9.

²¹⁸ Letter from Tom Korogolos to Henry Catto, August 23, 1991, folder 20 "Public Affairs Response," Box 7, Series III.2, NED; Madison, "The New Democratizers."

²¹⁹ David Ignatius, "Innocence Abroad: The New World of Spyless Coups," *Washington Post*, September 22, 1991.

The Bush administration was slow to react. Wary of "irrevocably burning his bridges," the president refrained from condemning the coup outright, referring to it on the morning of August 19 as "extra-constitutional." Bush only declared the seizure of power unconstitutional and voiced U.S. support for Yeltsin's call for Gorbachev's reinstatement later in the day, after U.S. intelligence indicated that the poorly organized putsch might fail.²²¹ On the morning of August 20, after failing repeatedly to reach Gorbachev, the president elected to speak with Yeltsin and, Secretary of State Baker recalls, decided "to expand our support for Yeltsin . . . by using the Voice of America to spread Yeltsin's message throughout the Soviet Union."222

Non-governmental groups rallied to Yeltsin's defense more quickly. After receiving a message from Yeltsin's team on August 19 asking, "Did Mr. Bush make any comments upon the situation in this country? If he did, make it known by all means of communication to the people of this country," Weinstein's Center for Democracy began "translat[ing] the faxes [from Yeltsin] and then forward[ing] them to leaders in the Bush administration, U.S. Congress, the media, and to the Voice of America for rebroadcast in the Soviet Union."²²³ On August 20, Weinstein submitted an appeal from Kozyrev, transmitted by telephone from Paris, to the Washington Post. 224 "This is no time for relaxation," Kozyrev urged, "With moral and political assistance from the democracies, we have a strong chance to defeat our adversaries." ²²⁵

²²⁰ Bush and Scowcroft, A World Transformed, 520-21; George Bush: "Remarks and an Exchange With Reporters in Kennebunkport, Maine, on the Attempted Coup in the Soviet Union," August 19, 1991. Online by Gerhard Peters and John T. Woolley, The American Presidency Project. http://www.presidency.ucsb.edu/ws/?pid=19911.

²²¹ Beschloss and Talbott, At the Highest Levels, 432; George Bush: "Statement on the Attempted Coup in the Soviet Union," August 19, 1991. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=19913.

[&]quot;Telcon with President Boris Yeltsin of the Republic of Russia, USSR," Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-08-19--Yeltsin.pdf; Baker, The Politics of Diplomacy, 521.

223 Center for Democracy Fact Sheet, March 4, 1992, folder SU: NGA Moscow Office, Box 15, Center for

Democracy Papers, Hoover Institution, Stanford, CA; Ignatius, "Innocence Abroad."

²²⁴ Weiner, "America's Cold Turkey Boys."

²²⁵ Andrei Kozyrev, "Stand By Us," *The Washington Post*, August 21, 1991, A21.

The communications infrastructure provided by U.S. democracy assistance groups helped Soviet democrats organize resistance in the tense days of August 19 and 20. 226 Soros's CI distributed video cameras, leaflets, and copiers to independent journalists and intellectuals. 227 NED communications equipment helped the anti-Stalinist Memorial Society to publish and distribute leaflets, the Rukh to rally Ukrainians against the coup, and Siberian miners to "immediately back Yeltsin's calls for strikes." The Russian League of Cities, founded at a December 1990 NDI conference, also served as conduit of information for Russian democrats. 229

By August 21, the coup ended. Gorbachev returned to Moscow, but the Soviet Union, was transformed. The coup had sewn the seeds of its final unraveling. By delegitimizing once and for all the conservative forces of the center, it removed barriers to republican independence while underscoring to the republics the danger of remaining in the Union.

Conclusion

Preoccupied with the Gulf War, the Bush administration was slow to react to rising instability in the Soviet Union in late 1990. Torn by conflicting geopolitical and domestic pressures, U.S. policymakers endeavored, somewhat unsuccessfully, to walk a tenuous middle line between backing Gorbachev, an indispensible geopolitical ally, and forging relationships with increasingly assertive republics. The administration embraced a strategy aimed at supporting, politically if not economically, Gorbachev's survival and its security-driven relationship with the center through the peaceful unfolding of the 9+1 process. While U.S.

²²⁶ USIA News Release "Presidential Commission Cites Public Diplomacy Role in Soviet Coup; Sees Lessons for China, August 23, 1991 and Letter from Tom Korogolos to Henry Catto, August 23, 1991, folder 20 "Public Affairs Response," Box 7, Series III.2, NED.

Valery Soyfer, "American Help for Russian Democracy," Wall Street Journal, October 3, 1991, pg. A16.
 NED, 1991 Annual Report, 13; Nadia Diuk, "To Secure the Revolution: Aid the Democrats Now!" August 28, 1991, folder 20 "Public Affairs Response," Box 7, Series III.2, NED.
 Madison. "The New Democratizers."

leaders began to establish official connections with and direct aid to the republics in the spring of 1991, they endeavored to do so in ways that would not destabilize Gorbachev or stimulate separatism.

U.S. non-governmental actors stepped into the intellectual and policy void left by distracted administration officials. The NED and the CCNY networks proved especially influential. As the Cold War order melted away, they embraced competing visions for how to shape the trajectory of Soviet internal development and, by extension, the post-Cold War international system. They exerted conflicting pressure on U.S. policymakers. Fueled by a budget increase, spiking enthusiasm for democracy assistance globally, and rising support from Baltic and Ukrainian émigré groups for independence movements in their home countries, the NED pushed the administration to pursue policies that would promote the Soviet collapse. Building an influential network connecting Baltic- and Ukrainian-Americans, congressional allies, and key supporters in the administration, especially Secretary of Defense Cheney, the NED funneled aid to and lobbied for Baltic and Ukrainian independence.

In contrast, the Carnegie Corporation network played a key role in articulating the dangers posed by instability in the USSR that might lead to its collapse and the disintegration of its Cold War arsenal. Although the Grand Bargain failed, the CCNY argument framing aid as an investment in U.S. security proved influential moving forward. Efforts by David Hamburg and academic experts to illuminate the potential of economic and political unrest in the USSR to cause nuclear proliferation alarmed and won the support of important Congressional partners, particularly Sam Nunn, Les Aspin and Richard Lugar, who would prove key allies in the passage of Nunn-Lugar legislation.

U.S. unofficial and official engagement played a complex role in influencing the unfolding struggle between the center and the republics prior to the coup. U.S. assistance helped Soviet democrats defeat the putsch by providing them with a vital communications infrastructure. In the wake of the collapse of Eastern European communist regimes, this victory seemed to punctuate and affirm the advance of a global democratic wave. It also appeared to validate the utility of democracy aid as a post-Cold war tool of U.S. influence. As Nadia Diuk of the NED proclaimed, democracy assistance had been a vital instrument in creating the resilient "new institutions of civil society and democratic governance that foiled the attempt to reinstate the forces of the old communist order." ²³⁰ Bush similarly believed that the failed coup had validated his policy of support for Gorbachev. As he recorded in his diary in its immediate aftermath, the putsch showed how real the threat of conservative backlash had been and "totally vindicate[d] our policy of trying to stay with Gorbachev."

Yet, the triumphant note of the coup's defeat masked the fact that U.S. policies had helped fuel the dynamics that precipitated its unfolding. U.S. policies, perceived by Soviet conservatives as destabilizing and weakening the USSR, sharpened their antipathy to Gorbachev's policy of cooperation with the United States and contributed to their decision to remove him. Despite the administration's refusal to accept the "dichotomy" between the center and the republics, its strategy of aid and outreach to the republics, particularly Ukraine, was threatening to Gorbachev and his hardline counterparts. The congressionally funded NED's direct support for Ukrainian and Baltic independence contradicted the Bush administration's desire to avoid the perception of interference and confirmed conservative suspicions that it was the official policy of the U.S. government to provoke the Soviet demise.

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²³⁰ Diuk, "To Secure the Revolution: Aid the Democrats Now!"

²³¹ Bush and Scowcroft, A World Transformed, 521.

While the Grand Bargain was deeply flawed, the Bush administration's failure to offer Gorbachev more substantial economic assistance hurt the general secretary politically. Rather than leading Western efforts to assist Soviet reform and foster its market evolution, U.S. policymakers devised a "defense" against that Grand Bargain. They offered a smaller aid designed to protect them from U.S. domestic criticism and to achieve their geopolitical aims by encouraging Gorbachev to make concessions on the Baltics, defense spending, and aid to Cuba. When U.S. officials sent Gorbachev – a man whose political unpopularity was due largely to the concessions he had already made to the West – home from London empty-handed, they left him vulnerable to accusations of "selling out" his country and its place in the world

The period in the lead-up to the coup also laid the foundation for the U.S. post-coup response to the Soviet collapse. In its aftermath, both the NED and CCNY networks were poised and motivated to exert expanded influence. The coup had raised the stakes, offering greater dangers and more tantalizing opportunities. For the NED, Ukrainian-American groups, and their governmental allies, the coup palpably demonstrated the danger of Ukraine's continued presence in the Union and offered an unprecedented chance to secure its independence. For the CCNY network, the coup viscerally illuminated the threats that might attend Soviet disunion: the disintegration of the Soviet military and Soviet loss of control over strategic and tactical nuclear weapons. ²³² As Graham Allison and Andrei Kokoshin inspected an armored division around the Kremlin on August 20, they vowed to take collaborative action to "assure that these weapons not

²³² Graham Allison to Fritz Mosher re: Interim Report on Avoiding Nuclear War Grant, Focusing on the Strand for which I am Responsible, October 17, 1991, Folder 6, Box 1535 Harvard University – Avoidance of Nuclear War, Series III. A, Grants, CCNY.

fall out of central control into international arms bazaars."²³³ Following the coup, both networks would draw upon the connections they had established to shape U.S. policy in important ways.

²³³ Grant Report by Graham Allison, June 12, 1992, Folder 2, Box 1552, Harvard University – Strengthening Democratic Institutions, Series III.A, Grants, CCNY.

Chapter Five

The U.S. Response to the Soviet Collapse, August 1991-April 1992

Between August 1991 and April 1992, U.S. non-governmental influence in the former Soviet Union (FSU) expanded in response to the final disintegration of the USSR and its communist system. The United States appeared to possess an unparalleled chance to promote the USSR's peaceful evolution from communist adversary to market democratic ally. The failed August putsch spelled the end of communist rule, produced a wave of enthusiasm for Western political-economic values, and empowered reformers, like Russian President Boris Yeltsin, to pursue radical market reform. At the same time, however, the coup shifted power irreversibly to the republics, accelerating their drive for independence and provoking their final, destabilizing struggle with the severely weakened center led by Mikhail Gorbachev. This struggle exacerbated a mounting economic crisis and raised the danger of the violent breakup of the multiethnic nuclear empire.

As this struggle unfolded and the Soviet Union disintegrated into its constituent republics, U.S. actors faced staggering logistical, intellectual, and domestic political challenges. They lacked established mechanisms for distributing aid in a crumbling empire with a collapsing infrastructure, rampant corruption, and ill-defined recipients. What's more, they needed to determine precisely what the aims of that assistance should be. Prior to the December 1991 Soviet collapse, they debated whether the United States should encourage the USSR's rapid

¹ The Baltic republics left the USSR shortly after the coup in August 1991 and were recognized by Soviet State Council on September 6. I will refer to the remaining twelve republics in the period from September 6 to December 25, 1991, when the USSR officially ceased to exist, as the USSR or Soviet Union. After December 25, I will refer to these twelve republics as the Newly Independent States (NIS), or Former Soviet Union (FSU). This does not include the Baltics, which were part of the U.S. Eastern European aid program.

² For example, Russian Foreign Minister Andrei Kozyrev told U.S. Secretary of State James Baker on September 12, 1991 that the United States "has a great deal of authority and influence right now." See "Key Points in Secretary Baker's Meeting in the USSR and the Baltics: September 11-16, 1991," folder "USSR Chron File: September 1991," OA/ID CF01407, Nicholas Burns and Ed Hewett, Chron. File, NSC, Bush Presidential Records, George H.W. Bush Presidential Library [hereafter GHWBL].

breakup by recognizing Ukrainian independence and directing economic aid to the republics rather than the center. Thereafter, they scrambled to identify, prioritize, and develop aid programs to advance U.S. objectives in fifteen new and often unfamiliar nations.

Facing re-election in 1992, the Bush administration strained to balance its domestic political interests against its strategic priorities. The president and Secretary of State James Baker aimed to promote geopolitical stability in the FSU by maintaining the United States' productive relationship with the Moscow "center." Wary of fueling nationalism that could provoke the violent collapse of the USSR and nuclear proliferation, Bush and Baker waited to transfer U.S. support from Gorbachev to the republics until late November 1991. Thereafter, they adopted a "Russia first" policy. They increasingly viewed Yeltsin as a vital security partner and bulwark against anti-reform forces in Russia, and they deemed Russia the anchor of stability in the FSU. However, inside the United States, isolationist sentiment and opposition to foreign aid were on the rise, spurred by an economic downturn and the collapse of the Soviet threat. Thus, despite their strategic interest in non-proliferation and promoting successful Russian economic reform upon which Yeltsin's political fate hinged, administration officials were reluctant to sink U.S. resources into aiding these goals.

Assistance to Russia and the NIS," SAIS Review 15 no. 1 (Winter/Spring 1995): 15-35; and Rosner, *The New Tug-of-War: Congress, the Executive Branch, and National Security* (Washington DC: Carnegie Endowment for International Peace, 1995).

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³ For debates within the administration, see George Bush and Brent Scowcroft, *A World Transformed*, 543; and James Baker, and James A. Baker III with Thomas M. DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P. Putnam's and Sons, 1995), 560-1.

⁴ See, for example, Ed Hewett, "Draft Options Paper: U.S. Relations with Russia and Ukraine," undated, folder

[&]quot;November 1991 [1]," OA/ID CF01407, Burns and Hewett, Chron. File, NSC, Bush Presidential Records, GHWBL.
⁵ On rising domestic isolationism see Richard Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in
Dismantling the Cold War: U.S. and NIS Perspectives on the Nunn Lugar Cooperative Threat Reduction Program
(Cambridge, MA: The MIT Press, 1997); Nicholas J. Cull, "Speeding the Strange Death of U.S. Public Diplomacy:
The George H.W. Bush Administration and the U.S. Information Agency," Diplomatic History 34, No. 1 (January
2010): 47-69; Melvyn Leffler and Jeffrey Legro, eds., In Uncertain Times: American Foreign Policy After the Berlin
Wall and 9/11 (Ithaca NY: Cornell University Press, 2011), 190; Jeremy D. Rosner, "Clinton, Congress, and

This chapter examines U.S. efforts to promote the former Soviet Union's peaceful transition from communism to market democracy within the chaotic and uncertain context of its dissolution from August 1991 to April 1992. An overwhelming scholarly focus on the role of Western economic advisors, particularly Jeffrey Sachs and the International Monetary Fund (IMF), in shaping Russia's post-Soviet economic "transition" has obscured our understanding of the larger role of non-governmental actors during this period. ⁶ This chapter demonstrates that non-governmental actors played a central, and at times competing, role in shaping U.S. policy toward the FSU. At the same time, they increasingly served as official partners of the U.S. government in the implementation of that policy on the ground. As a result, a public-private aid regime began to emerge, a regime that would be subsequently institutionalized under President Bill Clinton.

Non-governmental actors shaped U.S. policy in two key ways. They influenced strategic debates over how to respond to the prospect of the Soviet collapse. The Carnegie Corporation of

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⁶ Most scholarship on U.S. engagement with the FSU after the August 1991 coup falls into two categories: 1) analyses of the Soviet collapse that weigh the U.S. role; and 2) works assessing the West's role in Russia's postcommunist "transition" that start after the failed coup and substitute Russia seamlessly for the USSR. This second body of scholarship treats the period from August 1991 to April 1992 as a missed "window of opportunity." These critics assail the Bush administration for failing to offer Russia massive economic aid, while focusing on one aspect of non-governmental engagement: the impact of Western advisors and the IMF on Russian economic reform. For accounts of the collapse of the Soviet Union that deal with the role of the West, see Baker, The Politics of Diplomacy; Michael Beschloss and Strobe Talbott, At the Highest Levels: The Inside Story of the End of the Cold War (Boston: Little and Brown, 1993); Bush and Scowcroft, A World Transformed; Andrei Grachev, Final Days: The Inside Story of the Collapse of the Soviet Union, trans. Margo Milne (Boulder CO: Westview, 1995); and Serhii Plokhy, The Last Empire: The Final Days of the Soviet Union (New York: Basic Books, 2014). For critical accounts of the West's role in Russia's post-Soviet "transition," see Stephen Cohen, Failed Crusade: America and the Tragedy of Post-Communist Russia (New York: W.W. Norton and Company, 2000); Michael McFaul and James Goldgeier, Power and Purpose: U.S. Policy Toward Russia After the Cold War (Washington, DC: Brookings Institution Press, 2003); Stefan Hedlund, Russia's "Market" Economy: A Bad Case of Predatory Capitalism (London: UCL Press, 1999); Peter Reddaway and Dmitri Glinski, The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy (Washington DC: United States Institute of Peace Press, 2001); Janine Wedel Collision and Collusion: The Strange Case of Western Aid to Eastern Europe (New York: Palgrave, 2001): "The Harvard Boys Do Russia," The Nation, June 1, 1998; and "U.S. Foreign Aid and Foreign Policy: Building Strong Relationships by Doing It Right!," International Studies Perspectives 6 (2005): 35-50. For more favorable accounts, see Anders Aslund, How Russia Became a Market Economy (Washington DC: The Brookings Institution, 1995); Aslund, Russia's Capitalist Revolution; and Jeffrey Sachs, "What I Did in Russia," March 14, 2012, available online < http://jeffsachs.org/2012/03/what-i-did-in-russia/>.

New York (CCNY) and the National Endowment for Democracy (NED) networks drew upon the connections that they had established prior to the coup to advance their competing aims. The NED, the Ukrainian-American groups it funded, and their allies in Congress and the administration advocated the rapid breakup of the USSR and sought to prompt recognition of Ukrainian independence. By contrast, the CCNY network urged government officials to promote the gradual, peaceful devolution of power in the USSR and employ U.S. influence to secure the denuclearization of the non-Russian republics. Non-governmental actors also played a crucial role in securing aid to the FSU, overcoming both congressional isolationism and the administration's reluctance to provide aid. The CCNY network drove the Nunn-Lugar amendment funding Soviet denuclearization through Congress. And, working alongside figures like George Soros, Jeffrey Sachs, and former president Richard Nixon, the CCNY network pushed the administration to offer more substantial support to reform in the FSU, primarily in the form FREEDOM Support Act. Introduced in April 1992, the act offered \$505.8 million in humanitarian and technical aid to the FSU.

In addition to influencing policy, non-state actors began to serve as partners of the U.S. government in implementing that policy. Facing domestic budgetary and political constraints, the Bush administration outsourced the task of promoting the FSU's internal political-economic transformation to non-state actors. It delegated responsibility for overseeing economic reform to international financial institutions (IFIs), primarily the IMF. Bush administration officials also

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⁷ In addition to Russia, Kazakhstan, Ukraine, and Belarus possessed strategic nuclear weapons.

⁸ For accounts of the Nunn-Lugar program see Paul Bernstein and Jason Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program* (Washington DC: National Defense University, 2010); Ashton Carter and William Perry, *Preventive Defense: A New Security Strategy for America* (Washington DC: Brookings Institution Press, 1999); Shields and Potters, eds., *Dismantling the Cold War*; Sara Zahra Kutchesfahani, *Politics and the Bomb: The Role of Experts in the Creation of Cooperative Nuclear Non-Proliferation Outcomes* (New York: Routledge, 2014); and Sam Nunn and Richard Lugar, "The Nunn-Lugar Initiative: Cooperative Demilitarization of the Former Soviet Union," in Allan E. Goodman, ed. *The Diplomatic Record*, 1992-1993 (Boulder, CO: Westview Press, 1995).

⁹ Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," 46.

called upon non-governmental actors to assist in the distribution of emergency humanitarian and technical aid in the winter of 1991, and named the United States Agency for International Development (USAID) as the lead agency in charge of bilateral aid to the FSU, a shift institutionalized by the FREEDOM Support Act. Unlike its predecessor in the Soviet bloc, the United States Information Agency (USIA), USAID distributed aid through intermediaries, relying heavily on private sector and non-governmental actors. 10

The Final Struggle for the Soviet Union, August-December 1991

The failed coup irreversibly altered the balance of power between the center and the republics, unleashing centrifugal impulses that had previously been only barely contained. A final struggle between the independence-minded, but interdependent, republics and the weakened center over the shape of the Union ensued. 11 This center-republic battle continued to exacerbate the Soviet economic crisis. Inflation spiraled as the republics pursued uncoordinated monetary policies and extended credit to failing enterprises. At the same time, the breakdown of the centrally-administered production and distribution system created consumer shortages. With a growing money supply and nothing to buy, an excess of rubles, or "ruble overhang," accumulated. Bare shelves compelled the USSR to drain its foreign currency reserves on consumer imports. By the fall of 1991, Soviet foreign debt had ballooned to 31% of GDP, or \$65 billion dollars, and its creditworthiness collapsed. 12 With winter looming, averting a "social explosion" necessitated immediately defining internal economic relationships and initiating

¹⁰ On the growing role of USAID, see Thomas Carothers, Aiding Democracy Abroad: The Learning Curve (Washington DC: Carnegie Endowment for International Peace, 1999), 141; Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," 46l; Nicholas J. Cull, The Cold War and the United States Information Agency: American Propaganda and Public Diplomacy, 1945-1989 (New York: Cambridge University Press, 2008), 483; and Cull, "Speeding the Strange Death of US Public Diplomacy."

11 "Gorbachev in Parliament: 'To Prevent Our Country From Falling Apart,'" New York Times, August 28, 1991.

¹² Aslund, Russia's Capitalist Revolution, 95-96, 107-108.

reform.¹³ After the Baltic States left the USSR permanently on September 6, the remaining twelve republics entered into a final negotiation with Gorbachev over the fate of the Union. ¹⁴ At stake was what relationship the republics would have to one another and what authority, if any, the center would retain.

The coup severely weakened Gorbachev and his capacity to preserve the USSR. In its immediate aftermath, the Ukrainian Parliament declared independence, to be ratified by a December 1 popular referendum. Inside the Russian republic, Yeltsin consolidated his authority vis-a-vis Gorbachev, whose vow to renew the discredited CPSU made him appear out of touch. Yeltsin forced Gorbachev to resign as general secretary, suspend the CPSU's activities, and transfer party property to Russia. He also replaced Gorbachev's military and security appointees with his own. 16

Yet, even with these moves, the dissolution of the USSR was not yet inevitable. Many republican leaders, particularly Kazakhstan's Nursultan Nazarbayev, were concerned about the breakdown of economic ties between the republics. In an integrated economy, monopoly production of goods in single republics was the norm. ¹⁷ A breakdown of ties was potentially catastrophic, particularly for the Central Asian republics, whose economies were heavily subsidized by Moscow and designed for resource extraction. Nazarbayev favored preserving the center as a coordinator of a common economic space. ¹⁸ In fact, even Yeltsin was wary of

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¹³ Letter from Mikhail Gorbachev to George Bush, October 18, 1991, folder "Lithuania [2]," OA/ID CF01487, Nicholas Burns, Subject File, NSC, Bush Presidential Records, GHWBL.

¹⁴ Bush and Scowcroft, A World Transformed, 540.

¹⁵ Baker, The Politics of Diplomacy, 523.

¹⁶ Plokhy, *The Last Empire*, 136-7, 150.

¹⁷ George Soros, "U.S.S.R.: See the Future, Make It Work," *The Wall Street Journal*, September 13, 1991.

¹⁸ Martha Brill Olcott, "Central Asia's Catapult to Independence," *Foreign Affairs* 71 no. 3 (Summer 1992): 108-130, 111.

destroying the Union. He understood that cooperating with Gorbachev was essential to securing support from the West, and he did not want to be blamed for the collapse of the USSR. ¹⁹

Sensing an opportunity, Gorbachev mounted a final effort to preserve the Union.²⁰ On August 27, he secured Yeltsin's and Nazarbayev's assent to participate in negotiations on a new economic union treaty designed by Grigory Yavlinsky, a liberal economist and author of the Shatalin Plan and the Grand Bargain.²¹ Open to all fifteen republics, even the Baltic States, the treaty proposed to create a single economic space with a common currency, a centrally-controlled monetary policy, and no internal trade barriers.²² The treaty granted the republics the sole power to tax, but required them to contribute to the Union budget and stipulated that the new economic union would join the IMF and service existing Soviet debt as single entity.²³

Meanwhile, Yeltsin also agreed to collaborate with Gorbachev on a new political Union Treaty to establish a confederation of sovereign states with a president in control of military and foreign policy.²⁴

Gorbachev's efforts to save the Union hinged upon Ukraine and Russia, whose participation was vital to any viable political or economic union. However, their participation grew more doubtful. In Ukraine, popular support for independence intensified in the lead up to the December 1 referendum; in Russia Yeltsin faced mounting pressure to initiate economic reform independent of the rest of the USSR.

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¹⁹ Bush and Scowcroft, A World Transformed, 505; Plokhy, The Last Empire, 187-88; 220-21.

²⁰ As Gorbachev press Secretary Andrei Grachev explains in *Final Days*, Gorbachev was also confident that he could use the West's desire to avert the Soviet collapse as a tool to compel the republics to cooperate in preserving the Union, pp. 20-21. "Gorbachev in Parliament: 'To Prevent Our Country From Falling Apart," *New York Times*, August 28, 1991.

²¹Fred Hiatt, "Gorbachev Says USSR on Verge of Collapse," *The Washington Post*, August 28, 1991.

²² Memorandum from Catherine Mann to Michael Boskin re: Economic Reform in the Soviet Union: What We Can Expect from the New Team?, folder "Country Files: USSR (CIS and NIS), Vol. I [2]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

²³ Memorandum, "Draft Treaty on an Economic Union (Summary)," folder "USSR Chron File: September 1991," OA/ID CF01407, Burns and Hewett, Chron File, NSC, Bush Presidential Records, GHWBL.

²⁴ Fred Hiatt, "Gorbachev Says USSR on Verge of Collapse," *The Washington Post*, August 28, 1991.

Ukrainian sentiment for independence gained momentum in response to the threat of Russian imperialism. ²⁵ Yeltsin's August 26 declaration that Russia possessed the right to make territorial claims against any republic with a large Russian population that attempted secession, specifically Ukraine's Crimea and Donbas and northern Kazakhstan appeared ominous. "Yel'tsin's recent saber rattling over borders," a Bush administration memorandum observed, drastically reduced the likelihood of Ukraine joining either the economic or political union.²⁶ Pushed by popular opinion, Leonid Kravchuk, the moderate chairman of the Ukrainian Supreme Soviet, moved toward the more radical position of Rukh nationalists like Vyacheslav Chornovil, who sought to sever economic and political ties with Russia and join the West.²⁷ As support grew for Ukraine to retain its own 400,000 man army and nuclear weapons as a "bargaining chip" against Russia, a Rukh-sponsored referendum barred Kravchuk from even participating in Union Treaty negotiations until after December 1.28 At the same time, Ukraine pursued economic policies aimed at insulating the country from Russian influence, jeopardizing Yavlinsky's plan to preserve a single economic space.²⁹ Ukraine announced its intention to introduce its own currency, and State Minister for Property and Entrepreneurship Volodymyr

²⁵ David Remnick, "Imperialistic Tendency' Of Russia Stirs Concern," *The Washington Post*, August 29, 1991; Plokhy, *The Last Empire*, 164.

²⁶ Memorandum, "President's Meeting with Ukrainian Supreme Council Chairman Leonid Markarovich Kravchuk: Scenesetter;" Cable from U.S. Embassy Moscow to Ed Hewett re: Ukrainian Views on Economic Independence, September 25, 1991, folder "1.2.0 Political Situation, Ukraine [2]" OA/ID CF01613, Burns and Hewett, Russia Subject Files, NSC, Bush Presidential Records, GHWBL.

²⁷ Special Analysis Memorandum #14, "Ukrainian Politics After the Coup," CIA Directorate of Intelligence, September 20, 1991, folder "1.2.0 Political Situation, Ukraine [2]" OA/ID CF01613, Burns and Hewett, Russia Subject Files, NSC, Bush Presidential Records, GHWBL.

²⁸ Michael Sandel, "Moscow/Kiev Report;" Michael Sandel, Shirley Williams and Charles Taylor, "The Former Soviet Union: Poor Prospects for Union Accord," folder 2, Box 1552, Harvard University, Strengthening Democratic Institutions, Series III.A, Grants, Carnegie Corporation of New York Archives, Columbia University, New York, NY [hereafter CCNY]; NIO/USSR, "Gathering Storm," October 24, 1991, folder "USSR Contingency Papers (Past)," OA/ID CF01498, Burns, Subject Files, NSC, Bush Presidential Records, GHWBL.

²⁹ Cable from U.S. Embassy Moscow to Ed Hewett re: Ukrainian Views on Economic Independence.

Lanovoy advocated granting each republic control of its own fiscal and monetary policy.³⁰ On October 18, Ukraine declined to sign Yavlinsky's economic treaty, seeking first to consummate bilateral agreements that would secure its economic independence from Russia.³¹

Russia's participation in the economic union also hung in the balance.³² While Russia participated in negotiations over Yavlinsky's treaty, Yeltsin advisor Gennady Burbulis simultaneously pushed Yeltsin to initiate marketization independently. Following the coup, Burbulis recruited the young, neoliberal Western-oriented economist Yegor Gaidar to design a plan to do so. As Gaidar wrote, he and Burbulis believed that an "effective economic union could not exist in the absence of a political one."³³ Given the growing likelihood that Ukraine would declare independence and no political union would materialize, they urged a conflicted Yeltsin to reform. They feared that if Russia did not act quickly and independently, economic collapse and political backlash would ensue.³⁴

Yeltsin took their advice. Although Russia signed the economic treaty along with seven other republics on October 18, he declared that Russia would not ratify the treaty until its specifics were more clearly delineated.³⁵ A week later, Yeltsin informed Bush that Russia could wait no longer.³⁶ In a landmark October 28 speech before the Russian Parliament Yeltsin proclaimed, "We do not have the possibility of linking the reform timetable with the achievement of all-embracing inter-republican agreement on this issue For us the time of

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 ^{30 &}quot;Ukrainian State Minister Visits the United States to Advance Program for Economic Reform," November 11, 1991, folder "Economics," OA/ID CF1408, Burns and Hewett, SF, NSC, Bush Presidential Records, GHWBL.
 31 Michael Parks, "8 Republics Sign Soviet Common Market Pact; a Fearful 4 Stay Out," Los Angeles Times, October 19, 1991.

³² Yegor Gaidar, *Days of Victory and Defeat*, trans. Jane Anne Miller (Moscow: Vagrius, 1996), 71.

³³ Gaidar, Days of Victory and Defeat, 71; Plokhy, The Last Empire, 219-223.

 ³⁴ Gaidar, *Days of Victory and Defeat*, 67-8; NIO/USSR, "Gathering Storm," November 24, 1991, folder "USSR Contingency Papers (Past)," OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL.
 ³⁵ U.S. Embassy Moscow Cable, October 22, 1991, folder "USSR Contingency Papers (Past)," OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL; Michael Parks, "8 Republics Sign Soviet Common Market Pact; a Fearful 4 Stay Out," *Los Angeles Times*, October 19, 1991; Plokhy, *The Last Empire*, 47.
 ³⁶ Telcon with Boris Yeltsin, President of the Republic of Russia," October 25, 1991, Bush Presidential Library, Memcons and Telcons, https://bush41library.tamu.edu/files/memcons-telcons/1991-10-25--Yeltsin.pdf.

marking time has passed."³⁷ He believed that radical marketization was essential to spur Russia's recovery, effect an "irreversible" break from communism, and attract Western aid.³⁸ Receiving emergency executive authority from Parliament to implement economic reform for one year, Yeltsin defunded seventy Union ministries on November 1 and assembled a new government filled with radical marketeers, including deputy prime minister Gaidar and Anatoly Chubais, the new head of the State Property Committee (GKI).³⁹ This new team began working on a plan to liberalize prices, introduce macroeconomic austerity, and privatize the Russian economy.⁴⁰

If Yeltsin's announcement all but doomed the union, Gorbachev sealed its fate. Despite frantic warnings from aide Georgii Shaknazarov, Gorbachev persisted in an effort, initiated in late September, to create a more centralized political union than the loose confederation he originally proposed. ⁴¹ Although Shaknazarov warned Gorbachev on October 29 that the new republics were determined to gain independence and that he should focus on preserving his role as head of the armed forces and as chief interlocutor with the West on foreign policy and nuclear issues, Gorbachev did not listen. ⁴² The republics rejected his new Union Treaty on November 25, and Ukraine voted overwhelmingly for independence on December 1. ⁴³ Unable to conceive of a union without Ukraine, on December 8 Yeltsin orchestrated the dissolution of the USSR. ⁴⁴ Together with Kravchuk and Belorussian president Stanislav Shushkevich, he signed the

³⁷ Boris Yeltsin, "Speech to the Congress of People's Deputies of the Russian Federation," *Sovietskaya Rossiya*, October 29, 1991, quoted in Thomas Graham, "A World Without Russia?" June 9, 1999, available online http://carnegieendowment.org/1999/06/09/world-without-russia.

³⁸ Boris Yeltsin, *The Struggle for Russia*, trans. Cathy Fitzpatrick (New York: Random House, 1994), 146; Aslund, *Russia's Capitalist Revolution*, 91-93; Timothy Colton, *Yeltsin: A Life* (New York: Basic Books, 2008), 227.

³⁹ Memorandum from Catherine Mann and Derek Utter to Michael Boskin, David Bradford, and Paul Wonnacott re: Yeltsin's Economic Reform Program For Russia, folder "Country Files: USSR (CIS and NIS), Vol. I [2]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

⁴⁰ Colton, Yeltsin, 228.

⁴¹ Grachev, Final Days, 20-21.

⁴² G.S. Shaknazarov, Memorandum to Gorbachev, October 29, 1991, Materials of G.Kh. Shaknazarov, Fond 5, Opis 1, Delo 18153 GF.

⁴³ Plokhy, *The Last Empire*, 263.

⁴⁴ Telcon with President Boris Yeltsin of the Republic of Russia," November 30, 1991

Belavezha Accords disbanding the Soviet Union and creating the new Commonwealth of Independent States (CIS). 45 On December 25, Gorbachev resigned, and the Soviet Union ceased to exist.

The Bush Administration's Post-Coup Strategy

As these internal Soviet struggles played out, U.S. actors debated how to define and advance U.S. objectives in the USSR. Two fundamental questions emerged: 1) should the United States support the rapid breakup of the Soviet Union and 2) what, if any, aid should it offer to advance its interests there?

The administration divided into two strategic camps, pitting Secretary of State James
Baker against Secretary of Defense Dick Cheney. Cheney, an ally of the NED-backed Ukrainian
American network, argued that the United States should seize the opportunity once and for all to
eliminate the Soviet ideological and military threat by promoting the USSR's quick demise. In an August 25 "Meet the Press" interview, he advocated abandoning Gorbachev for Yeltsin, who
more fully embraced Western values. He also dismissed concerns that the Soviet breakup would
spur nuclear proliferation, arguing that it would reduce the size of the Soviet threat. "If
democracy fails," he asserted in a September 5 NSC meeting, "we're better off if they're
small." By contrast, Baker argued that precipitously recognizing the republics risked

⁴⁵ Letter from Boris Yeltsin to George Bush, November 26, 1991, folder "USSR Chron File: December 1991 [3]," OA/ID CF01407, Burns and Hewett, Chronological Files, NSC, Bush Presidential Records, GHWBL; Telcon with President Boris Yeltsin of the Republic of Russia," November 30, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-11-30--Yeltsin.pdf.

⁴⁶ For Cheney's connection to the Ukrainian independence movement see Robert McConnell, "Mykhailo Horyn in DC," *The Ukrainian Weekly*, October 28, 1991; Susan Fink, "From 'Chicken Kiev' to Ukrainian Recognition: Domestic Politics in U.S. Foreign Policy," *Harvard Ukrainian Studies* 21, no.1 (June 1997): 11-61; and Olexy Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine," Discussion Paper 95-09, Center for Science and International Affairs, Harvard University, August 1995.

⁴⁷ Bush and Scowcroft, *A World Transformed*, 541; Andrew Rosenthal, "Immediate U.S. Recognition Of Baltic States Is Expected," *The New York Times*, August 26, 1991.

provoking nationalism, violent disintegration, and creating a "Yugoslavia with nukes." Only the peaceful collapse of the USSR, he emphasized, advanced U.S. interests.

Baker's strategic vision won out. Through October 1991, Bush and Baker promoted the preservation of the Union and the Gorbachev-led center in a modified form. Eager to avert the destabilizing rupture of economic ties and nuclear proliferation in the event of a Soviet breakup, the administration linked U.S. aid and diplomatic recognition to the willingness of the Soviet republics to participate in Yavlinsky's economic union, relinquish their nuclear weapons, and accede to central nuclear command and control. As Baker emphasized in his September 16 meeting with Nazarbayev, "if people want to have a relationship with us, if they want our assistance, [they] *have* to live up to certain standards." [emphasis original] ⁵¹

During his September trip to the Soviet Union, Baker conveyed to the leaders of the nuclear republics of Kazakhstan, Ukraine, and Belarus that U.S. assistance hinged upon their willingness to affirm their non-nuclear aspirations, accede to the Non-Proliferation Treaty as nuclear free states, and transfer their nuclear weapons to a central "entity" capable of securing and destroying them. ⁵² In particular, throughout September and October, the administration warned Ukraine against retaining nuclear weapons as a bargaining chip. Rather than providing leverage, Under Secretary of State Reginald Bartholomew cautioned, "the possession of nuclear

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⁴⁸ Goldgeier and McFaul, *Power and Purpose*, 24; Bush and Scowcroft, *A World Transformed*, 541. Scowcroft occupied a middle ground. Like Cheney, he believed that U.S. security would be "best served by the [Soviet] breakup, thus fractioning the military threat." However, unlike Cheney, he did not believe it was prudent for the United States to encourage publicly the Soviet collapse. See Bush and Scowcroft, *A World Transformed*, 543. ⁴⁹ James Baker, *The Politics of Diplomacy*, 558.

⁵⁰ Plokhy, *The Last Empire*, 187-88; 220-21.

⁵¹ "JAB Notes from 9/15-9/16/91 Meeting with w/ Kazakhstan Pres. Nazarbayev," Alma Ata, Kazakhstan, Folder 7, Box 110, Series 8, James A. Baker III Papers; 1957-2011 (mostly 1972-1992), Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library. [Hereafter JABP]

⁵² JAB Notes Used for Press Briefings during 9/10-9/13 mtgs. in Moscow; JAB Notes from 9/15-9/16/91 Meeting with w/ Kazakhstan Pres. Nazarbayev, Alma Ata, Kazakhstan, USSR, Folder 7, Box 110, Series 8, JABP; Memorandum, "Key Points in Secretary Baker's Meeting in the USSR and the Baltics: September 11-16, 1991," folder "USSR Chron File: September 1991," OA/ID CF01407, Burns and Hewett, Chron File, NSC, Bush Presidential Records, GHWBL. Baker, *The Politics of Diplomacy*, 527-28.

weapons" would make Ukraine an international pariah and damage U.S.-Ukrainian relations.⁵³
At the same time, National Security advisor Brent Scowcroft recalls, uncertain whether Russia or the Soviet center would emerge as the nuclear "entity," the administration urged Yeltsin and Gorbachev to cooperate to secure central nuclear command and control.⁵⁴

The Bush administration also used the promise of aid to support the preservation of a single economic space, as prescribed by the Yavlinsky treaty. 55 It was vital, Baker told Aleksander Yakovlev on September 13, for the center to seize upon the republics' present desire to maintain economic ties by initiating reform. If it failed to do so, "the interest of the republics in the preservation of union ties . . . will begin to diminish and the union will fall apart." 56 At the same time, Bush and Baker pressured Ukraine and Russia to participate in Yavlinsky's economic union. Bush advised Kravchuk that maintaining "an economic union with a center" was essential "to encourage investment." He also responded to Yavlinsky's plea to cajole Yeltsin to sign the treaty. A "voluntary economic union," Bush told Yeltsin on October 8, "could be an important step for clarifying who owns what and who's in charge, thus facilitating humanitarian assistance and . . . economic investment ..." 58

⁵³ Main Content of the Conversation Between A.N. Yakovlev and U.S. Undersecretary of State Reginald Bartholomew, October 8, 1991, *Nunn Lugar Revisited: National Security Archive Electronic Briefing Book No. 447*, eds. Tom Blanton and Svetlana Savranskaya, http://nsarchive.gwu.edu/NSAEBB/NSAEBB447/.

⁵⁴ "JAB Notes from 10/2/91 mtg. w/Gen. Scowcroft, Sec. Cheney," Folder 8, Box 110, Series 8, JABP; Bush and Scowcroft, *A World Transformed*, 544; Baker, *The Politics of Diplomacy*, 528.

⁵⁵ Bush and Scowcroft, A World Transformed, 543.

⁵⁶ Zapis' Besedy A.N. Yakovleva s gosudarstvennym sekretarem SShA Dzh. Beikerom o vnutripoliticheskom i vnutriekonomicheskom sostoyanii SSSR posle avgustovskikh sobytii, September 13, 1991, Delo 277, Opis 1, Fond 10063, State Archive of the Russian Federation [hereafter GARF].

^{57 &}quot;Meeting with Leonid Kravchuk, Ukrainian Supreme Soviet Chairman," September 25, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-09-25--Kravchuk.pdf. Savlinsky asked U.S. ambassador to the USSR Robert Strauss to have Bush warn Yeltsin of the "negative world reaction" should he reject the treaty. Cable from Robert Strauss re: Ambassador Strauss's Call on Deputy Chairman of Interim Government, Grigory Yavlinsky, October 3, 1991, folder "Boskin Group Meetings (USSR), 10/7/91," OA/ID CF0111, Paul Wonnacott, Subject File, Council of Economic Advisors, Bush Presidential Records, GHWBL; Telcon with Boris Yeltsin, President of the Republic of Russia," October 8, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-10-08--Yeltsin.pdf.

While the administration used the promise of aid as leverage, it was in fact wary of providing large-scale assistance to the USSR. Instead, it shifted the intellectual and financial burden of supporting Soviet economic reform to the IMF. Although Bush's advisors said that no economic aid would be forthcoming until the center and republics defined their relationship and adopted a "comprehensive" market reform plan, they remained reluctant to provide such support even if the USSR succeeded in meeting these demands.⁵⁹ Domestic political concerns, economic woes, and doubts about Soviet capacity to use aid mandated this position. The Council of Economic Advisors feared that balance of payments support would be "extremely costly," while debt restructuring would "undermine [Soviet] borrowing discipline." 60 Although the United States held only \$2.8 billion in Soviet debt, the Treasury Department was especially concerned about the USSR's poor creditworthiness. In October 1991, Undersecretary of the Treasury David Mulford urged that the United States refrain from extending new food aid credits to the USSR until it consummated a viable debt servicing agreement. He cited not just economic, but political concerns. "[N]ew credits . . ." Mulford wrote, "will again confront us with the perception that the Administration is giving priority to foreign policy objectives over domestic concerns."61

Secretary of State Baker agreed that the administration must avoid being perceived as "insensitive to domestic needs." Nonetheless, he also believed that it was politically and geostrategically essential to support the Soviet democrats if and when they formulated a plan for

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⁵⁹ Memorandum from Mann to Boskin re: Soviet Economic Reform and U.S. Assistance, folder "Country Files: USSR (CIS and NIS), Vol I [2]," OA/ID O8494, Paul Wonnacott, CEA, Bush Presidential Records, GHWBL; James Goldgeier and Michael McFaul, *Power and Purpose: U.S. Policy Toward Russia after the Cold War* (Washington DC: Brookings Institution Press, 2003), 72.

⁶⁰ Catherine Mann and Phil Levy, "Soviet Economic Reform and U.S. Assistance," September 11, 1991, folder "USSR: CIS and NIS," Paul Wonnacott, OA/ID CF0111, Subject Files, CEA, Bush Presidential Records, GHWBL. ⁶¹ After Yavlinsky announced in mid-October that the USSR would soon no longer be able to service its debt, the twelve republics assumed joint responsibility for Soviet debt on October 29. Memorandum from David Mulford to Ed Hewett re: Comments on Draft Paper, October 25, 1991; October 25, 1991, folder "USSR Chron File: October 1991 [2]," OA/ID CF01407, Burns and Hewett, Chron File, NSC, Bush Presidential Records, GHWBL; Goldgeier and McFaul, *Power and Purpose*, 69, 71; Michael Dobbs, "Republics Assume Kremlin Debt: Agreement Clears the Way For More Credits From West," *Washington Post*, October 30, 1991

reform.⁶² The United States, Baker wrote Bush, had a vital stake in their survival. A Soviet economic collapse would lead to the ascent of "an authoritarian leader of the xenophobic right wing" and create "a world that is far more threatening and dangerous."⁶³ And, if this outcome occurred under Bush's watch, it would have a disastrous impact on his re-election prospects.⁶⁴ Baker, therefore, told the president on September 4, that "*if the Soviets get a serious economic reform plan, then we're going to be in a situation where we need to support it.*" In the interim, he argued, the administration should push for rapid Soviet membership in the IMF and World Bank so that the Soviets could "*draw first on those institutions,* rather than us, for resources."⁶⁵ [emphasis original]

Supporting the Transition to Capitalism: Non-State Actors Take the Lead

During the fall of 1991, international financial institutions and independent consultants filled the void left by the Bush administration, positioning themselves as chief financial supporters and advisors of Russian and Soviet economic reform. On August 30, the World Bank created a \$30 million Soviet technical assistance fund and, on October 5, at the behest of the Bush administration, the IMF assumed primary responsibility for overseeing Soviet economic reform and granted the USSR "special associate" status. At the same time, U.S. foundations, non-governmental groups, and consultants seized the chance to promote Soviet capitalist development, convinced that events in the USSR validated the global appeal of free markets. ⁶⁶

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⁶² "Proposed Agenda for Meeting with the President," September 4, 1991, Folder 8, Box 115, Series 8, JABP. ⁶³ Baker, *The Politics of Diplomacy*, 535.

⁶⁴ "Soviet Points for Meeting with the President," December 10, 1991, folder 8, Box 115, Series 8, JABP.

 ^{65 &}quot;Proposed Agenda for Meeting with the President," September 4, 1991, Folder 8, Box 115, Series 8, JABP.
 66 Alan Murray and Gerald Seib, "IMF Effort to Reform Soviet Economy Runs Many Daunting Risks," *The Wall Street Journal*, October 15, 1991; James Risen, "The Rush to Give Advice," *The Los Angeles Times*, September 5, 1991; Stuart Auerbach, "Capitalism Is Coming to Soviet Schools," *The Washington Post*, October 5, 1991; Olivier Zunz, *Philanthropy in the American Century* (Princeton, NJ: Princeton University Press, 2012), 264-65.

"History," the Ford Foundation declared in its 1991 annual report, "has come down on the side of the ideals that America has so powerfully expressed . . ."⁶⁷

The IMF and most U.S. economic advisors subscribed to the neoliberal economic orthodoxy that gained traction in the 1980s referred to as the "Washington Consensus." Fueled by disillusionment with the state-centered approach to aid, which was seen as creating bloated, corrupt bureaucracies, this market-centered model called upon recipient nations to "stabilize, privatize, and liberalize." Thus, by September 1991, Western economists largely agreed that the Soviet Union must: 1) liberalize prices, achieve ruble convertibility, and open its economy; 2) promote macroeconomic stability by restricting credit, reducing enterprise subsidies and cutting defense spending; and 3) privatize enterprises and establish private property. ⁶⁹

Yet, like the Bush administration, the IMF did not believe that the Soviet Union was ready to receive large-scale aid. The IMF, which specialized in macroeconomic stabilization, was accustomed to operating according to strict economic principles. To qualify for IMF membership and loans, countries had to implement austere fiscal and monetary discipline. To Despite the danger of economic collapse discrediting Soviet democrats, the IMF was disinclined to alter its standards of conditionality to expedite full membership and a large stabilization package for the Soviet Union. Rather, IMF director Michael Camdessus asserted on October 7,

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⁶⁷ Ford Foundation Annual Report 1991, October 1, 1990- September 30, 1991.

⁶⁸ Michael Latham, *The Right Kind of Revolution: Modernization, Development, and U.S. Foreign Policy from the Cold War to the Present* (Ithaca, NY: Cornell University Press, 2011), 178; Dani Rodrick, "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform," *Journal of Economic Literature XLIV* (December 2006): 973-987, 873.

⁶⁹ Stanley Fischer, "Economic Reform in the USSR and the Role of Aid," *Brookings Papers on Economic Activity* 2 (1991): 289-301, 289; Memorandum re: Proposed Agenda for Boskin Meeting, September 5, 1991, folder "Meeting Files: September 1991: 9/5/91 Boskin Group Meeting re: Soviet Economy," OA/ID O8066, Michael Boskin, Council of Economic Advisors, Bush Presidential Records, GHWBL

⁷⁰ Padma Desai, "From the Soviet Union to the Commonwealth of Independent States: The Aid Debate," *The Harriman Institute Forum* 5 no. 8 (April 1992): 1-15, 4-5; Randall W. Stone, *Lending Credibility: The International Monetary Fund and the Post-Communist Transition* (Princeton, NJ: Princeton University Press, 2003).

⁷¹ Alan Murray and Gerald Seib, "IMF Effort to Reform Soviet Economy Runs Many Daunting Risks," *The Wall Street Journal*, October 15, 1991.

before the USSR or any of the republics could qualify, they must first clarify their "constitutional position" and embrace strict monetary and fiscal measures. ⁷²

Frustrated by the IMF's and the Bush administration's inaction, Jeffrey Sachs, Graham Allison, and George Soros offered their advisory services to Gaidar and Yavlinsky and urged the Bush administration to provide meaningful Western aid.

Graham Allison directed the Carnegie Corporation-funded Strengthening Democratic Institutions Project (SDI II) at Harvard. This initiative favored massive aid to prevent the disintegration of the USSR. In an August 27 op-ed Allison and Harvard colleague Robert Blackwill urged the administration, not the IFIs, to "take the lead." By announcing its intention now to provide large-scale aid once reforms had been initiated, the West could embolden citizens throughout the Soviet Union to embrace reform and support center- republican "cooperation." They wanted the republics to participate in the Yavlinsky Plan. Allison's SDI II project sought to help Yavlinsky secure Western aid. It translated Yavlinsky's economic union treaty into English, advised him on how to appeal to Western donors at the October IMF-World Bank meeting, and initiated a campaign to promote his plan with "the American administration and media." ⁷⁴

Unlike Allison, Soros accepted that Russia and other republics would likely go their own way economically.⁷⁵ However, Soros advocated using aid to prevent the destabilizing collapse of all economic ties among the republics in the likely event that Yavlinsky's union failed. He was

⁷² Visit to the USSR – Statement by the Managing Director, October 7, 1991, folder "Meeting Files: October 1991: 10/7/91 Boskin Group Meeting," OA/ID 08066, Michael Boskin, CEA, Bush Presidential Records, GHWBL.

⁷³ Graham Allison and Robert Blackwill, "On with the Grand Bargain," *The Washington Post*, August 27, 1991.

⁷⁴ Memorandum from Bruce Allyn to Graham Allison and Elizabeth Sherwood, October 3, 1991, folder 2, Box 1552; Memorandum from Stanley Fischer to Grigory Yavlinsky, October 9, 1991; Memorandum from Graham Allison to Yavlinsky, October 11, 1991, folder 2, Box 1552, Harvard University – SDI, Series III.A, Grants, CCNY.

⁷⁵Soros cultivated a relationship with Gaidar, who served on the Expert Council on economics at Soros's Moscow Cultural Initiative Foundation (CI) in Moscow. Gaidar received funding in September 1991 for a study with Yale economist William Nordhaus on the impact of the opening of the Soviet economy on production and employment. "Ekspertniy Soviet Fonda 'Kult'urnaya Initsiativa' po programme 'Ekonomicheskaya Kult'ura,'"April 1991, Folder "Board Meeting 16," Fond 349, Subfond 1, Series 2 Board Minutes, Box 5, Open Society Archives, Budapest, Hungary [OSA].

particularly concerned about the breakdown of trade among the republics, given that the ruble no longer represented a viable "medium of exchange." In September 1991, Soros's Moscow foundation, the Cultural Initiative, funded a study by Soviet economist Nikolai Petrakov on how to achieve a stable monetary policy given the republics' "desire for their own currencies." Massive Western aid, Soros argued in an op-ed that same month, was the key to promoting a viable monetary system. The West should provide \$30 billion to capitalize a central bank that would introduce a new currency against which new republican currencies would compete and eventually be pegged. 77

Harvard economist Jeffrey Sachs broke from Allison, his former Grand Bargain colleague, and established himself in the fall of 1991 as a key advisor to Yegor Gaidar. He joined Gaidar's team in Moscow in October after receiving a call from Gaidar advising that "Russia would launch radical market reforms with or without the rest of the Soviet Union." By mid-December, Sachs and his colleagues at Sachs and Associates, Andrei Shleifer and David Lipton, as well as Swedish economist Anders Aslund, had become official advisors to the Russian government. Sachs, Lipton, and Aslund advised Gaidar on macroeconomic policy, while Shleifer worked with Chubais on privatization (to be discussed in the next chapter).

During this period, Sachs offered strategies for attracting foreign assistance, and lobbied the Bush administration to provide large-scale aid. Sachs' prescription for Russia reflected principles of the Washington Consensus: price liberalization and macroeconomic austerity

⁷⁶ N.A. Petrakov, Vypiska iz protokolov zasedenii Komissii "Ekonomicheskaya Kul'tura," September 1991, Folder "Board Meeting 18 [3]," Fond 349, Subfond 1, Series 2 Board Minutes, Box 6, OSA.

⁷⁷ George Soros, "U.S.S.R.: See the Future, Make It Work," *The Wall Street Journal*, September 13, 1991. ⁷⁸ Sachs, "What I Did in Russia."

^{79 &}quot;World Institute for Development Economics Research Project on the Transformation of Centrally Planned Economies Report on Activities, First Half of 1992," July 27, 1992, http://janinewedel.info/WIDER_Project.pdf. 80 Aslund, *Russia's Capitalist Revolution*, 95; Wedel, *Collision and Collusion*, 126-127.

known as "shock therapy," followed by privatization.⁸¹ He advocated immediately freeing prices to eliminate shortages and to soak up the ruble overhang. He also wanted to introduce restrictive fiscal and monetary policies in order to reduce the budget deficit and guard against inflation.⁸² "The broad idea," Sachs explained, "is to start by creating a stable, market-based monetary system, the base for all other reforms, including free trade and rapid privatization."⁸³

Sachs warned, however, that massive Western aid was essential to support this strategy. It would alleviate the social suffering that these reforms would inflict. After late October, Sachs grew increasingly frustrated by the fact the Bush administration "was still dealing almost exclusively with the Soviet government" and refrained from aiding Russian reform even after Yeltsin announced that Russia would go its own way economically. ⁸⁴ Instead, Bush offered \$1.5 billion in food assistance on November 20 to the Inter-Republican Food Committee, an interim body that USDA chief Ed Madigan conceded was "a creature of the central government." Sachs remonstrated, insisting that Gaidar's "stunning" team was committed to meeting IMF conditions. In his view, it was time, once and for all, to break with Gorbachev. On November 24, Sachs called for the West to reschedule Soviet debt and provide \$15 billion per year to ease the social cost of Russian reform. By failing to do so, Sachs warned that the administration was missing a critical opportunity. ⁸⁶

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⁸¹ Maxim Boycko, Andrei Shleifer, and Robert Vishny, *Privatizing Russia* (Cambridge: MIT Press, 1997), 11.

⁸² Sachs, "What I Did in Russia."

⁸³ Jeffrey Sachs, "Goodwill is not Enough," *The Economist*, December 21, 1991, 112.

⁸⁴ Sachs, "Goodwill is Not Enough" and "What I Did in Russia."

⁸⁵ Don Oberdorfer, "Bush Approves \$1.5 Billion More Soviet Aid," *The Washington Post*, 1991; Letter from Gorbachev to Bush, October 21, 1991, folder "USSR Chron File: October 1991 [2]," OA/ID CF01407, Burns and Hewett, Chron File, NSC; and Statement by the Press Secretary, November 20, 1991, folder "November 1991 [3]," OA/ID CF01311, Burns, Chronological Files, NSC, Bush Presidential Records, GHWBL.

⁸⁶ Jeffrey Sachs, "Saving a Prostrate Russia," *The Washington Post*, November 24, 1991.

Competing Strategic Aims: The NED Network versus the CCNY Network

As Sachs, Soros, and Allison pushed the administration to provide massive economic aid, the Carnegie Corporation and the National Endowment for Democracy networks mobilized to advance their competing strategies for influencing the post-coup devolution of power in the USSR. Eager to seize the expanded window of U.S. influence, they worked to sway Congress and shape the debate within the divided administration.

For the NED network, the coup produced an unprecedented chance to promote Ukrainian independence. Following Ukraine's August 24 declaration of independence NED and the Ukrainian émigré groups it funded, including the Ukrainian National Association (UNA), Ukraine 2000 and the U.S.-Ukraine Foundation, accelerated their efforts. They placed increasingly effective pressure on Congress and the administration to recognize Ukrainian statehood, imperiled by Russian nationalism and Gorbachev's efforts to reconstitute the Union.

Connections established before the coup contributed to this network's success. Cheney, who Ukraine 2000's Robert McConnell deemed Ukrainian-Americans' "greatest supporter," advanced Ukraine's cause within the administration. ⁸⁷ In Congress, legislators like Rep. David Bonior (D-MI) and Senator Dennis DeConcini remained key allies. Political factors that enhanced the influence of Ukrainian-Americans also increased the impact of the NED-network's advocacy. In July 1991, Bonior became the first Ukrainian-American to serve as House Majority Whip. ⁸⁸ President Bush recognized that he needed to appeal to Ukrainian-Americans, a

⁸⁷ T. Turula, "Attorney Speaks on Ukraine's Image, Says Rukh Influenced U.S. Opinion," *The Ukrainian Weekly* 53 no. 14, April 5, 1992.

⁸⁸ Eugene Iwanciw, "1991: A Look Back," *The Ukrainian Weekly* 52 vol. 59, December 29, 1991.

Republican constituency, in an election year.⁸⁹ Ukrainian-Americans were making clear that their vote could not "be taken for granted."⁹⁰

On September 22, Ukrainian-Americans staged three demonstrations in Washington DC, Los Angeles, and Chicago urging the administration to recognize Ukraine. ⁹¹ 5,000 rallied outside the White House, where Senator Alfonse D'Amato (R-NY), the AFL-CIO's Lane Kirkland, and NED Board member Zbigniew Brzezinski advocated recognition and criticized Bush's August 1 Kiev speech for equating a Russian-dominated Union with stability. Leaders of the demonstration read statements of support from Bonior, DeConcini, and Rep. Don Ritter (R-PA). ⁹² The UNA also initiated a letter writing campaign urging Congress "to request that president Bush immediately act to establish diplomatic relations with Ukraine." ⁹³ On October 1, Ritter and Dennis Hertel (D-MI) and DeConcini and D'Amato co-sponsored a resolution endorsed by 27 senators and 83 representatives calling for U.S. recognition of Ukraine immediately after the December 1 referendum. ⁹⁴

In addition to pressuring the administration to recognize Ukrainian statehood, the NED network encouraged Ukrainian separatist impulses. It supported Ukraine's drive to build sovereign economic statehood by advocating direct U.S. trade and aid to Ukraine. The NED also supported radical pro-independence presidential candidates in the lead-up to the December 1

⁸⁹ See Fink, "From 'Chicken Kiev;" Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine."

⁹⁰ Eugene Iwanciw, "U.S. Recognition of Ukraine Not Certain," *Ukrainian Weekly* 59 no. 44, November 3, 1991. For more on the relationship between elections, domestic politics, and U.S. foreign policy, see Julian E. Zelizer, *Arsenal of Democracy: The Politics of National Security From World War II to the War on Terrorism* (New York: Basic Books, 2010); Campbell Craig and Fredrik Logevall, *America's Cold War: The Politics of Insecurity* (Cambridge, MA: Belknap Press, 2009).

[&]quot;Ukrainian Americans to Rally for Recognition of Ukraine, *Ukrainian Weekly* 59 no. 37 September 15, 1991. ⁹² Khristina Lew, "Ukrainians Demonstrate Across the United States," *Ukrainian Weekly* 59 no. 39, September 29, 1991.

^{93 &}quot;Meanwhile, in the Diaspora," *The Ukrainian Weekly* 59 no. 52 December 29, 1991.

^{94 &}quot;Resolution Urges Diplomatic Ties with Ukraine" *The Ukrainian Weekly* 59 no. 40, October 6, 1991.

presidential election. ⁹⁵ In September 1991, the International Republican Institute (IRI), one of the NED's four core grantees, held a Moscow seminar on party building and campaign techniques, where members of the Rukh received training. ⁹⁶ Meanwhile, AFL-CIO international chief Adrian Karatnycky attempted to compel the Donetsk Strike Committee to mobilize support for radical pro-Western Rukh candidate Vyacheslav Chornovil. He threatened to "take back" the printing press that the AFL-CIO had donated to the committee if it failed to do so. ⁹⁷

In contrast, the CCNY network endeavored to avert the threat of proliferation. CCNY spokesmen argued that recognizing the republics' independence before securing their denuclearization might backfire. For the CCNY grantees, like William Perry of Stanford, Graham Allison and Ashton Carter of Harvard, and congressional allies, like Les Aspin (D-WI), Sam Nunn (D-GA) and Richard Lugar (R-IN), the coup underscored the tenuous security the Soviet nuclear arsenal amidst political chaos. As a result, they wanted to use U.S. aid and leverage to secure and eliminate these weapons as quickly as possible.

On September 6 Allison wrote an urgent letter to General Colin Powell, chairman of the Joint Chiefs of Staff. Allison had attended a post-coup dinner at which Gorbachev appeared uncertain about who controlled Soviet nuclear weapons during the putsch. ⁹⁸ "[M]y single largest worry . . ." he said, "is that rapid Soviet disunion will mean rapid disintegration of Soviet

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^{95 &}quot;Foreign Relations Authorization Act, Fiscal Years 1992 and 1993," *Congressional Record* 137 no. 117, 102nd Congress, July 29, 1991, S11234; Iwanciw, "1991: A Look Back." In July 1991, the Senate attached as an amendment to the 1992-1993 Foreign Relations Authorization Act legislation drafted by Senator Robert Dole (R-KS), Bonior and the UNA's émigré "Coalition to Support Democracy" requiring the U.S. government "to the extent feasible and consistent with the United States national interest, to provide foreign aid to and encourage expanded trade ... at the republic level." On October 28, it became law when Bush signed the Foreign Relations Act.

96 Sodeistvie Politicheskomu Pliuralizmu v Sovietskom Soyuze: Konferentsiya NRIMO (NRIIA) v Moskve," September 20-22 1991, folder 7 "Osnovy politisheskogo pliuralizma," Box 3, Democraticheskaya Rossiya Papers, Hoover Institution Archives, Stanford University, Stanford CA [Hoover]; Carol Williams, "The New Soviet Union: Fledgling Politicians Get American Election Tips," *Los Angeles Times*, September 22, 1991.

⁹⁷ Lewis Siegelbaum and Daniel Walkowitz, "The AFL-CIO Goes to Ukraine," *The Nation*, November 2, 1992. Karyatnycky denies doing so.

⁹⁸ Graham Allison, Albert Carnesale, and Joseph Nye, "The Avoiding Nuclear War Project 1992-1994," June 22, 1992, Folder 6, Box 1535 Harvard University – Avoidance of Nuclear War, Series III. A Grants, CCNY; Bernstein and Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program*, 4.

military forces, including the nuclear arsenal." The time for U.S.-Soviet collaboration was fleeting. While Gorbachev's and Yeltsin's teams were eager to promote the denuclearization of the republics, fear of Russian nationalism was fueling "nuclear appetites" in Ukraine and Kazakhstan. Allison urged the administration to condition recognition of Ukraine upon its accession to the Non-Proliferation Treaty. He also stressed that U.S. leaders should "explore cooperative measures with the Soviet and Russian government return all nuclear weapons to Russian territory immediately." ⁹⁹

Senator Sam Nunn, who had attended the same dinner, also returned convinced that the United States must take urgent action to "ensur[e] central control over the huge Soviet stockpile of nuclear weapons, materials, technology and knowledge." He partnered with Congressman Les Aspin to sponsor the Nunn-Aspin amendment calling for \$1 billion to be drawn from 1992 Defense Department funds to provide "anti-chaos" humanitarian aid and assistance for dismantling nuclear weapons. ¹⁰¹

Nunn, Aspin, and Allison were most concerned about the threat posed by loss of control of tactical nuclear weapons. Strategic nuclear weapons had the capacity to reach the United States, but these weapons were well secured, and it seemed likely that Ukraine, Kazakhstan, and Belarus would surrender them. By contrast, Aspin warned on September 12, shorter-range tactical weapons were scattered throughout the USSR in poorly secured storage depots, guarded by increasingly disaffected Soviet troops. In the event of economic collapse or political instability, they could be deployed by one republic against the other or sold to terrorist groups or

⁹⁹ Allison to Powell re: Soviet Disunion and Threats to American Security, September 6, 1991, folder 6, Box 1535, Harvard University - ANW, Series III.A, Grants, CCNY.

Nunn and Lugar, "The Nunn-Lugar Initiative," 141; Kutchesfahani, *Politics and the Bomb*, 164.

¹⁰¹ Kutchesfahani, *Politics and the Bomb*, 164.

rogue states.¹⁰² In his letter to Powell, Allison suggested that Bush could induce the Soviets to withdraw their tactical nuclear weapons to a "single reserve" by declaring that the United States would do the same.¹⁰³

Influenced by the Carnegie network and by Soviet proposals for cooperative denuclearization, in September and October the administration's strategy incorporated concepts proposed by these CCNY actors. ¹⁰⁴ Bush and Baker linked aid and recognition to the republics' willingness to accede to the NPT, and on September 27 Bush introduced a nuclear initiative echoing Allison's proposal. ¹⁰⁵ He declared that the United States unilaterally would withdraw all of its tactical nuclear weapons and called upon the Soviets to do the same. Bush also announced that United States would "explore cooperation" with the USSR to ensure the security, "safe handling, and dismantling of Soviet nuclear weapons." ¹⁰⁶

Russia's late October decision to break economically with the USSR dramatically increased the likelihood that the Soviet Union would collapse. This enhanced the possibility that the United States would promptly recognize Ukraine and increased the danger of proliferation.

Desperate to secure prompt recognition of Ukraine and funding to promote denuclearization, the NED and CCNY networks once more stepped up their pressure on Bush and Congress. ¹⁰⁷

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¹⁰² Les Aspin, "A Threat of a New Kind: Nuclear Weapons in an Uncertain Soviet Union, September 12, 1991, folder 6, Box 1535, Harvard University - ANW, Series III.A, Grants, CCNY.

¹⁰³ Allison to Powell re: Soviet Disunion and Threats to American Security, September 6, 1991, folder 6, Box 1535, Harvard University - ANW, Series III.A, Grants, CCNY;

¹⁰⁴ CCNY actors were not the only source of these ideas. The Soviets also pushed for cooperative denuclearization. For example, in a July 1991 letter to G-7 leaders, Gorbachev urged cooperation on "procedures for dismantling nuclear explosive devices," and, on September 13, Soviet Defense Minister Yevgeny Shaposhnikov told Baker that the United States and the USSR should jointly eliminate tactical nuclear weapons. See Statement by Sam Nunn, "Soviet Defense Conversion and Demilitarization," Congressional Record, November 13, 1991, *Nunn Lugar Revisited*; "Key Points in Secretary Baker's Meeting in the USSR and the Baltics: September 11-16, 1991."

¹⁰⁵ Allison to Nunn re: Nuclear Danger, June 12, 1992, folder 2, Box 1552, Harvard –SDI, Series III.A, Grants, CCNV

¹⁰⁶ George Bush: "Address to the Nation on Reducing United States and Soviet Nuclear Weapons," September 27, 1991. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=20035.

¹⁰⁷ See James Baker, *The Politics of Diplomacy*, 558.

By early November, the question facing the administration was not whether to recognize Ukraine, but when and how to do so. Gorbachev, Yeltsin, and their advisors warned against recognizing Ukraine prior to the December 1 referendum. Taking this step would undermine his efforts to save the Union, Gorbachev argued in a November 10 letter to Bush. "Your views . . . regarding the preservation of our Union . . ." he urged, "have very great significance." ¹⁰⁸ In late November, Russian Foreign Minister Andrei Kozyrev urged Baker not "to say 'no' or quickly yes" to Ukrainian independence. "[R]ushing to recognition" before the referendum, Baker recorded in his notes, would "pla[y] into the hands of radicals" and risked provoking "chaos and civil war" between Western oriented and Russian oriented forces in Ukraine. ¹⁰⁹

On the other side of the argument, the pro-independence lobby, backed by the NED, intensified its advocacy. The Coordinating Committee to Aid Ukraine (CCAU), whose leadership included McConnell of Ukraine 2000, sponsored the efforts of "pro-independence activists to campaign for a 'yes' vote mainly in the [more heavily Russian] eastern and southern regions of Ukraine."¹¹⁰ The UNA and Ukraine 2000 continued to barrage Congress with letterwriting campaigns, and Brzezinski published op-eds in favor of Ukrainian independence. ¹¹¹ On November 20, Congress passed a resolution sponsored by Hertel, Ritter, D'Amato, and Deconcini calling for immediate U.S. recognition of Ukraine following a pro-independence vote.

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¹⁰⁸ Gorbachev to Bush, November 10, 1991, folder "Lithuania [2]," OA/ID CF01487, Nicholas Burns, Subject File, NSC, Bush Presidential Records, GHWBL.

James Baker, "JAB Notes from 11/26/91 Conversation with POTUS," folder 9, Box 110, Series 8, JABP.
 Ulana Mazurkevich, "CCAU Executive Council Meets to Discuss Referendum and Other Issues," *Ukrainian Weekly* 52, no.47, November 24, 1991.

¹¹¹ Fink, "From 'Chicken Kiev," 12, 32; See for example, "It Would be Prudent George," *Ukrainian Weekly* 52, no. 47, November 24, 1991; Zbigniew Brzezinskki, "Conflicted on Europe: What's our policy on the Ukraine and the European Community?," *New York Times*, November 10, 1991.

This resolution, combined with polls showing that Bush's slowness to back Baltic independence hurt his support among Republicans, placed growing pressure on the president.¹¹²

In response, Bush and Baker took steps that reflected the influence of the NED network and its ally, Secretary of Defense Cheney. The administration's strategy, usually shaped by Baker, coalesced in a compromise between Baker and Cheney. Baker favored withholding recognition until Ukraine fulfilled a series of "conditions," including accession to the Non-Proliferation Treaty and reaffirmation of a commitment to become nuclear free. Baker was wary of taking precipitous action that might hasten the Soviet collapse and provoke conflict between Ukraine and Russia. By contrast, Cheney argued that the United States must rapidly secure Ukraine's break with the Union without imposing conditions. Delaying recognition of Ukrainian independence, the defense secretary insisted, would undermine U.S. relations with an important emerging state and "lend encouragement" to opponents of Ukrainian independence.

On November 25, Baker and Cheney compromised. The United States, they decided, would offer Ukraine "delayed" recognition following its December 1 referendum. It would not impose "conditions" that Ukraine was required to fulfill before receiving recognition but would outline "considerations" with which it hoped Ukraine would comply. 116

In an effort to score political points, Bush decided to share this strategy in a November 27 meeting with prominent Ukrainian-Americans, just before Ukraine's referendum. ¹¹⁷ According

¹¹² Fink, "From 'Chicken Kiev," 35; and Olexy Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine," 24.

¹¹³ Ed Hewett, "Draft Options Paper: U.S. Relations with Russia and Ukraine."

Notes on Contingency Group Meeting, November 18, 1991.

Hewett, "Draft Options Paper: U.S. Relations with Russia and Ukraine." On the differences between Baker and Cheney, see also R. Jeffrey Smith, "U.S. Officials Split Over Response to an Independent Ukraine," *Washington Post*, November 25, 1991.

¹¹⁶ Baker, *The Politics of Diplomacy*, 561. The United States recognized Ukraine on December 25.

Among Ukrainian-Americans present at the meeting were the UNA's Eugene Iwanciw, Ukraine 2000's McConnell, and the CCAU's Bohdan Burachinsky, "Key Points" and "Meeting with Ukrainian-Americans:

to Scowcroft, at the meeting Bush and his team "signaled a more forward-leaning policy than we had in mind." Ukrainian-American participants immediately leaked news of the administration's position. The next day, U.S. newspapers proclaimed a "major" shift in U.S. policy. The *Washington Post* reported that "the United States would 'salute Ukrainian independence' next week . . ." Dorbachev was outraged by U.S. media coverage, viewing the U.S. reversal as a betrayal. On November 30, he told Bush, "It appears that the U.S. is not only trying to influence events, but to interfere."

By indicating on the eve of the critical referendum that the United States supported independence, Bush effectively endorsed the Soviet collapse. 123 While Ukraine almost certainly would have voted for independence, the leak heightened the perception of U.S. support. In May 1992, Leonid Kravchuk thanked Congressmen Ritter, DeConcini, Amato, and Hertel for the role their resolution had played in pressuring the administration to support Ukrainian independence, while the UNA's Eugene Iwanciw declared that Bush's meeting with Ukrainian-Americans was "a turning point in U.S. relations with the former Soviet Union and helped accelerate its demise." 124 In one stroke, the Bush administration validated a perception it had painstakingly sought to avoid throughout 1991 and engendered the hostility of Russians who blamed the

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Biographical Information," November 27, 1991, folder "November 1991 [1]," OA/ID CF01407, Burns and Hewett, Chron File, NSC, Bush Presidential Records, GHWBL.

Bush, Baker, and Scowcroft were present at the meeting. Beschloss and Talbott, *At the Highest Level*, 449.

¹¹⁹ Baker, The Politics of Diplomacy, 561.

¹²⁰ John Yang, "Bush Decides to Accelerate U.S. Recognition of Ukraine," Washington Post, November 28, 1991.

Baker, The Politics of Diplomacy, 561; Bush and Scowcroft, A World Transformed, 552.

¹²² "Telcon with President Mikhail Gorbachev of the USSR," November 30, 1991, Bush Presidential Library, Memcons and Telcons, http://bush41library.tamu.edu/files/memcons-telcons/1991-11-30--Gorbachev.pdf.

¹²³ Plokhy in The *Last Empire* suggests U.S. leaders foresaw the leak and hoped to use it to signal a new policy, 267.

¹²⁴ Iwanciw, "1991: A Look Back;" Irene Jarosevich, "President Kravchuk Completes Two-Day Visit to Washington," *The Ukrainian Weekly* 53, no. 20, May 17, 1992.

United States for the loss of empire. 125 "This is what happens," Dennis Ross lamented, "when the political side of the White House starts to take over." 126

Domestic politics also played a role in the administration's reluctance to support the Nunn-Aspin amendment, which proposed to fund cooperative denuclearization initiatives akin to those Bush proposed on September 27. Alarmed by the victory of neo-isolationist Harris Wofford (D-PA) in a special Senate election, Bush was under growing pressure to devote America's resources to the weak U.S. economy. Congressman David Bonior, a leading proponent of Ukrainian independence, helped lead the charge against Nunn-Aspin, arguing that the aid would be used to perpetuate the survival of the Soviet Union. Cheney opposed drawing funds from the defense budget. Given this opposition, Scowcroft acknowledged that the administration was "hesitant about an initiative that could subject Bush to renewed political criticism that he is giving greater priority to overseas problems than those at home." 127

Lacking presidential and congressional support, Nunn and Aspin withdrew their legislation on November 13. ¹²⁸ Only days later, the CCNY network mounted a second effort to fund denuclearization. On November 19, CCNY president David Hamburg arranged a meeting between Ashton Carter, William Perry, and John Steinbrunner of the CCNY's Prevention of Proliferation Task Force and senators Nunn and Lugar. Several weeks earlier, Carter had published a study articulating the dangers posed by the disintegration of the Soviet arsenal. ¹²⁹ Impressed by Carter's findings, Nunn and Lugar arranged for Carter to brief congressional

¹²⁵ Bush and Scowcroft, A World Transformed, 543.

¹²⁶ Beschloss and Talbott, At Highest Levels, 448.

¹²⁷ Nunn and Lugar, "The Nunn-Lugar Initiative," 142; Don Oberdorfer, "Bush Approves \$1.5 Billion More Soviet Food Aid," *Washington Post*, November 21, 1991; Paul Houston, "\$1-Billion Soviet Aid Plan Cut From Pentagon's Bill," *Los Angeles Times*, November 14, 1991.

¹²⁸ "Bush Holds off on New Aid Package for Soviets," *Chicago Tribune*, November 14, 1991.

¹²⁹ Kurt Campbell, Ashton Carter, Steven Miller and Charles Zraket, *Soviet Nuclear Fission: Control of the Nuclear Arsenal in a Disintegrating Soviet Union*, (Cambridge, MA: Center for Science and International Affairs, Harvard University, November 1991); Ashton Carter, "Origins of the Nunn Lugar Program," Presentation at Hofstra University, November 10-12, 2005.

leaders. His presentation played a key role in shifting congressional opinion. According to Nunn and Lugar, Carter convinced their colleagues that "U.S. domestic political hostility to Soviet aid paled in comparison to the dangers in question." To build public support, the next day Nunn and Lugar wrote an op-ed framing aid as a cheap investment in security. Having "spent more than \$4 trillion since World War II" on defense, they argued, spending "a few hundred million ... to help destroy thousands of Soviet weapons of mass destruction is a bargain."

These CCNY network arguments worked. In a remarkable turnaround, the Nunn-Lugar amendment, known officially as the Soviet Nuclear Threat Reduction Act of 1991, passed the House and Senate overwhelmingly and was signed into law by Bush on December 12. It reallocated \$500 million from the defense budget, assigning \$400 million to dismantle, store, and destroy Soviet nuclear weapons and \$100 million for humanitarian aid to transport food and medical supplies. ¹³³ In order to ease concerns about drawing resources from the U.S. economy, it stipulated that "where feasible," Nunn-Lugar assistance should flow to U.S. actors, who would provide technical assistance, rather than directly to Soviet actors. ¹³⁴

Rising Dangers and Backlash in Russia, Ukraine, and Central Asia

The Soviet collapse created new dangers and opportunities for U.S. actors, who scrambled to define and promote their interests in the twelve new nations that emerged (excluding the already independent Baltics). On the one hand, the newly independent states

¹³⁰ "Towards Nuclear Non-Proliferation: An Evolving Strategy," *Carnegie Results* (Carnegie Corporation of New York, Summer 2010), 10.

Bernstein and Wood, The Origins of the Nunn-Lugar Cooperative Threat Reduction Program, 8.

¹³² Richard Lugar and Sam Nunn, "Dismantling the Soviet Nuclear Arsenal: We've Got to Get," *Washington Post*, November 22, 1991.

¹³³ Carter and Perry, *Preventive Defense*, 3; Bernstein and Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program*, 8; Kutchesfahani, *Politics and the Bomb*, 176.

¹³⁴ Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," 45.

(NIS) viewed U.S. diplomatic recognition and aid as essential tools for building legitimate independent nations and mediating disputes with one another. This "intense desire to satisfy the United States," Baker argued, empowered U.S. actors to influence the behavior of the former republics and the parameters of the ill-defined Commonwealth of Independent States. However, political instability and economic collapse loomed in Russia, Ukraine, and Kazakhstan – strategically vital states possessing nuclear weapons.

By the end of 1991, deepening economic woes and rising ethnic, nationalist, and religious tensions threatened to produce instability and undermine reform across the newly independent states. The danger of economic collapse was most urgent in Russia, where declining production and a collapsing distribution infrastructure threatened famine in major cities. Yeltsin and his reformist government, U.S. observers feared, might not survive the winter. If reform failed, it could spark social unrest and open a path to power for a populist demagogue like the xenophobic Vladimir Zhirinovsky. ¹³⁶

Western aid, Yeltsin urged in a November 26 letter to Bush, was essential to avert such an outcome by easing the suffering that reform was likely to inflict on the population. ¹³⁷ In a December 4 letter to G-7 chairman and British Prime Minister John Major, Yeltsin contended, "If the West does not help us now, our policies can easily fail. The chance to transform Russia will not come again." He requested a \$4-5 billion hard currency stabilization fund to prevent the radical devaluation of the ruble. ¹³⁸ He hoped it would help finance consumer imports and quell

¹³⁵ Baker, The Politics of Diplomacy, 583.

¹³⁶ See for example "Civil Disorder in the Former USSR: Can it be Managed this Winter?" November 1991, folder Commonwealth, December 1991, OA/ID CF01656, Gordon, NSC, Subject Files, Bush Presidential Records, GHWBL.

¹³⁷ Letter from Boris Yeltsin to George Bush, November 26, 1991, folder "USSR Chron File: December 1991 [3]," OA/ID CF01407, Burns and Hewett, Chronological Files, NSC, Bush Presidential Records, GHWBL.

¹³⁸ U.S. Embassy Moscow Cable re: Yel'tsin Request for Stabilization Fund Request, December 6, 1991, folder "USSR Chron File: December 1991 [3]," OA/ID CF01407, Burns and Hewett, Chronological Files, NSC, Bush Presidential Records, GHWBL.

social unrest. The Russian government intended to "distribute [these imports] among workers in the previously privileged military/industrial sector who face lay-offs." ¹³⁹

On January 2, 1992, Gaidar initiated sweeping macroeconomic reforms. Driven by the urgency of the Russian economic crisis, a faith in markets, and a desire to attract Western aid by meeting IMF conditions, he freed prices on all but essential consumer goods. Gaidar also announced cuts to defense spending and enterprise subsidies thereby hoping to reduce the Soviet budget deficit from 20% to 1%. Although limited by the efforts of the Parliament-controlled Central Bank to resist sharp restrictions on credits, Gaidar nonetheless liberalized Soviet trade and initiated a "gradual shift toward a more restrained monetary policy." 141

Gaidar's reforms quickly spurred hyperinflation, unemployment, and an anti-Western backlash. He may of the institutional and structural adjustments required to create a market environment and support macroeconomic reform were not yet in place. The ill-defined ruble zone, which extended beyond Russia, and the Central Bank's loose monetary policies made it impossible to control the money supply. As a result, inflation spiraled and the life savings of most Russians evaporated. In addition, state enterprises had been neither privatized nor demonopolized. As George Soros observed, they "were continuing to produce according to plan"

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¹³⁹ U.S. Embassy Cable re: Yeltsin to ask for G-7 Direct Loan to Russia, December 5, 1991, folder "USSR Chron File: December 1991 [3]," OA/ID CF01407, Burns and Hewett, Chronological Files, NSC, Bush Presidential Records, GHWBL.

¹⁴⁰ Boris Yeltsin, *The Struggle for Russia*, trans. Cathy Fitzpatrick (New York: Random House, 1994), 146; Aslund, *Russia's Capitalist Revolution*, 91- 93; Memorandum from Catherine Mann and Derek Utter to Michael Boskin, David Bradford, and Paul Wonnacott re: Yeltsin's Economic Reform Program For Russia, folder "Country Files: USSR (CIS and NIS), Vol. I [2]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

¹⁴¹ Gaidar, *Days of Victory and Defeat*, 83; Aslund, *Russia's Capitalist Revolution*, 99; Roman Frydman, Andrezj Rapaczynski, and John S. Earle, *The Privatization Process in Russia, Ukraine, and the Baltic States* (Budapest: Central European University Press, 1993), 5.

¹⁴² US Embassy Cable, Intervention by Baker at the NAC Ministerial, December 19, 1991; National Intelligence Estimate, "Civil Disorder in the Former USSR: Can it be Managed this Winter?" November 1991, folder Commonwealth, December 1991, OA/ID CF01656, Gordon, NSC, Subject Files, Bush Presidential Records, GHWBL.

¹⁴³ Aslund, Russia's Capitalist Revolution, 99.

without receiving payment and racked up lots of debt.¹⁴⁴ At the same time, lack of a unified exchange rate, export quotas, and the artificially low domestic price of energy, incentivized corruption and capital flight. State revenues suffered as exporters stashed substantial hard currency earnings abroad. ¹⁴⁵

By the end of January 1992, strong political opposition to the Gaidar program arose from the military, the Russian Parliament, and select members of the former democratic opposition. Yeltsin struggled to "keep [the military] at bay," slashing its budget. He fiercest resistance came from the Russian Parliament, which was filled with former communists closely tied to the bosses of enterprises being defunded. He for IMF and Jeffrey Sachs. He for a February 4 meeting with Paul Volcker, Khasbulatov characterized Sachs as "Milton Friedman's representative in Russia." He blamed Sachs for attempting to impose a neoliberal economic model on Russia and he assailed Gaidar for embracing Sachs' approach. Khasbulatov also excoriated the IMF for imposing strict conditions on aid and treating Russia as a "developing country." He warned that IMF conditions, imposed undemocratically "from above," would impoverish the Russian people and create backlash that would put "all reform under threat." He for imposing the reformunder threat.

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¹⁴⁴ Soros, "Who Lost Russia." The New York Review of Books, April 13, 2000.

¹⁴⁵ Sachs, "Goodwill is Not Enough;" Memorandum from Robert Dohner to Robert Zoellick, re: Mobilizing Foreign Exchange in the Former Soviet Union, February 17, 1991, folder "Economics," OA/ID CF1408, Burns and Hewett, Subject File, National Security Council, Bush Presidential Records, GHWBL.

¹⁴⁶ Memorandum from Brent Scowcroft to George Bush re: Meeting with President of Russian Federation Boris Yeltsin, February 1, 1992, folder "Yeltsin [Meeting with President] – Camp David February [1], 1992," OA/IS CF01408, Burns and Hewett, NSC Subject Files, Bush Presidential Records, GHWBL.

¹⁴⁷ Aslund, *Russia's Capitalist Revolution*, 101; Michael McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia," *World Politics* 47 no. 2 (January 1995): 210-243.

¹⁴⁸ U.S. Embassy Moscow Cable re: National Security Council Advisor's Meeting with RSFSR Deputy Prime Minister, December 17, 1991, folder "USSR Chron File: December 1991 [3]," OA/ID CF01407, Burns and Hewett, Chronological Files, NSC, Bush Presidential Records, GHWBL.

¹⁴⁹ Stenogramma Predsedatel'ya Verkhovnogo Sovieta Rossiiskoi Federatsii Khasbulatova R.I. c amerikanskimi finansistami, February 4, 1992, Fond 10026, Opis 5, Delo 465, GARF.

While Democratic Russia continued to support Yeltsin, a handful of his former allies, like Yuri Afanasyev, started to become disillusioned. They echoed Khasbulatov's critique. "Shock therapy" implemented by decree by a small cadre of technocrats was undemocratic. 150 It contradicted the basic aims of a Democratic Russia movement that rose to power by appealing directly to the Soviet people over the party: a more participatory democracy. ¹⁵¹

As Russia's reforms faltered, the danger of nuclear proliferation grew in Central Asia and Ukraine. In Central Asia, where enriched uranium was stored in plentiful amounts, the end of communist rule and Moscow's subsidies threatened to provoke economic collapse, ethnic tension, and Islamic radicalism. Under these conditions, U.S. observers feared, the region, particularly ethnically Persian Tajikistan, might be drawn into the Iranian orbit and seek to export its uranium there. ¹⁵² Moreover, in Kazakhstan and Ukraine, nationalist pressures to retain nuclear weapons continued to rise. Both states sought leverage to push back against Russian dominance within the Union and the international arena. 153

As part of the Alma-Ata accords, which outlined the establishing principles of the Commonwealth of Independent States, Ukraine, Belarus and Kazakhstan signed the Agreement on Joint Measures on Nuclear Arms on December 21, 1991, promising to return their tactical nuclear weapons to Russia by July 1992. Ukraine and Belarus pledged to sign the non-

150 Yitzhak M. Brudny, "The Dynamics of Democratic Russia, 1990-1993," Post-Soviet Affairs 9:2: 141-170, 158,

¹⁵¹ Peter Reddaway and Dmitri Glinski, The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy

⁽Washington DC: United States Institute of Peace Press, 2001), 35, 56.

152 Moscow Embassy Cable, "Black Market in Soviet Nuclear Materials: Less than Meets the Eye?," January 9, 1992, "Project Sapphire 20th Anniversary," *National Security Archive Electronic Briefing Book 491*, Eds. by David E. Hoffman, Svetlana Savranskaya, and Thomas Blanton, http://nsarchive.gwu.edu/NSAEBB/NSAEBB491/; U.S. Embassy Moscow Cable from Strauss to Hewett re: U.S. Policy Toward Russia and Ukraine, folder "November 1991 [2]," November 25, 1991, OA/ID CF01407, Burns and Hewett, Chron File, NSC, Bush Presidential Records, GHWBL; James Baker, "JAB Notes from 12/17/91 mtg. w/Kazakh Pres. Nazarbayev," December 12, 1991, folder 10, Box 110, Series 8: Secretary of State, JABP

¹⁵³ Baker noted that Kazakhstan and Ukraine were "hypersensitive about their role and sovereignty in a January 29 meeting with Yeltsin. See JAB Notes from 1/29/92 Meeting with Russia Pres. Yeltsin at the Kremlin," folder 11, Box 110, Series 8: Secretary of State, JABP.

proliferation treaty (NPT) and cede all of their strategic nuclear weapons to Russia by 1998. 154

However, angry at being excluded by the Slavic nations from the Belavezha Accords,

Kazakhstan's Nazarbayev pushed back against Kazakhstan's subordinate status. He refused to
accede to the NPT until Kazakhstan, like Russia, became a member of the United Nations. By
February 1992, new U.S. ambassador to Kazakhstan William Courtney reported that support was
growing for Kazakhstan to retain its nuclear weapons to increase its "status" and to "dete[r]

Russia from using intimidation or coercion to reacquire predominantly Russian areas . . . "156"

A similar phenomenon occurred in Ukraine as tensions with Russia continued to rise. Russia, Ukrainians complained, was trying to pull Ukraine back into its grip. ¹⁵⁷ In early 1992, the Russian Parliament began to contest Ukraine's control of Crimea, gifted from Russia by Nikita Khrushchev in 1954, and the former Soviet Union's Black Sea Fleet. ¹⁵⁸ Ukraine took steps to assert its sovereignty and win support of the West. In late December 1991, it rejected an attempt to place the armed forces of the CIS under joint control and created its own military establishment. ¹⁵⁹ On March 12, 1992, Kravchuk halted the removal of Ukraine's tactical nuclear weapons to Russia. Kravchuk U.S. intelligence report argued, was using nuclear leverage "to gain Western security assurances and financial assistance."

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¹⁵⁴ Leon Sigal, *Hang Separately: Cooperative Security Between the United States and Russia, 1985-1994* (New York: The Century Foundation, 2000), 249-50.

¹⁵⁵ Memorandum of Telephone Conversation between The Secretary and Kazakh President Nazarbayev re: Commonwealth Meeting in Alma-Ata, December 21, 1991, folder 10, Box 110, Series 8 JABP.

¹⁵⁶ Alma Ata Embassy Cable from Ambassador Courtney, "Defining American Interests in Kazakhstan," February 18, 1992, "Project Sapphire 20th Anniversary."

¹⁵⁷ Chrystia, Freeland, "Ukrainian Officials Divided on Reform: Radicals at Odds With Soviet-Era Planners," *The Washington Post*, February 7, 1992.

¹⁵⁸ Adrian Karatnycky, "The Ukrainian Factor," Foreign Affairs (Summer 1992).

¹⁵⁹ Carey Goldberg, "Huge Soviet Army to Be Broken Up," Los Angeles Times, December 31, 1991.

¹⁶⁰ "Defense Intelligence Report ODB 27-92, Ukraine – Nuclear Withdrawal Suspension," March 27, 1992.

The Rise of the Public-Private Partnership

The Bush administration's response to these rising dangers reflected its continued effort to balance competing geopolitical and domestic political imperatives. Bush and Baker believed that U.S. vital interests hinged upon preserving stability, promoting the survival of cooperative and democratic leaders, and preventing proliferation in the FSU, especially in Russia, Ukraine, and Central Asia. Concluding that the fate of the former Soviet Union hinged upon the trajectory of Russian reform, they adopted a "Russia first" strategy. Sut they still doubted the capacity of large-scale aid to effect a successful internal transformation, even in Russia. Baker, therefore, rejected Yeltsin's request for a stabilization fund in December 1992, citing Russia's unpreparedness. Their skepticism about the efficacy of aid, combined with domestic political pressure, impelled administration officials to forgo massive aid through early 1992. Instead, they sought to provide just enough humanitarian and technical assistance to avert an economic collapse and the ouster of democratic leaders.

Baker spearheaded this strategy. ¹⁶⁴ In a key December 12 speech at Princeton University intended to build domestic support, he framed aid to the FSU as an investment in security. Invoking Nunn and Lugar, he argued that the United States had spent trillions to win the Cold War. It was worth spending a few billion to secure the peace. ¹⁶⁵ The speech was followed by a late January 1992 Coordinating Conference organized by Baker. Attended by representatives

¹⁶¹ "JAB Notes from 4/8/92 mtg. w/Senate Bipartisan Leaders on Capitol Hill re: Freedom Support Act, folder 3, Box 111, Series 8, JABP.

 ¹⁶² See, for example, Ed Hewett, "Draft Options Paper: U.S. Relations with Russia and Ukraine," undated, folder "November 1991 [1]," OA/ID CF01407, Burns and Hewett, Chron. File, NSC, Bush Presidential Records, GHWBL.
 ¹⁶³ On December 16, Baker told Yeltsin that Russia was not ready for a stabilization fund. If Russia used the fund as Yeltsin proposed, "defending limited ruble devaluation by providing funds for the import of goods," the money would be rapidly "exhaust[ed]," saddling Russia with more debt. "JAB Notes from Meeting with Yeltsin," December 16, 1991, folder 10, Box 110, Series 8, JABP.

 ^{164 &}quot;Soviet Points for Meeting with the President," December 10, 1991, folder 8, Box 115, Series 8, JABP.
 165 James Baker, "America and the Collapse of the Soviet Empire: What has to be Done" Princeton University, December 12, 1991, folder "CIS Folder #1 [2]," OA/ID CF01343, Dan Poneman, NSC, Subject Files, Bush Presidential Records, GHWBL.

from 47 nations, the conference was intended to coordinate the Western aid effort and "send a message of hope to the Soviet peoples." The Bush administration pledged \$645 million of humanitarian aid and technical assistance focused on market and democratic institutions, food distribution, defense conversion, energy, and the environment. The technical aid was designed to help build the institutions that would enable the NIS to absorb large-scale aid more effectively once it materialized. ¹⁶⁷

At the same time, the administration took two key steps to build partnerships with non-governmental actors in the FSU. First, it appealed to non-governmental groups to assist in the emergency distribution of humanitarian and technical assistance. The task of dispensing aid in a corrupt, fragmenting empire with a crumbling infrastructure required "more involvement of the U.S. private sector," concluded an interagency aid group led by Undersecretary of State Lawrence Eagleburger group in December 1991. ¹⁶⁸ Eagleburger asked the Citizens Democracy Corps (CDC), a private non-profit organization established by the administration in 1990 for the purpose of coordinating private sector aid to Eastern Europe, to organize a parallel non-governmental Coordinating Conference. ¹⁶⁹

"Our work," Baker proclaimed at the January non-governmental conference, "is going to require a new type of foreign policy, a public-private partnership from the grassroots level to the

¹⁶⁶ "JAB Notes from Mtgs. Held in Conjunction w/Coordinating Conf. on Assistance to New Independent States," December 22-23, folder 11, Box 110, Series 8, JABP.

¹⁶⁷ Memorandum from Lawrence Eagleburger to James Baker re: Soviet Assistance folder "USSR Contingency Papers (Past)," OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL.

¹⁶⁸ Memorandum from Catherine Mann to Boskin and Wonnacott re: Coordinator's Meeting on the Soviet Republics, December 19, Mr. Eagleburger Chair, December 23, 1991, folder "USSR (CIS and NIS)," OA/ID CF0111, Wonnacott, CEA, Subject Files, Bush Presidential Records, GHWBL.

¹⁶⁹ Citizens Democracy Corps, Soviet Forum, December 10, 1991; ISAR and CDC, "Commonwealth Assistance Directory," folder "SU: CDC," Box 18, Center for Democracy Papers, Hoover; CDC Convenes Conference on Aid to Commonwealth of Independent States," *Citizens Democracy Corps Bulletin*, March 1992.

highest councils of government."¹⁷⁰ Administration conference representatives Ann Veneman of the USDA, Ronald Roskens of USAID, John Robson of the Treasury Department, and Fritz Ermarth of the Central Intelligence Agency echoed this claim. They stressed that U.S. private sector actors and NGOs were essential to ease the logistical difficulties of distributing food and assistance in the FSU. They could also serve as models to demonstrate how non-state institutions functioned in a previously statist society. U.S. executives and private sector groups could teach entrepreneurship and market principles. ¹⁷¹

Non-governmental actors responded to the administration's call. More than 200 organizations, including Graham Allison's Strengthening Democratic Institutions Project, the Institute for American Soviet Relations (ISAR), the American Bar Association (ABA) and the National Endowment for Democracy and its core institutes -- the National Democratic Institute (NDI) and Free Trade Union Institute (FTUI) -- attended the non-governmental coordinating conference. George Soros was the keynote speaker and the ABA, FTUI, and NDI served on conference task forces.¹⁷²

Second, the administration reinforced these public-private partnerships by placing USAID in charge of dispensing the aid announced at the Coordinating Conference. Facing pressure to act quickly in the FSU, but lacking an established mechanism to coordinate aid on the ground, in late 1991 the administration adopted the USAID-led aid structure that had emerged in Eastern Europe. USAID relied heavily on private sector and non-governmental actors to

¹⁷⁰ Citizens Democracy Corps, "Conference on Private Sector Assistance to the Commonwealth of Independent States: Conference Report," January 22-23, Washington DC, folder 3 "CDC Conference 1992," Box 61, Center for Civil Society, Hoover; "CDC Convenes Conference on Aid to Commonwealth of Independent States," *Citizens Democracy Corps Bulletin*, March 1992.

¹⁷¹ Citizens Democracy Corps, "Conference on Private Sector Assistance to the Commonwealth of Independent States: Conference Report.

¹⁷³ Statement by the Press Secretary, December 12, 1991, folder "Country Files: USSR (CIS and NIS), Vol. I [2]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

dispense assistance.¹⁷⁴ It did so to alleviate concerns about diverting U.S. resources away from the domestic economy. It did so because it knew that it lacked expertise and contacts in the FSU where "regional disparities are enormous, and the social characteristics of the republics differ vastly."¹⁷⁵ USAID's inexperience was most pronounced in the realm of democracy assistance, a field relatively unfamiliar to the development agency.¹⁷⁶ It therefore relied heavily on NED core grantees to implement democratization programs.¹⁷⁷

The administration also set up new networks designed to funnel USAID assistance through non-state actors. For example, Secretary of State Baker announced in January 1992 that the Citizens' Democracy Corps would open an office in Moscow, where it would help coordinate private sector aid to the NIS by matching U.S. private sector donors with NIS recipients.¹⁷⁸ The CDC received a USAID cooperative grant that also contained start-up funding for the Eurasia Foundation, which was to be modeled after the NED, distributing grants to U.S. and NIS private sector and non-governmental actors.¹⁷⁹

Unlike USAID, many non-governmental actors already had ties and were involved on the ground in Russia, Central Asia, and Ukraine. In late 1991 and early 1992, in accordance with the administration's strategy, these groups mobilized in Russia to build market institutions to enhance Russia's capacity to use large-scale aid effectively. The American Bar Association

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¹⁷⁴ Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," 29; U.S. Government Accountability Office, *Foreign Assistance: Harvard Institute for International Development's Work in Russia and Ukraine*, GAO/NSIAD-97-27, November 1996.

Laurie Landy, "Official Donor Aid to the FSU: The Central Asian Republics: Economic Background and Initial Programming Thoughts," folder "USSR 1991-1992," fond 103, Subfond 1, Series 1, COLPI, Box 54 USSR, OSA.
 Directorate for U.S. Agency for International Development, "USAID Policy: Democracy and Governance," November 1991.

¹⁷⁷ U.S. Government Accountability Office, *Promoting Democracy: Progress Report on U.S. Democratic Development Assistance to Russia*, GAO/NSIAD 96-40, February 1996. In the fiscal year 1992, AID spent \$3.3 million in Russia on democracy assistance, while the NED spent \$1.87 million. The next year, AID's spending jumped to \$13.5 million, while the NED's increased only to \$2 million.

jumped to \$13.5 million, while the NED's increased only to \$2 million.

178 Evaluation of Cooperative Agreement No. AOT-0001-2046-00 with the Citizens Democracy Corps, for Democratic Pluralism Initiatives in the Newly Independent States, April 15, 1994.

¹⁷⁹ Kevin F. Quigley and Nancy E. Gill, *The Eurasia Foundation: Mid-Term Evaluation*, September 27, 1995, PD-ABW-65.

developed an assistance program focused on creating a legal infrastructure to support privatization. ¹⁸⁰ In February, Soros entered into negotiations with the Russian State Privatization Committee's Anatoly Chubais to establish a Moscow privatization training center. ¹⁸¹ Meanwhile, the newly created Fund for Democracy and Development, where Richard Nixon served as honorary chairman, signed a technical assistance agreement with Russia to promote private business there in March 1992. ¹⁸²

U.S. non-governmental groups were also allocating growing resources to promoting democratizing trends in the strategically important Ukraine and Central Asia and pushing the administration to expand its engagement in these regions beyond nuclear issues. ¹⁸³ In a December 12, 1991 letter to the Ford Foundation, Duke Sovietologist Jerry Hough underscored the United States' vital strategic interest in promoting democratization in and economic ties with Central Asia. The withdrawal of Moscow's subsidies put the region with no history of democratic governance at risk for economic collapse and social unrest that could spur ethnic violence or nuclear proliferation. Hough insisted that "it is crucial -- absolutely crucial -- that the

¹⁸⁰ Memorandum from Talbot D'Alemberte to Conference on Private Sector Assistance and ABA Working Group re: Response from the Russian Government to the Proposed Menu for Rule of Law Program for Russia and Other Republics, folder "SU:CDC," Box 18, Center for Democracy Papers, Hoover.

Memorandum from Roman Frydman and Andrezj Rapaczynski to Vasilyev Boycko Sterniczuk, Soros, and Hessel re: Preparation for the Teaching Program in Russia; and Letter from George Soros to Anatoly Chubais, March 22, 1992 re: Establishment of Privatization Training Program in Russia Folder "Correspondence about Foundation, 1991-1992," Fond 349, Subfond 1, Series 1 Registration Documents, Box 2, OSA.

¹⁸² Letter from Viktor Komplektov to Frank Fahrenkopf, October 9, 1991, folder 16, Art Auction, EE, Box 1, Series III.2 NED; "K vstreche predsedatel'ya Verkhovnogo Sovieta Rossiiskoi Federatsii R.I. Khasbulatova s pochyetnym predsedatel'yem fonda za demokratiu i razvitie (byvshim prez. SShA) gospodinom Richardom Niksonom, February 16, 1993, Fond 10026, Opis 5, Delo 483, GARF.

¹⁸³ They joined a growing chorus of voices. For example, after Ruslan Khasbulatov warned Henry Kissinger in a January 14 meeting that the singular U.S. focus on transferring nuclear weapons to Russia was provoking "nationalism" and "anti-Russian feeling" in the republics, Kissinger published an article in *Newsweek*, urging the expansion of "economic and cultural" ties. He claimed, "we must balance the attention Yeltsin deserves with the support the new republics require" and "find subjects to talk to them about other than nuclear control." See Stenogramma Vstrechi Predsedatel'ya Verkhovnogo Sovieta Rossiiskoi Federatsii Khasbulatova R.I s gospodinom Kissindzherom, G., January 14, 1992, Fond 10026, Opis 5, Delo 465, GARF; Henry Kissinger, "The New Russian Question," *Newsweek*, February 2, 1992.

Western oriented institutions are strengthened there."¹⁸⁴ Helsinki Watch executive director Jeri Laber agreed. "In a region with no tradition of democracy and with a legacy of dictatorship," Laber wrote to Soros on December 9, "... basic civil liberties are in jeopardy." She requested and received emergency funding from Soros and the CCNY to train constitutional monitors there. ¹⁸⁵ In response to Hough's warning, the Ford Foundation funded an initiative by the American Committee on U.S.-Soviet Relations to train Kyrgyz legislators in the United States. ¹⁸⁶

At the same time, the NED began to lobby the administration to expand relations with Ukraine, criticizing its focus on Russia. Immediately following Kravchuk's decision to suspend the transfer of tactical nuclear weapons in March 1992, the endowment invited radical Rukh member Serhii Holowaty to the United States, where he complained that Bush was reproducing the "one track," Moscow-centered policy of the Gorbachev years. Is In an effort to build Ukrainian statehood in the face of rising Russian aggression, the NED granted \$24,900 to the U.S. Ukrainian Foundation to support efforts to draft the Ukrainian constitution. The NED also allotted \$96,000 to fund the creation of a Democracy Institute of Ukraine to foster ties between the West and the Ukrainian democratic bloc. Is In addition, the U.S.-Ukraine Foundation hosted a dinner for Ukrainian Defense Minister Konstantin Morozov, who was invited to the United States by Secretary of Defense Cheney in April 1992.

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¹⁸⁴ Jerry Hough to Paul Balaran, December 12, 1991, Folder 4, Box 1505, Duke University, Series III.A, Grants, CCNY.

¹⁸⁵ Jeri Laber to George Soros, December 9, 1991, folder "Legal Culture, 1991," fond 349, Subfond 3, Series 5, Programs, Box 2, OSA.

¹⁸⁶ The Ford Foundation, Narrative Report Grant #900-1361, Reel 6219, Ford Foundation Archives, Tarrytown, NY. Remarks Made by Serhij Holowaty, Congressional Luncheon, March 18, 1992, folder 4 "Breakfast Transcripts," Box 2, Series III.2, NED.

¹⁸⁸ NED, 1992 Annual Report.

¹⁸⁹ Orest Deychakiwsky, "U.S. Ukraine Foundation Enters its Second Year," *The Ukrainian Weekly* 53 no. 43, October 25, 1992.

When USAID launched its program in the NIS in March 1992, it focused on Ukraine and Kazakhstan, in addition to Russia. ¹⁹⁰ Its program reflected the evolving strategy of the administration and the influence of NGOs. By February, the administration began to emphasize the importance of promoting democratizing trends in Central Asia. U.S. Ambassador Courtney advocated building Kazakhstan as a "force in the region for moderation and for political and ethnic tolerance." ¹⁹¹ Meanwhile, in a trip to Central Asia in February, Secretary of State Baker implored leaders of the majority Turkic region to build ties not to Iran, but to the more moderate, secular Turkey. ¹⁹² Similarly, after leading an April 1992 delegation to Ukraine, Deputy Defense Secretary Paul Wolfowitz concluded that the United States must find a way to expand its relationship with Ukraine without antagonizing Russia. In May 1992, Bush offered Ukraine Most-Favored-Nation status and created a U.S.-Ukraine Peace Corps program. ¹⁹³

In May 1992, USAID laid plans to establish field offices in Almaty, Kazakhstan and Kiev, Ukraine, as well as Moscow, and made grants to the NED institutes, the NDI, IRI, and FTUI, as well as the ABA, focused on promoting political and economic reform in these regions. ¹⁹⁴ In Russia and Central Asia, the goals of these NGOs largely complemented those of the administration. The ABA wanted to build market-sustaining legal institutions in Russia. The

¹⁹⁰ "Trip to Ukraine, Russia, Kazakhstan and Kyrgyzstan," October 30-November 22, 1992, PD-ABJ-237, ISN 90104.

¹⁹¹ Alma Ata Embassy Cable from Ambassador Courtney, "Defining American Interests in Kazakhstan," February 18, 1992, "Project Sapphire 20th Anniversary."

[&]quot;JAB Core Points used for mtgs. w/officials in Baku, Ashkabad, Dushanbe, & Tashkent during Trip to the Region," February 2-12, 1992, folder 1, Box, 111, Series 8, JABP.

¹⁹³ Paul Wolfowitz to Dick Cheney, April 16, 19992, folder "USSR Contingency Papers (Current)," OA/ID CF01498, Burns, Subject File, NSC, Bush Presidential Records, GHWBL; Jarosevich, "President Kravchuk Completes Two-Day Visit to Washington."

Revised Draft Report: Evaluation of Cooperative Agreement No. CCS-0007-A-00-2021-00 with the International Republican Institute for Democratic Pluralism Initiatives in the Newly Independent States of the Former Soviet Union, April 7, 1994; "Evaluation of Grant No. CCS-0007-G-00-2018-00 with the American Bar Association for the Central and East European Law Initiative for Democratic Pluralism Initiatives in the Newly Independent States of the Former Soviet Union," April 7, 1994; USAID-NDI Cooperative Agreement CCS-007-A-00-2019-00, May 15, 1992; Evaluation of Grant No. CCS-0007-G-2075 with the Free Trade Union Institute for the AFL-CIO for Democratic Pluralism Initiatives in the New Independent States of the Former Soviet Union (Project 110-0007), submitted to the U.S. Agency for International Development, March 31, 1994, PD-ABN-015 90835.

NDI also hoped to bring U.S. and Turkish trainers to Central Asia to "foster contact" with "modernist Muslims" to build a "viable democratic political culture." ¹⁹⁵ In Ukraine, however, the efforts of the NED to build a democratic state oriented toward the West were potentially in conflict with Russia's desire to retain a sphere of influence as well as with the administration's Russia-first strategy.

Who Lost Russia?: The Introduction of the Freedom Support Act

While U.S. non-state actors increasingly served as partners in the Bush administration's efforts to distribute humanitarian and technical aid, they simultaneously criticized its failure to offer more massive assistance to the NIS, particularly to support Russian reform. In his keynote speech at the Coordinating Conference, George Soros argued that while technical and humanitarian aid were essential to get the NIS through the winter, more substantial assistance was required to support monetary reform, upon which the fate of reform "hing[ed]." Sachs echoed Soros. The "current policy of relying mainly on humanitarian and technical aid," he warned, "will fall woefully short of answering the 'summons of history' invoked by Mr. [James] Baker." ¹⁹⁷ By late March 1992, this mounting pressure, combined with the administration's desire to give Yeltsin a political boost inside Russia, inspired the introduction of the Freedom Support Act and Bush's proposal of a large multilateral aid package for Russia. 198

¹⁹⁵ National Democratic Institute for International Affairs, *Proposals to the U.S. Agency for International* Development for 1992 Programs, The Former Soviet Union, March 27, 1992.

^{196 &}quot;CDC Convenes Conference on Aid to Commonwealth of Independent States."

¹⁹⁷ Sachs, "Goodwill is not Enough"

¹⁹⁸ Memorandum from Rodney Bent to Bob Howard re: Stabilization Fund for the CIS, February 11, 1992, folder "Country Files: USSR (CIS and NIS), Vol. I [1]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

Bush, Baker, and Scowcroft were growing more invested in Yeltsin. ¹⁹⁹ On January 29, 1992, Baker remarked that he saw a "different" Yeltsin, a statesman who bore little resemblance to the man who barged into the White House in September 1989. ²⁰⁰ Yeltsin helped reinforce the administration's perception of his indispensability by highlighting the threat of hardline resurgence. "If reform fails," he warned Bush on February 1, "the current forces in power will be replaced by conservative forces . . .We will have a police state, repression, and the arms race will recommence. It will be a waste of billions of dollars for the U.S. and involve all the world."

Given these geopolitical stakes, Baker became frustrated with IMF inaction. The IMF, he complained, was not "moving fast enough." Along with the NSC's Ed Hewett and Under Secretary of State Robert Zoellick, Baker argued that the United States should consider contributing to a multilateral Russian stabilization fund. While the "economic merits" of doing so remained questionable, Zoellick and Hewett believed the administration "should be doing something more visible to support Yeltsin," especially given that his political vulnerability stemmed from his pursuit of reforms requested by the West. 203 Scowcroft agreed. Yeltsin faced domestic criticism for weakening Russia economically and geopolitically to win the West's favor. Thus, it was essential to help him "demonstrate to his government, the Russian people,

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¹⁹⁹ Baker, The Politics of Diplomacy, 620.

Memorandum from Baker to Bush re: My Meetings in Moscow, January 29, 1992, *Nunn Lugar Revisited*.
 Memorandum of Conversation, Meeting with President Yeltsin, February 1, 1992, folder "Yeltsin [Meeting with President] – Camp David February [1], 1992," OA/IS CF01408, Burns and Hewett, NSC Subject Files, Bush Presidential Records, GHWBL.

²⁰² Proposed Agenda for Meeting with the President, January 24, 1992, folder 9, Box 115, Series 8, JABP.

²⁰³ Mann to Boskin and Wonnacott re: Stabilization fund for Russia: State of Play, February 10, 1992; Rodney Bent to Bob Howard re: Stabilization Fund for the CIS, February 11, 1992, folder "Country Files: USSR (CIS & NIS, Vol I [1]), OA/ID 08498, Wonnacott, CEA, Bush Presidential Records, GHWBL.

and, most importantly, the military that he knows how to make the relationship with the U.S. pay off." 204

Pressure from former president Richard Nixon played a central role in shifting the administration's political calculus. After publishing a critical op-ed in January 1992 that received relatively little attention, in early March Nixon struck again. He sent a letter to Bush denouncing the administration's response to the Soviet collapse as "pathetically inadequate." ²⁰⁵ If Yeltsin fell, Nixon warned, "a new despotism" would emerge. Even more important were the domestic political stakes. "The hot-button issue in the 1950s was 'Who Lost China?' If Yeltsin goes down, the question 'Who Lost Russia?' will be an infinitely more devastating issue in the 1990s." ²⁰⁶ The memo was leaked to the *New York Times* on March 10, unleashing a media frenzy. ²⁰⁷ Two days later, Nixon hosted a foreign policy conference that drew additional attention to the issue, and Democratic presidential candidate Bill Clinton announced that he would make a speech on Russia on April 1. ²⁰⁸

Around the same time, a March congressional delegation (CODEL) to the NIS, including CCNY network members David Hamburg, William Perry, Ashton Carter, and Sam Nunn, returned to the United States. They emphasized "an urgent need for assistance from the United States." In a meeting with Bush and Baker that helped inspire the FREEDOM Support Act, the congressional leaders argued that the United States should adopt an "integrated" strategy treating

Memorandum from Brent Scowcroft to George Bush re: Meeting with President of Russian Federation Boris Yeltsin, February 1, 1992, folder "Yeltsin [Meeting with President] – Camp David February [1], 1992," OA/ID CF01408, Burns and Hewett, NSC Subject Files, Bush Presidential Records, GHWBL.

²⁰⁵ Letter from Bush to Nixon, March 5, 1992, folder Bush 1992-1993, Box George Bush 1974-1993, Post-Presidential Correspondence, Richard Nixon Presidential Library and Museum, Yorba Linda, California. [RNL] ²⁰⁶ Thomas Friedman, "Nixon Scoffs at Level of Support For Russian Democracy by Bush," *New York Times*, March 10, 1992.

²⁰⁷ Desai, "From the Soviet Union to the Commonwealth of Independent States."

²⁰⁸ Marvin Kalb, *The Nixon Memo: Political Respectability, Russia, and the Press* (Chicago: University of Chicago Press 1994), 70-72.

economic, political, and security reform in the FSU as interdependent.²⁰⁹ In particular, the denuclearization of the FSU hinged upon its successful transition to a market economy that promoted social stability and defense conversion. In order to facilitate this transition, the United States should expand the use of Nunn-Lugar funds to include defense conversion and offer large-scale macroeconomic aid to Russia.²¹⁰

Hours before Clinton's address on April 1, 1992, Bush announced a new aid program for the NIS. ²¹¹ He introduced the FREEDOM Support Act. The act was a mix of new and previously pledged aid. It defined more clearly the technical assistance package already promised and broadened the uses of Nunn-Lugar aid to include defense conversion. ²¹² It offered new aid by extending \$1.1 billion in Commodity Credit Corporation (CCC) credits to the NIS (\$600 million for Russia) and by mandating a \$12 billion increase in the U.S. contribution to the IMF. This would be used to support a \$3 billion U.S. contribution to a Russian stabilization fund.

Bush also pledged a \$24 billion dollar stabilization package for Russia from the IMF and G-7. While this seemed like a lot, the package was less generous than it sounded. The aid extended was largely debt deferral and credits rather than grants or low interest loans.²¹³

Promised quickly and without sufficient coordination with the IMF and G-7 allies, much of the

²⁰⁹ Bernstein and Wood, *The Origins of the Nunn-Lugar Cooperative Threat Reduction Program*, 9-11.

²¹⁰ Trip Report: A Visit to the Commonwealth of Independent States by Senator Sam Nunn (D-GA), Senator Richard Lugar (R-IN), Senator John Warner (R-VA), and Senator Jeff Bingaman (D-NM)," March 6-10, 1992, Nunn Lugar Revisited.

²¹¹ "Nixon" folder 2; "JAB Notes from 4/8/92 mtg. w/Senate Bipartisan Leaders on Capitol Hill re: Freedom Support Act, folder 3, Box 111, Series 8, JABP.

Memorandum from Mann to Boskin, Wonnacott and Bradford re: US and G7 Aid to the FSU," folder "Country Files: USSR (CIS and NIS), Vol. I [1]," OA/ID 08498, Paul Wonnacott, Council of Economic Advisors, Bush Presidential Records, GHWBL.

²¹³ George Bush: "The President's News Conference on Aid to the States of the Former Soviet Union," April 1, 1992. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=20783.

package, including the stabilization fund, ultimately failed to materialize when the IMF balked at Russia's failure to meet its conditions.²¹⁴

Conclusion

Between August 1991 to April 1992, a new U.S. aid regime emerged in the former Soviet Union that laid the groundwork for the Clinton era. The failed August 1991 coup created euphoric hopes that a "window of opportunity" had emerged to promote the Soviet transformation to market democracy. This "window," however, was in many ways a false construct. The ill-fated putsch accelerated a process of imperial collapse, unleashing a destabilizing struggle between the republics and the weakened center over the fate of the union and control of its resources. In so doing, it raised the specter of violent disintegration and exacerbated an economic crisis in a corrupt, fragmenting state with a decrepit infrastructure and few market sustaining institutions. Against this backdrop, simply identifying, much less fostering, the forces of market-democratic reform represented a staggering challenge. ²¹⁵ As Graham Allison argued, it was unlikely that any amount of Western aid could bring about the FSU's rapid market-democratic transition or avert entirely Russia's economic crisis. Rather, aid could only realistically be expected to help prevent reform's "cataclysmic failure."

Judged against this standard, U.S. policy achieved some important successes. The CCNY network, Bush, and Baker deserve credit for expanding U.S. efforts to promote the peaceful dissolution of the Soviet Union and for averting the threat of nuclear proliferation. The president's September 27 initiative and Baker's swift use of U.S. leverage to bring about the

²¹⁴ McFaul and Goldgeier, *Power and Purpose*, 83.

²¹⁵ Stephen Kotkin makes this argument in *Armageddon Averted: The Soviet Collapse, 1970-2000* (New York: Oxford, 2008).

Allison and Blackwill, "On with the Grand Bargain."

denuclearization of the republics displayed vision. And, while the administration failed to promote – or even support – efforts to secure funding for denuclearization initiatives, the CCNY network played a crucial role in reversing isolationist predilections and achieving the passage of Nunn-Lugar. In May 1992, Ukraine returned all of its tactical nuclear weapons to Russia. In addition, Kazakhstan, Ukraine, and Belarus signed the Lisbon protocol, in which they agreed to accede to the NPT and return all of their strategic nuclear weapons to Russia in return for being named parties to the START treaty.

U.S. efforts to promote the FSU's political-economic transformation were less successful. While the United States did not cause – and likely could not have prevented – either the Soviet dissolution or Russia's economic collapse, official and non-state actions contributed to the perception in Russia that it had done so. As a result, U.S. policies fueled rising opposition to the West and to reform, particularly in Yeltsin's Russia. By April 1992, Yeltsin faced staunch resistance from a Parliament that turned increasingly against reform.

Buffeted by competing pressures from non-state actors and from within, the administration plotted a course that often undermined its goal of promoting geopolitical stability in the FSU. Despite Bush's and Baker's prudent and longstanding policy of avoiding the appearance of interfering in internal Soviet affairs, the administration caved to political pressure from the NED network to do so. By meeting with Ukrainian-Americans on the eve of Ukraine's referendum and allowing news of its intention to recognize Ukraine to leak, the administration effectively endorsed the Soviet collapse. Along with the NED's support for radical Rukh proindependence candidates and significant aid to Ukraine's independence movement, these developments created perceptions in Russia that the United States provoked the collapse.

Faced with anti-foreign aid sentiment, a budget deficit, and lingering doubts about the capacity of aid to effect reform in Russia and the NIS, the administration outsourced the staggering intellectual and logistical challenge of promoting the FSU's internal transformation to IFIs, USAID, and non-state actors.

It delegated the task of overseeing Russian economic reform to the IMF and unofficial advisors like Sachs, who had little appreciation for the Soviet political context. Prior to the Soviet collapse, the administration's passivity was understandable. Actively mobilizing Western efforts to aid Russian reform would have been perceived as promoting the collapse of Yavlinsky's economic union and, by extension, the USSR. However, by failing to take the lead in organizing multilateral aid to Russia promptly in 1992, the administration missed a chance to give a crucial political boost to Yeltsin, its vital geopolitical partner, and his reform team. It also missed an opportunity to alleviate the suffering and win the goodwill of the Russian people. The decision to withhold aid even as Yeltsin and Gaidar enacted many of the harsh policies that Sachs and the IMF recommended contributed to perceptions that the West sought to "take advantage of Russian weakness" and "that reformers seem prone to give into our wishes." ²¹⁷ This perception would make cooperation with the West more challenging for Russian liberals moving forward.

Facing tremendous pressure to do "something" to help democrats in the FSU in late 1991 and early 1992, but without an established mechanism to coordinate aid, the administration relied on ad hoc solutions that engaged non-state actors. Baker appealed to the private sector to assist in distributing humanitarian and technical aid, while the administration transferred the USAID structure in Eastern Europe to the FSU. Lacking knowledge of and established contacts in the

²¹⁷Memorandum from Brent Scowcroft to President Bush, "Overview for your Upcoming Meetings with Boris Yeltsin, June 16-17," June 13, 1992, *Nunn-Lugar Revisited*.

FSU, the Agency for International Development relied heavily on private actors to craft and implement assistance programs.

This aid structure – created in the heat of the moment – would ossify under Clinton.

While non-state actors deserve credit for the vital role they played in the Freedom Support Act's introduction, the public-private aid regime that the act affirmed created an unstable foundation for U.S assistance moving forward. As the USAID funding pool grew under Clinton, it attracted a rising number of private contractors who sought lucrative grants but knew little about Russia. At the same time, officially funding independent actors tarred them as agents of the U.S. government and tied the U.S. government to their often controversial projects. 218

Prior to April 1992, the growing U.S. faith in the interdependence of "open societies" and "open markets" largely obscured the tension in U.S. policy between support for "top-down" economic reform in Russia and support for democratization in Russia and the NIS. Russian criticisms of shock therapy as undemocratic from figures like Khasbulatov and a handful of Russian democrats were easy to dismiss. Amidst the rising threat of Russian revanchism, the Bush administration and many non-state actors became more invested in Yeltsin, both as a strategic partner and as the best hope for democratic reform. Moving forward, however, the tension in U.S. policy between the imperative to build a strategic partnership with Russia by supporting Yeltsin and aiding state-led economic reform and the imperative to advance democratization in Russia and the NIS would deepen.

²¹⁸ On the "Beltway Bandits," see for example McFaul and Goldgeier, *Power and Purpose*, 98; Wedel *Collision and Collusion*; "The Harvard Boys Do Russia," *The Nation*, June 1, 1998; and "U.S. Foreign Aid and Foreign Policy: Building Strong Relationships by Doing It Right!," *International Studies Perspectives* 6 (2005): 35–50.

Chapter Six

The Public-Private Partnership for Democracy, April 1992-July 1996

Between 1992 and 1996, the U.S. approach to the former Soviet Union (FSU) reflected the changing aims and character of U.S. power in the post-Cold War, post-Soviet international order. Two trends, initiated by George H.W. Bush and adopted more fully by his successor, Bill Clinton, were especially important. First, the United States embraced the strategic doctrine of "democratic peace," tying U.S. security explicitly to the advance of democracy globally. Second, it relied increasingly upon a non-governmental, privatized aid regime to promote this objective. Public-private networks devoted to democracy assistance and the cooperative security principles championed by the Carnegie Corporation (CCNY) network grew into institutionalized tools of U.S. foreign policy. Carnegie network alumni filled the Clinton Defense Department and a so-called "Democracy Establishment," including the United States Agency for International Development (USAID), the National Endowment for Democracy (NED), and the Soros Foundations network played a growing role in U.S. policy. ²

While promoting democracy became an increasingly central strategic goal for U.S. actors, precisely how to do so remained fraught with ambiguity. In Russia – the most reform oriented and strategically vital former Soviet republic - the task of building a new order proved far more

On the rise of "democratic peace," see Thomas Carothers, "The Clinton Record on Democracy Promotion," Carnegie Endowment for International Peace Working Papers no. 16, September 2000, http://carnegieendowment.org/files/16carothers.pdf; Thomas Carothers, "The Democracy Nostrum," *World Policy Journal* 11, no. 3 (Fall 1994): 47-53; Janie Leatherman, *From Cold War to Democratic Peace: Third Parties, Peaceful Change and the OSCE* (Syracuse NY: Syracuse University Press, 2003); Melvyn Leffler and Jeffrey Legro, eds. *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11* (Ithaca NY: Cornell Press, 2011), 180; George MacLean, *Clinton's Foreign Policy in Russia: From Deterrence and Isolation to Democratization and Engagement* (Burlington VT: Ashgate, 2006); Mark Schafer and Stephen G. Walker, "Democratic Leaders and Democratic Peace: The Operational Codes of Tony Blair and Bill Clinton," *International Studies Quarterly* 50 no. 3 (September 2006): 561-583; Strobe Talbott, "Democracy and the National Interest," *Foreign Policy* (November/December 1996).

² Sarah Sunn Bush coins the phrase "The Democracy Establishment" in *The Democracy Establishment*, Ph.D. Dissertation, Princeton University, 2011. It refers to a network of quasi- and non-governmental groups, philanthropic foundations, and government agencies devoted to dispensing foreign democracy assistance.

complex than destroying the old one. Prior to the Soviet collapse, democracy had been primarily an ideology of opposition to communism and empire.³ Faced with endowing democracy with positive content and defining its precise relationship to economic reform, however, the democrats' unity and sense of purpose shattered. By mid-1992, a growing number of Yeltsin's former democratic allies -- from opportunistic Soviet era elites, or *nomenklatura*, who had temporarily assumed the mantle of democrat to members of the grassroots opposition -- protested Yegor Gaidar's shock therapy. The same anti-statism and emphasis on local sovereignty that helped Yeltsin topple the Soviet regime weakened the Russian state and undermined its capacity to implement his economic program. In March 1992, the Russian regions of Chechnya and Tatarstan declared independence, while regional leaders asserted autonomy and blocked reform.⁴ *Nomenklatura* remained a dominant force in the Russian Parliament, while the Democratic Russia movement struggled to sustain momentum, build a popular base, and secure a platform from which to exercise power with no post-Soviet election until December 1993.⁵

In late 1992 and 1993, Parliament mounted an escalating effort to remove Yeltsin from power, protesting the rapid pace of economic reform and the loss of empire. To survive politically, Yeltsin and his team made alliances and compromises that undermined Russia's evolution toward a market-oriented, democratic system based upon rule of law. To win support for mass privatization, in the summer of 1992, head of the State Privatization Committee (GKI)

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³ See Yitzhak Brudny, "The Dynamics of Democratic Russia, 1990-1993," *Post Soviet Affairs* 9:2 (1993), 141-170; Michael McFaul, "The Democrats in Disarray," *Journal of Democracy* 4 no. 2 (April 1993) 17-29.

⁴ Thomas Graham, "The Fate of the Russian State," *Demokratizatsiya* 8 no. 3 (2000): 354-75.

⁵ Brudny, "The Dynamics of Democratic Russia;" Michael McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia," World Politics 47 no. 2 (January 1995): 210-243; Peter Reddaway and Dmitri Glinski, The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy (Washington DC: United States Institute of Peace Press, 2001); Anders Aslund, Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed (Washington DC: The Peterson Institute, 2007); Stephen Cohen, Failed Crusade: America and the Tragedy of Post-Communist Russia (New York: W.W. Norton and Company, 2000); Stephen Fish, Democracy from Scratch: Opposition and Regime Change in the New Russian Revolution (Princeton NJ: Princeton University Press, 1995); McFaul, Nikolai Petrov, and Andrei Ryabov, Between Dictatorship and Democracy: Russian Post-Communist Political Reform (Washington DC: Carnegie Endowment for International Peace, 2004).

Anatoly Chubais allowed insiders to capture controlling stakes in Soviet enterprises. In doing so, Chubais effectively transferred the wealth of the Soviet state to the *nomenklatura* and enterprise managers, rather than the Russian people.⁶ At the same time, to stave off attacks from a neocommunist-nationalist coalition in Parliament, Yeltsin embraced more authoritarian measures domestically and began to posture aggressively in the former Soviet Union.

As these events unfolded, U.S. actors debated whether they should support Yeltsin despite the fact that he increasingly championed undemocratic *nomenklatura* privatization, expansive executive power, and aggressive policies in Russia's "near abroad." They also questioned whether the United States should assign priority to Russia's growing desire to retain a "sphere of influence" or focus instead on the democratization and integration of its former empire with the West.

Like Bush, Clinton viewed Yeltsin as an essential strategic partner and an indispensable bulwark against burgeoning Russian revanchism. More than Bush, however, he placed faith in the capacity of Yeltsin and his team of reformers to effect Russia's internal transformation. He believed that building a strategic partnership with Russia through personalized support for Yeltsin complemented, rather than contradicted, the goal of advancing democracy in Russia and its former empire. A democratic Russia under Yeltsin would embrace liberal internationalist values, renounce its imperial ambitions, and advance U.S. strategic goals by fostering stability in the former Soviet Union and European integration.⁷

Institutional Change and the Politics of Privatization in Russia;" Reddaway and Glinski, *The Tragedy of Russia's Reforms*; Janine Wedel *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe* (New York: Palgrave, 2001).

⁷ See James Goldgeier, *Not Whether, but When: The U.S. Decision to Enlarge NATO* (Washington DC: Brookings Institution Press, 1999); Walter Slocombe, "A Crisis of Opportunity: The Clinton Administration and Russia," in

⁶ On "nomenklatura privatization," see Rose Brady, Kapitalizm: Russia's Struggle to Free its Economy (Harrisonburg, VA: Rose Brady, 1999); Chrystia Freeland, The Sale of the Cenury: Russia's Wild Ride from Communism to Capitalism (New York: Crown Business, 2000); Joel Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," World Politics 50 no. 2 (1998): 203-234; McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia's Reddaway and Glinski, The Tragedy of Russia's

In particular, Clinton and his team believed that rapid, top-down market reform was essential to ensure Yeltsin's political survival and create a middle class necessary for democratization. Failing to grasp the thinness of the reformers' political base, the depth of opposition to reform and the capacity of informal practices and corrupt cronyism to subvert privatization, they placed their faith in the "magic of markets." They reasoned that the advance of capitalism by any means— even *nomenklatura* privatization — would eventually produce market-oriented democracy in Russia. ⁸ As a result, through 1994, the vast majority of U.S. bilateral aid to the FSU, deployed by USAID and its non-state grantees, supported GKI-led privatization and promoted pro-Yeltsin outcomes in national referenda and elections. ⁹

Over the course of 1993, however, democracy assistance groups began to rebel against this Russia-first, Yeltsin-first strategy. By the end of the year, pressure from George Soros, the NED and the émigré groups it funded, combined with mounting failures of reform in Russia, and congressional backlash, impelled two basic shifts in U.S. policy. While the Clinton administration and USAID continued to offer "top-down" economic and political aid to support Yeltsin personally, they also began to emphasize promoting democratization 1) in Russia's former empire through increased aid to Ukraine and NATO expansion and 2) grassroots democracy assistance in Russia itself.

Tracing these developments, this chapter examines U.S. efforts to advance market and democratic reform in Russia and the Newly Independent States (NIS) between mid-1992 and

Leffler and Legro, eds. *In Uncertain Times*, 83. 86, 88; and Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2002), 94-97.

⁸ James Goldgeier and Michael McFaul, *Power and Purpose*, *U.S. Policy Toward Russia After the Cold War* (Washington, DC: Brookings Institution Press, 2003) 112-3; Freeland, *Sale of the Century*, 72-3; Lee Marsden, *Lessons from Russia: Clinton and U.S. Democracy Promotion* (Burlington VT: Ashgate, 2005), 22; Slocombe, "A Crisis of Opportunity," 92-3.

⁹ U.S. Government Accountability Office, *International Efforts to Aid Russia's Transition Have Had Mixed Results*, November 2000, GAO-01-8.

¹⁰ On the impact of émigré groups see Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," 29; and Slocombe, "A Crisis of Opportunity," 86-7.

1996, highlighting the evolution, impact, and institutionalization of the public-private aid regime. It contends that U.S. efforts to forge a strategic partnership with Yeltsin and U.S. efforts to promote democracy in Russia and rest of the FSU were incompatible. Personalized support for Yeltsin and the corrupt process of state-led privatization undermined Russia's market-democratic development and accelerated anti-Western sentiment. At the same time, the United States' growing emphasis on promoting democratization and the rising presence of the Democracy Establishment in Russia and its former empire undermined U.S.-Russian cooperation. Yet, the Clinton administration and U.S. democracy NGOs failed to acknowledge fully or seriously weigh the tradeoffs between democracy promotion and U.S.-Russian partnership. As a result, these two contradictory tracks became institutionalized.

Democratic Peace and the Deepening Public-Private Partnership

A strategy of democratic peace and a public-private partnership devoted to its advance in the former Soviet Union began to take root during the final year of the Bush administration. The collapse of the USSR fully and finally invalidated the *raison d'etre* that had driven U.S. foreign policy for nearly fifty years: the containment of Soviet communism. This, along with a contracting economy, produced calls for retrenchment and compelled the Bush administration to redefine the objectives driving the United States' global engagement.

By the summer of 1992, the administration began to shift, at least rhetorically, from its historically realist stance to a more idealist doctrine that focused on advancing U.S. security by transforming the internal contours of foreign nations.¹² In the altered international environment,

¹¹ See Bush, *The Democracy Establishment*; Sarah E. Mendelson, "Democracy Assistance and Political Transition in Russia: Between Success and Failure," *International Security* 25, no. 4 (Spring 2001): 68-106, 70.

¹² Melvyn Leffler, "Dreams of Freedom, Temptations of Power," in Jeffrey Engel, ed. *The Fall of the Berlin Wall: The Revolutionary Legacy of 1989* (New York: Oxford University Press, 2009), 148-49.

the outgoing president argued in a December 15, 1992 speech at Texas A&M University, the United States could best promote its interests by advancing its values. Instability within states had supplanted superpower confrontation as the chief threat to U.S. security, while the demise of Soviet communism confirmed the appeal and offered an unprecedented opportunity to spread liberal market democracy. Open markets would advance U.S. prosperity, while democratic governance would promote stability and guard against rising threats of ethnic conflict, civil war and nuclear proliferation, particularly in the fledging nations of the former Soviet empire. Fusing realism with idealism, Bush concluded, "[t]he advance of democratic ideals reflects a hardnosed sense of our own, of American self-interest." ¹³

A key corollary assumption was that non-state actors should play a central role in this project. Over the course of 1992, the Bush administration began to build a public-private aid regime, culminating with the October 1992 passage of the FREEDOM Support Act. The act designated USAID, not the United States Information Agency (USIA), as the primary "executive" agent for distributing \$505.8 million in humanitarian aid and technical aid to the FSU. Unlike the traditional USIA, which interacted directly with foreign societies, USAID outsourced aid to grantees. The move reflected ideological and political calculations. On the one hand, the collapse of communism seemed to confirm the evils of statism and the corollary notion that private sector and civil society groups represented the defining strengths and best exporters of the U.S. system. This was true particularly in the FSU, where they represented the perfect antidote to years of centralization. As Secretary of State James Baker asserted before the

¹³ George Bush, "Remarks at Texas A&M University in College Station, Texas," December 15, 1992. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=21775.

¹⁴ On the phasing out of USIA, see Nicholas J. Cull, "Speeding the Strange Death of US Public Diplomacy: The George H.W. Bush Administration and the U.S. Information Agency," *Diplomatic History* 34, No. 1 (January 2010): 47-69.

¹⁵ Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in Shields and Potters, eds., *Dismantling the Cold War*, 46.

non-governmental coordinating conference in January 1992, "You out there in the private sector are really the embodiment of the free, open dynamic civil societies that those people over there are seeking to build." At the same time, rising neo-isolationism and an economic downturn in the United States made awarding tangible benefits to U.S. actors essential to securing the act's passage. 17 As USAID NIS coordinator Thomas Simons asserted, "One of the ways we get Congressional support for the [aid] program is that it does help American jobs and American businesses." 18

The more idealistic Clinton administration embraced the project of transforming the political economic systems of other nations more fully than the Bush team. ¹⁹ In an April 1, 1993 address, Clinton argued, "During the Cold War our foreign policies largely focused on relations among nations. Our strategies sought a balance of power to keep the peace. Today, our policies must also focus on relations within nations, on a nation's form of governance, on its economic structure, on its ethnic tolerance."20 Thus, National Security Advisor Anthony Lake declared in a September 21, 1993 speech at Johns Hopkins University, "enlargement" of the community of democratic nations would replace containment as the United States' overarching goal. ²¹

Under Clinton, U.S. aid to the former Soviet Union grew increasingly privatized. As Lake declared, "a policy of enlargement should take on a second meaning: we should pursue our

¹⁶ Citizens Democracy Corps, "Conference on Private Sector Assistance to the Commonwealth of Independent States: Conference Report," January 22-23, Washington DC, folder 3 "CDC Conference 1992," Box 61, Center for Civil Society Papers, Hoover Institution Archives, Stanford University, Stanford, CA [hereafter Hoover]. ¹⁷ Jeremy D. Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," SAIS Review 15 no. 1

⁽Winter/Spring 1995): 15-35.

¹⁸ John Fialka, "U.S. Aid to Russia Is Quite a Windfall For U.S. Consultants," *The Wall Street Journal*, February 24,

¹⁹ See Carothers, "The Clinton Record on Democracy Promotion" and "The Democracy Nostrum;" Talbott, "Democracy and the National Interest," Foreign Policy (November/December 1996).

²⁰ William J. Clinton, "Remarks to the American Society of Newspaper Editors in Annapolis," April 1, 1993. Online

by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=46392.

²¹ National Security Council, Speechwriting Office, and Antony Blinken, "Tony Lake - "From Containment to Enlargement" 9/21/93," Clinton Digital Library, accessed May 22, 2015 http://clinton.presidentiallibraries.us/items/show/9013.

goals through an enlarged circle not only of government officials, but also of private and non-governmental groups." ²² USAID funding to non-state actors expanded, while the administration institutionalized the influence of non- and quasi- governmental networks that had developed in the revolutionary years preceding the Soviet collapse. In particular, the Clinton team embraced cooperative security principles, championed by the Carnegie Corporation network, and democracy assistance as essential tools for advancing U.S. security in the post-Cold War world. Through rhetoric, personnel appointments and funding requests, the Clinton administration secured central roles for the NED and for the Nunn-Lugar cooperative threat reduction program. Inaugurated by the passage of the Nunn-Lugar amendment in December 1991, this program allocated Defense Department funds to facilitate the safe dismantlement, transfer and destruction of the nuclear weapons scattered throughout the former Soviet Union.

While Bush championed Soviet denuclearization, he had been reluctant to expend political capital to secure funding for this goal. He declined to lobby for the passage of the Nunn-Lugar amendment in the fall of 1991. By contrast, Clinton appointed "critical members" of the CCNY cooperative security "consortium" to his Defense Department, many of whom had played a central role Nunn-Lugar's passage. ²³ Clinton's secretary of defense was Les Aspin, who had initiated in 1990 a CCNY sponsored U.S.-Soviet project on defense conversion led by William Perry of Stanford and Andrei Kokoshin of Institute of the United States and Canada (ISKAN). Perry was named assistant secretary and Harvard's Ashton Carter, who served with Perry on the

²² Ihid

²³ Carnegie Corporation of New York, Grant Recommendation Memorandum, August 11, 1993, folder 5, Box 1454, Brookings Institution, Series III.A Grants, Archives of the Carnegie Corporation of New York, Columbia University, New York, NY [hereafter CCNY].

CCNY Prevention of Proliferation Task Force and authored a study inspiring Nunn-Lugar's passage was named Perry's deputy, responsible for overseeing the Nunn-Lugar program.²⁴

The new team moved quickly to institutionalize Nunn-Lugar and cooperative security principles. The Nunn-Lugar amendment only authorized the Defense Department to "reprogram" funds for the cooperative threat reduction program, rather than allotting it dedicated funding; however, Clinton's first Defense Department budget contained an earmarked appropriation for the program. Defense Department budget contained an earmarked appropriation for the program. Meanwhile, in an October 1993 review of U.S. national security strategy, Secretary of Defense Aspin enunciated cooperative security principles. The "global threat from massive Soviet nuclear and conventional forces" Aspin argued, had been supplanted by the threat of the "potential failure of democratic reform" within the FSU. The United States could best advance its security not by amassing the strength to defeat the Russian military-industrial complex, but by fostering its transformation into an institution compatible with a market-oriented democracy. Through cooperative measures, like building military contacts, aiding defense conversion and denuclearization, and providing housing for decommissioned troops, the United States could promote U.S. "defense by other means."

At the same time, the Clinton administration championed the National Endowment for Democracy. As with the Carnegie network, NED alumni occupied prominent roles in the administration. Madeleine Albright, a former vice chairman of the National Democratic Institute (NDI), one of the NED's four core institutes, was named ambassador to the United Nations.²⁷ Meanwhile, Lake, who had served as co-chairman of the Democracy Program, the 1983 study

²⁴ Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," 45; Kurt Campbell, Ashton Carter, Steven Miller and Charles Zraket, *Soviet Nuclear Fission: Control of the Nuclear Arsenal in a Disintegrating Soviet Union* (Cambridge, MA: Center for Science and International Affairs, Harvard University, November 1991). ²⁵ Carter and Perry, *Preventive Defense*,73-5.

Les Aspin, "Report on the Bottom Up Review," October 1993, http://fas.org/man/docs/bur/part01.htm.
 Madeleine Albright, *Madam Secretary: A Memoir* (New York: Harper Perennial, 2003), 107.

recommending the NED's creation, was now national security advisor and committed to reaffirming the NED's vital role as part of his strategy of enlargement. ²⁸ "[O]ur goal of strengthening democracy and civil society," Lake said, "has a natural ally in labor unions, human rights groups, environmental advocates, chambers of commerce, and election monitors. Just as we rely on force multipliers in defense, we should welcome these 'diplomacy multipliers' such as the National Endowment for Democracy."²⁹ As a result, the administration proposed a significant increase in the NED's budget in 1993 from \$30 million to \$50 million.³⁰

During this period, the contours of a nascent "Democracy Establishment," composed of USAID, the NED, and foundations like Soros and Ford, began to solidify. Democracy assistance was becoming an established facet of U.S. soft power. The waning of U.S.-Soviet ideological conflict in late 1989 and 1990 transformed the practice from an explicitly anti-communist weapon to a more mainstream tool for advancing what U.S. actors considered to be a universal ideal. Beginning in 1990, USAID integrated political aid into its overall development strategy, citing the interdependence between "open markets" and "open societies," while more liberal U.S. foundations like Ford and the Carnegie Corporation devoted growing resources to fostering the former Soviet Union's "transition to democracy."

By 1992, the pioneers of democracy assistance in the Soviet bloc - the NED and the Soros Foundation network - began to reach institutional maturity. In the preceding years, both

²⁸ This was the study sponsored by the American Political Foundation and discussed in chapter 1. "The Democracy Program: A Brief Introduction," folder 22 "Chronological Files: January 1983," Box 1, Series I, National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division. [NED]. ²⁹ Tony Lake, "From Containment to Enlargement."

³⁰ David Corn, "Better Dead than NED," *The Nation*, July 12, 1993.

³¹ Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve* (Washington DC: Carnegie Endowment for International Peace, 1999), 39-47; Carothers, "Democracy Support and Development Aid: The Elusive Synthesis," *Journal of Democracy* 21 no. 4 (October 2010): 12-26, 25.

³² Ford Foundation, *1992 Annual Report*, May 1993. Letter from Richard Lyman to Lawrence Eagleburger and George Agree, August 16, 1982, Folder 8 "Fundraising Responses, 1982," Box 2, Series I, Democracy Program, NED.

organizations had operated in an ad-hoc, flexible fashion in response to the revolutionary events in the USSR and Eastern Europe. None of Soros's Soviet foundations kept annual reports, and only Soros himself was aware of each foundation's activities.³³ By 1992, however, this network grew unwieldy, and Soros hired Human Rights Watch director Aryeh Neier to oversee its reorganization. Establishing the central coordinating Open Society Institute in 1993, Neier presided over its standardization of practices and its expansion of activities in the FSU. "The Soviet system continued to disintegrate," Soros recalls, "but our organization became more cohesive."³⁴

Similarly, the National Endowment for Democracy shifted its focus to developing "sustained institutional capabilities" in 1992. Having "established its procedures, programs and identity" in the preceding years, the NED now sought to assume leadership of a burgeoning global network devoted to democracy assistance. In an effort to become the "vital center of democratic thought," the endowment expanded funding for its *Journal of Democracy*, made plans to create an International Forum for Democratic Studies (established in 1994), and hosted a summit for other publicly funded, independent democracy foundations, including the German *Stiftungen* and the newly created British Westminster Foundation. ³⁵

However, the role of democracy assistance in a post-Soviet context remained unclear.

Now that communism had been destroyed, Soros struggled to redefine his objectives and find a purpose. The task of putting a semblance of order to the foundations that had sprung up across Eastern Europe and the former Soviet Union was an arduous one, he recalled, but not as all-

³³ Aryeh Neier, *Taking Liberties: Four Decades in the Struggle for Human Rights* (2003), 294-5; Michael Kauffman, *Soros: The Life and Times of a Messianic Billionaire*, (New York: Vintage Books, 2002), 254.

³⁴ George Soros, "My Philanthropy," in Chuck Sudetic, *The Philanthropy of George Soros: Building Open Societies* (New York: Public Affairs, 2011), 24.

³⁵ Carl Gershman, "President's Report," *National Endowment for Democracy 1992 Annual Report*, October 1, 1991 – September 30, 1992, 7, 9.

³⁶ Kauffman, *Soros*, 250, 258.

absorbing or enjoyable as the revolutionary period."³⁷ The NED was ill-equipped for "post-breakthrough" countries. Designed as an oppositional weapon in Reagan's "war of ideas," it had yet to incorporate "developmentalist" approaches for actually building viable political economic systems.³⁸ Its independence and flexibility made it best suited to engage in provocative, controversial projects promoting dissent against authoritarian regimes, not constructing new governments.³⁹ Although a public-private aid regime devoted to the principles and advance of democratic peace emerged in 1992 and 1993, it was far from clear how it would advance market-based democracy in post-communist Eurasia.

The Crisis of Reform in Russia and the FSU

After an initial period of euphoria, the prospects for market democratic reform across the former Soviet Union appeared increasingly bleak by the summer of 1992. Conflict erupted in Georgia, Tajikistan, and Moldova, while old communist elites continued to hold significant authority in governments and bureaucracies across the FSU. ⁴⁰ In Central Asia, authoritarian leaders like Turkmenistan's Saparmurat Niyazov and Kazakhstan's Nursultan Nazarbayev not only remained in power, but popular with publics to whom democracy, much like communism, represented an abstract ideology of foreign origin. ⁴¹ In Ukraine, the uneasy alliance between former communists, led by president Leonid Kravchuk, and democrats fractured after achieving independence. After winning the presidency, Kravchuk surrounded himself with ex-apparatchiks

³⁷ Soros, "My Philanthropy," 27.

³⁸ Thomas Carothers, "The NED at 10," Foreign Policy 95 (Summer 1994): 123-139.

³⁹ National Endowment for Democracy, "Strategy Document," January 1992.

⁴⁰ See, for example, Martin K. Dimitrov, ed. *Why Communism Did Not Collapse: Understanding Authoritarian Regime Resilience in Asia and Europe* (New York: Cambridge University Press, 2013).

⁴¹ Jeri Laber, "The Dictatorship Returns, *New York Review of Books*, July 15, 1993; Nancy Lubin, *Central Asians Take Stock: Reform, Corruption, and Identity (Washington DC: United States Institute of the Peace, 1995); and Glenn Roberts*, "Doing the Democracy Dance in Kazakhstan: Democracy Development as Cultural Encounter." *Slavic Review* 71. No. 2 (Summer 2012): 308-330, 318.

and refrained from initiating market reform. Isolated from power, democrats divided over whether to support or oppose his rule.⁴²

In Russia, parliamentary opposition to economic reform coalesced around the April 1992 Sixth Congress of People's Deputies. Over the spring of 1992, Russian parliamentarians repeatedly attacked Gaidar's "shock therapy" as a Western import being imposed by a small cadre of technocrats. Contrary to Western perceptions, they argued, neoliberal policies mandated by the International Monetary Fund (IMF) did not aid, but undermined Russia's evolution toward a market-oriented democracy. The "top down" imposition of policies "unacceptable to the interests of millions of people," Parliament chairman Ruslan Khasbulatov told U.S. Ambassador Robert Strauss, was antithetical to democracy. The more liberal Vladimir Lukin expressed concern that the ravages of "shock therapy" would discredit the idea of the market altogether. 44

Although Russian parliamentarians' fairly criticized "shock therapy" as undemocratic, Soviet era coalitions, not popular will, often drove Parliament's interests. With no post-Soviet elections until December 1993, many legislators remained responsive primarily to powerful Soviet lobbies, like the managers of state owned industrial enterprises and the military. 45

The April Congress refrained from removing Gaidar, but it spurred changes that diluted his authority and enhanced the power of the industrial lobby in Parliament. Yeltsin and his reform team, Under Secretary of State Robert Zoellick observed, were "under great political

⁴² See for example, Adrian Karatnycky, "The Ukrainian Factor," *Foreign Affairs* (Summer 1992); Taras Kuzio, ed. *Contemporary Ukraine: The Dynamics of Post-Soviet Transformation* (New York: Routledge, 1998); National Democratic Institute for International Affairs, Pre-Election Report: The March 27, 1994 Parliamentary Elections in Ukraine," March 16, 1994, PNACC-233-97025,

 ⁴³ Yegor Gaidar, *Days of Victory and Defeat*, trans. Jane Anne Miller (Moscow: Vagrius, 1996), 146.
 ⁴⁴ "Stenogramma vstrechi Predsedatel'ya VS RF Khasbulatova R.I. s poslom SShA v RF gospodinom Straussom R," Fond 10026, Opis 5, Delo 460, State Archive of the Russian Federation [hereafter GARF].

⁴⁵ Anders Aslund, *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed* (Washington DC: Peterson Institute for International Economics, 2007), 101; McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia."

pressure to . . . protect Russian industry . . . reject IMF dictates" and "prove their nationalist credentials." ⁴⁶ Following the Congress, Yeltsin appointed Victor Geraschenko, a proponent of enterprise subsidies, as the head of the Russian Central Bank and Victor Chernomyrdin, head of the state-run corporate giant Gazprom, as the deputy prime minister. At the same time, the proenterprise coalition Civic Union emerged as a political force. ⁴⁷

It was in this political context that Anatoly Chubais and his team at the GKI endeavored to win support for their plan to privatize large state enterprises. Chubais and his deputy Dmitri Vasiliev believed that the only way to make reform irreversible was to transfer state assets into private hands as quickly as possible. In their original plan, insiders, or workers and managers, would be allowed to purchase at a discounted rate a large minority stake in privatizing enterprises. The remaining shares would be sold at auction, where they could be purchased with vouchers distributed to the Russian people. By equitably reallocating the assets of the Russian state, the plan was designed to create a large ownership class that would serve as the political base for reform. However, facing stiff opposition from Parliament, Chubais made a fateful concession: he introduced an option, known as "Option Two," that allowed insiders to purchase a controlling stake, or 51% in Russian enterprises. After the Russian parliament approved privatization on June 11, 1992, nearly two thirds of the 6,000 enterprises slated for transformation into joint stock companies chose "Option Two."

Thus, the GKI plan effectively transferred the resources of the Russian state to Red Directors. While Chubais and Vasiliev had reservations about the insider model, they reasoned

⁴⁶ Note from Robert Zoellick to James Baker re: Key Points for Your Meeting with POTUS on Russian Reform and the IMF, folder 7, box 115; and Note from Robert Zoellick to James Baker re: Russian Economic Reform and the IMF, June 2, 1992, folder 9, box 115 Series 8, Secretary of State, James A. Baker III Papers; 1957-2011 (mostly 1972-1992), Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library. Aslund, *Russia's Capitalist Revolution*, 111; McFaul, Democrats in Disarray, 24.

⁴⁸ Freeland, Sale of the Century, 54-7; Gaidar, Days of Victory and Defeat.

⁴⁹ Bozidar Djelic and Jeffrey Sachs, "The Russian Mass Privatization Program," *Privatization International*, January 4, 1992; and McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia," 231.

that creating an ownership class, no matter how corrupt, would spur the development of a capitalist economy and eventually democracy. They were wrong. Soviet-era enterprise managers had little interest in promoting a normal market. For years, they had profited by stealing from the state, treating enterprises as their personal patrimonies, and taking advantage of the distortions that emerged during the transition from capitalism to communism. After Gorbachev passed his Law on Cooperatives, for example, they siphoned off products from enterprises, whose manufacture was financed by state subsidies, to sell for a profit on the open market. Rather than building a market based upon the rule of law, enterprise managers sought to perpetuate these distortions and rents that enabled them to profit personally.

At the same time, rising nationalism pushed Yeltsin to engage in more aggressive posturing in Russia's "near abroad." By the fall of 1992, a "Red-Brown" coalition of neocommunists and nationalists led by vice president Aleksander Rutskoi coalesced, attacking Yeltsin for his concessions to the West and loss of the Soviet empire, particularly Ukraine. During an April 1992 visit to Crimea, for example, Rutskoi deemed Khrushchev's 1954 transfer of Crimea to Ukraine illegal, demanded Russian control of the disputed Black Sea Fleet, and advocated for a popular referendum on Crimean independence. This nationalist trend, President Bush warned in a June 1992 letter to Richard Nixon, would make it more difficult for Yeltsin to renounce Russia's former sphere of influence and cooperate with the U.S strategic vision of an integrated Europe. [A]ccused by his critics of capitulating to the West, giving up all that might allow Russia to carry on the greatness they saw in the Soviet Union," Yeltsin would

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⁵⁰ Freeland, *Sale of the Century*, 70; McFaul, "State Power, Institutional Change, and the Politics of Privatization in Russia," 231-232.

⁵¹ See Hellman, "Winners Take All;" Stefan Hedlund, Russia's "Market" Economy: A Bad Case of Predatory Capitalism (London: UCL Press, 1999); Steven J. Solnick, Stealing the State: Control and Collapse in Soviet Institutions (Cambridge, MA: Harvard University Press, 1999).

⁵² McFaul, "Democrats in Disarray," 25-27.

⁵³ Roman Solchanyk, "Analysis: Ukraine and Russia and the Politics of Independence," *Ukrainian Weekly*, May 17, 1992. While the Crimean Parliament declared independence on May 5, the referendum did not take place.

likely seek to appeal to his domestic base by pursuing "policies that cause tension with the U.S.," particularly vis-a-vis Ukraine.⁵⁴ Yeltsin did just that, endorsing measures that threatened the sovereignty of the former republics. In 1992, Russia attempted to compel Ukraine to pay its portion of the Soviet debt by shutting off its energy supply, while in February 1993, Yeltsin claimed the right of the Russian military to intervene in the conflicts across the FSU, requesting that the United Nations "grant Russia special powers as guarantor of peace and stability in the region of the former union."⁵⁵

Finally, Yeltsin turned to authoritarian measures as his struggle with Parliament produced a full-blown constitutional crisis by the winter of 1992. Because Russia had not yet adopted a post-Soviet constitution, the balance of power between the legislature and executive remained ill-defined. Parliament increasingly defied Yeltsin's authority, effectively paralyzing the Russian state. After the December 1992 Seventh Congress of People's Deputies removed Gaidar and passed constitutional amendments restricting Yeltsin's power, on March 20, 1993, Yeltsin announced that Russia would hold a nationwide referendum on April 25 to determine whether the Russian people viewed the president or the Parliament as Russia's Supreme authority. Until then, Yeltsin would institute "special rule" by decree. 56

Democratic Russia was divided over whether supporting Yeltsin would advance democracy.⁵⁷ Radical Yuri Afanasyev argued that the movement should not allow itself to be coopted by Yeltsin, whose policies preserved the authority of the "old political elite." Instead, it

Letter from Bush to Nixon, June 26, 1992, folder "Bush 1992-1993," Box "George Bush 1974-1993," Post-Presidential Correspondence, Richard Nixon Presidential Library and Museum, Yorba Linda, California. [RNL]
 Helsinki Watch, "War or Peace: Human Rights and Russian Military Involvement in the 'Near Abroad,' vol. 5 no. 22, December 1993, 3; Sigal, *Hang Separately*, 254.

⁵⁶ Goldgeier and McFaul, *Power and Purpose*, 123-5; and Talbott, *The Russia Hand*, 54-55.

⁵⁷ Brudny, "The Dynamics of Democratic Russia, 1990-1993;" McFaul, "The Democrats in Disarray."

should become a constructive opposition.⁵⁸ By contrast, Lev Ponomarev and Gleb Yakunin concluded that despite his flaws Yeltsin represented the only viable alternative to resurgent nationalism and neo-communism. This argument triumphed, and Democratic Russia mobilized for Yeltsin. Forging the Democratic Choice coalition with members of Yeltsin's team including Yegor Gaidar, Gennady Burbulis, and Anatoly Chubais in July 1992, Democratic Russia focused on building support for privatization and for Yeltsin's referendum across Russia.⁵⁹

From Bush to Clinton: Growing Support for Yeltsin

While U.S. policymakers and non-state actors agreed that the advance of market-oriented democracy in the former Soviet empire would benefit U.S. interests, there was wide disagreement about how to promote this outcome. The crux of the debate hinged on whether or not to support Yeltsin. While a growing number of democracy assistance and émigré groups argued that Russia under Yeltsin was becoming an undemocratic and imperialist state, Bush and Clinton viewed Yeltsin as an indispensable partner and Russia as the state upon which the fate of reform in the FSU and Eastern Europe hinged. As outgoing Bush Secretary of State Lawrence Eagleburger argued in a memorandum to his successor Warren Christopher, "if reform fails in Russia, it most assuredly will mean the failure of reform throughout the former Soviet empire."

Clinton built upon Bush's Yeltsin-first, Russia-first orientation. However, the new president and his team placed greater faith in Russia's capacity for reform and embraced a more ambitious, idealistic agenda aimed at its internal transformation. Whereas Bush and James Baker had viewed Yeltsin primarily as a bulwark against revanchism and defined "success" in Russia

⁵⁸ Grant Report re: The Friends of the BBC Marshall Plan of the Mind, October, 19, 1995, Reel 7022 Grant # 930-1475, Ford Foundation Archives, Tarrytown, NY.

⁵⁹ Brudny, "The Dynamics of Democratic Russia, 1990-1993."

⁶⁰ Talbott, *The Russia Hand*, 45.

as "holding off a counter-reaction," Clinton saw Yeltsin and his reform team as capable of transforming Russia and, by extension, the FSU, along market democratic lines. ⁶¹ In a March 18 memorandum, Talbott laid out this new approach. "It should be U.S. policy," Talbott argued, "not just to prevent the worst, but also to nurture the best that might happen in the former Soviet Union." ⁶² Elaborating on this strategy in an April 1 address, Clinton stressed that the United States should endeavor to build a democratic Russia by forging a "strategic alliance" with Yeltsin and his reform team. Doing so would advance U.S. "security and prosperity." A democratic Russia would embrace liberal internationalist values, renounce its sphere of influence, and support European integration and the global spread of market democratic values. "[O]ur interests," Clinton concluded, "lie with Russian reform and with Russian reformers led by Boris Yeltsin." ⁶³

Driven by this belief, Clinton refused to recognize the tradeoff between building a strategic partnership with Moscow and promoting the democratization of its former empire.⁶⁴ Beginning with his candidacy, Clinton sought to win over Ukrainian and Baltic émigré constituencies whose support Bush had squandered through his hesitancy to support their aspirations for freedom. "Mr. Bush," the *Ukrainian Weekly*, asserted in October 1992, "severely damaged his relations with Ukrainians with his 'Chicken Kiev' speech, and by his unwillingness to see Ukraine's point of view in disputes with Russia." As Ukrainian-Americans defected from the Republican camp, Clinton seized the opening. In October 1992 he met with Ukrainian-

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⁶¹ James Baker with Thomas M. DeFrank, *The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992* (New York: G.P Putnam and Sons, 1995), 535. Baker wrote Bush in September 1991, "I think we need to be realistic in recognizing that success might amount simply to holding off a counterreaction."

⁶² Talbott, *The Russia Hand*, 52.

⁶³ William J. Clinton: "Remarks to the American Society of Newspaper Editors in Annapolis," April 1, 1993. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=46392.

⁶⁴ Slocombe, "A Crisis of Opportunity," 88; Talbott, *The Russia Hand*, 94-97.

⁶⁵ "Campaign '92: Gov. Bill Clinton on the Record for Ukrainian Americans," *The Ukrainian Weekly* 43, October 25, 1992.

American leaders, conducted an interview with the *Ukrainian Weekly* and, along with Bush, sent a campaign representative to the Ukrainian-American Washington Conference. Clinton's conference emissary, Penn Kemble, criticized Bush for sticking too long with Gorbachev, failing to support the republics' independence, and "put[ing] us in great danger of missing a truly miraculous opportunity . . . to make democratic government and economic freedom the norm in the world."

While the Bush team provided modest support for Chubais's privatization initiative through the FREEDOM Support Act, Clinton vastly expanded U.S. aid to Russian reform, focusing especially on economic assistance. Schooled in the principles of modernization theory, Clinton and his Treasury Department team embraced its classic "sequencing." However, they simultaneously placed a neoliberal faith in the power of free markets. Rapid, top-down market reform, they believed, would liberate free market energies of the Russian people from state control, create a pro-reform base of Russian owners, facilitate democratization, and ensure Yeltsin's political survival. Yeltsin is going to stand up to all of his enemies in the parliament, Clinton told Talbott, "he's got to be able to show progress on the economy . . . "69"

Seeking to give Yeltsin a political "boost" in the lead up to the crucial April 25 referendum, Clinton announced the dramatic expansion of bilateral and multilateral assistance to Russia. Dismissing warnings from Talbott that the United States must focus on supporting the democratic "principles" rather than one person, Clinton replied, "principles . . . don't exist in a vacuum . . . What's going on over there is about people . . . This is a zero-sum thing. They're not

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⁶⁶ Marta Kolomayets, "New Era of U.S.-Ukraine Relations Examined by Washington Conference," *Ukrainian Weekly* 60 no. 42, October 18, 1992.

⁶⁷ Note from Robert Zoellick to James Baker re: Russian Economic Reform and the IMF, June 2, 1992, JABP, and Slocombe, "A Crisis of Opportunity," 82.

⁶⁸ Talbott, *The Russia Hand*, 47-48; Goldgeier and McFaul, Power and Purpose, 112-113.

⁶⁹ Talbott, *The Russia Hand*, 47.

splitting the difference. That's why we've got to take sides."⁷⁰ At his Vancouver summit with Yeltsin in early April, Clinton pledged \$1.6 billion of a total \$2.5 bilateral aid package to the FSU to Russia, while the administration helped secure a \$4.5 billion IMF loan to Russia and spearheaded an emergency G-7 meeting in April that announced a \$28 billion package for Russia. ⁷¹ The U.S. bilateral package was focused on building support for Yeltsin's reforms among key constituencies, including the Russian general public and military. It funded initiatives like privatization and social safety net support intended to deliver tangible benefits of reform to the Russian people. In addition, the package allocated aid to build housing for Russian troops that were to withdraw from the Baltic States by 1994, reflecting the administration's embrace of cooperative security principles, desire to win Baltic-American votes, and attempt to combat military resistance to Yeltsin's reforms. ⁷²

USAID and Non-Governmental Groups Support Yeltsin

U.S. non-state actors served as key partners in the strategy to support Yeltsin and his team's economic reforms. Much of the growing pool of U.S. bilateral aid flowed from USAID and the Defense Department to U.S. NGOs and private firms. Reflecting the Bush and Clinton administration's strategic priorities, USAID grants focused on promoting GKI-led privatization and support for pro-Yeltsin political parties and election outcomes. The Defense Department worked with the non-governmental cooperative security network to promote the democratization of the Russian military and reduce its resistance to reform.

⁷⁰ Talbott, *The Russia Hand*, 55.

⁷¹ David Sanger, "Conditions are Set," New York Times, April 16, 1993; and Goldgeier and McFaul, *Power and Purpose*, 101, 125.

⁷² Talbott, *The Russia Hand*, 68-70.

The decision to funnel aid through U.S. intermediaries rather than give aid directly to Russian actors was motivated by domestic politics, fear of corruption in Russia, and USAID's lack of contacts there. However, it had two unintended drawbacks. First, the massively expanding aid pool attracted private contractors, referred to as "Beltway Bandits," who sought lucrative contracts but had little knowledge of Russia, tempted virtually all grantees to exaggerate their success to win future contracts, and spurred resentment among Russians, who viewed the influx of consultants, rather than direct aid, as "patronizing and stingy." Second, by funding U.S. non-governmental actors to support privatization and pro-Yeltsin political parties, USAID lent credence to the Russian nationalist argument that all U.S. non-state organizations, particularly democracy assistance groups, were subversive tools of the U.S. government.

USAID's primary focus was on privatization, spending \$150 million to support its launch between the fall of 1992 and 1994. The strategy reflected the assumption that privatization represented the "foundation . . . in the overall transformation process," essential to make reform irreversible. "The new entrepreneurs," AID's Thomas Dine exclaimed, were essential to build "a growing constituency for more change." As privatization got underway in the fall of 1992, USAID provided intellectual and logistical support to the GKI as it drafted privatization laws, distributed over 150 million vouchers to the Russian population at 40,000 Sberbank branches

http://clinton.presidentiallibraries.us/items/show/36625.

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⁷³ Fialka, "U.S. Aid to Russia is Quite a Windfall for U.S. Consultants." On the tendency to exaggerate results, see Bush "The Democracy Establishment;" Mendelson, "Democracy Assistance and Political Transition in Russia." On the Beltway Bandits, see" McFaul and Goldgeier, *Power and Purpose*, 98; Wedel *Collision and Collusion*; "The Harvard Boys Do Russia," *The Nation*, June 1, 1998; and "U.S. Foreign Aid and Foreign Policy: Building Strong Relationships by Doing It Right!," *International Studies Perspectives* 6 (2005): 35–50.

For nationalist fears of U.S. non-governmental subversion, see Loren Graham, *Moscow Stories* (Bloomington, IN: University of Indiana Press), 267, 271; Margaret Shapiro, "Russian Agency Said to Accuse Americans to Spying," *Washington Post*, January 14, 1995; Ivan Cheberko and Igor Pichugin, "Spies are Among the New Owners of Sviyazinvest: Counterintelligence Agents May Think George Soros is a Spy" *Kommersant*, August 2, 1997.
 "IMF Resources," National Security Council, Speechwriting Office, and Robert Boorstin, "Declassified Documents concerning Robert Boorstin, NSC Speechwriter," *Clinton Digital Library*, accessed June 10, 2015,

⁷⁶ Thomas Dine, "U.S. Aid for the Newly Independent States," *Problems of Post-Communism* 42 no. 3 (May/June 1995): 27-31.

across Russia, set up national and regional voucher auction systems, and endeavored to promote public support for and participation in the privatization process.⁷⁷

Lacking contacts and experience in Russia, USAID turned to a group from the Harvard Institute for International Development (HIID) to lead and oversee its privatization aid program. Selected for the strength of its "pre-existing relationships" with Chubais, the HIID team, which had started working with GKI in the fall of 1991, received \$40.4 million in non-competitive grants between October 1992 and 1995. During this period, HIID advised the GKI and played a central role in the establishment and operation of the Russian Privatization Center, created by Yeltsin in November 1992 to "provide ongoing advice to the Russian government in privatization, and coordinate foreign donor assistance in privatization." It also oversaw \$285 million of USAID grants to other consultants to support privatization.

Significantly, the Harvard team had close ties to the Clinton administration and helped shape its positive perception of privatization. In particular, Harvard economist Andrei Shleifer was close with Larry Summers, Clinton's undersecretary of the treasury for international affairs and Summers' deputy, David Lipton, with whom he had worked at Jeffrey Sachs and Associates. Believing that economic laws were universal and that Russians were "economic men' who rationally responded to incentives," Shleifer endorsed Chubais's notion that creating a class of private owners – even one composed of former Red Directors - would produce a functioning capitalist system. However, the HIID team underestimated and then willfully ignored the ways in which residual Soviet era institutions and informal practices distorted the

⁷⁷ Djelic and Sachs, "Russian Mass Privatization."

⁷⁸ U.S. Government Accountability Office, *Foreign Assistance: Harvard Institute for International Development's Work in Russia and Ukraine*, GAO/NSIAD-97-27, November 1996; and Wedel, *Collision and Collusion*.

⁷⁹ Wedel, *Collision and Collusion*, 126-7.

⁸⁰ Maxim Boycko, Andrei Shleifer, and Robert Vishny, *Privatizing Russia* (Cambridge: MIT Press, 1997), 9.

incentive structure in which Russian actors operated.⁸¹ In particular, Shleifer and Harvard colleague Jeffrey Sachs downplayed the extent to which insider privatization corrupted efforts to redistribute fairly the assets of the Russian state, recasting "Option 2" as an attempt to respect the rights of "stakeholders" and "compensate them for their implicit property rights.⁸² By reaffirming the narrative that privatization was advancing the development of a normal market economy and sanitizing its corrupt aspects, Shleifer, Sachs, and fellow Russian economic advisor Anders Aslund helped distort the administration's perception of privatization and reinforce its strong attachment to Chubais.⁸³ Aslund told Summers that Chubais was a "great man," while Thomas Dine of USAID considered Chubais and his team to be the "Adam Smiths of Russian reform economics."

USAID also contracted with firms, including Price Waterhouse, the World Bank's International Finance Corporation, and Deloitte and Touche, to organize and promote popular support for and participation in voucher auctions. In October 1992, USAID awarded the advertising firm Sawyer Miller \$6.24 million to organize a public information campaign on behalf of the GKI. The goal of the campaign, a USAID memorandum asserted, was to "communicate the benefits of privatization to a nation" unfamiliar with and "... at best ambivalent toward private ownership and free enterprise and will face painful adjustments partly as a result of privatization." After public opinion research revealed widespread Russian fears that

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⁸¹ Stephen Kotkin makes this argument in *Armageddon Averted: The Soviet Collapse, 1970-2000* (New York: Oxford, 2008), 168.

⁸² Boycko, Shleifer, and Vishny, Privatizing Russia, 14; Djelic and Sachs, "Russian Mass Privatization."

⁸³ Wedel, Collision and Collusion, 136.

⁸⁴ Marsden, Lessons from Russia: Clinton and U.S. Democracy Promotion, 64; Dine, "U.S. Aid for the Newly Independent States."

Price Waterhouse, Final Report Submitted to U.S.A.I.D. for the Russia Mass Privatization National Auction System Contract and the NIS Omnibus Contract Order 2: Mass Privatization Program, PD-ABN-335 ISN 91716; Deloitte and Touche, U.S. Agency for International Development: Final Report on Activities Performed under the Task Orders 1-0006-DTT and 3-0010-DTT, March 1995, PN-ABW-195 ISN 95213; and International Finance Corporation, Final Financial and Operational Report, USAID Grant CCN-0005-G-3036-00, Mass Privatization Program, October 1994, PD-ABJ-559, ISN 90932.

privatization was rigged to benefit the elite, the ad campaign emphasized the "fairness of the Russian privatization process." Among Russian people it spread the same distorted message that the Harvard group pushed on the Clinton administration: privatization was fair and advancing the development of a healthy capitalist economy. 87

USAID outsourced democracy assistance to three of the four NED core institutes, the Free Trade Union Institute (FTUI), the National Democratic Institute (NDI), and the International Republican Institute (IRI). A November 1991 USAID strategy document underscored that officially-funded U.S. democracy assistance should be "non-partisan" to avoid the appearance of U.S. internal interference in other nations' affairs and "offered equitably to all groups committed to the democratic process, regardless of their specific platforms or programs." Yet, in reality, USAID grants to the NED institutes did not work this way.⁸⁸

After receiving a \$1.04 million USAID grant in September 1992, the AFL-CIO's Free Trade Union Institute engaged in the highly partisan task of building union support for privatization. ⁸⁹ Russian unions were in desperate shape by late 1992, with the collapse of state subsidies leading to wage arrears and privatization threatening massive job loss. The majority of Russian workers belonged to the Federation of Independent Unions of Russia (FNPR), the successor to the Soviet era state union, which opposed Gaidar's shock therapy and Chubais's privatization, fought to preserve state subsidies, and sided with Parliament in its struggle with

⁸⁶ USAID Award/Contract CCS-005-C-2082-00, Sawyer Miller Group, September 30, 1992, PD-ABG-840.

⁸⁷Deloitte Touche Tohmatsu with Robinson Lake Lehrer Montgomery /Sawyer Miller Group, Public Information Program in Support of Russian Mass Privatization, August 1-1993-February 28, 1994, Final Report, Contract CCN-0005-00-C-3123-00, April 29, 1994, PD-ABI-801.

⁸⁸ U.S. Agency for International Development, "USAID Policy: Democracy and Governance," November 1991, available online http://pdf.usaid.gov/pdf_docs/Pnabl224.pdf.

⁸⁹ Evaluation of Grant No. CCS-0007-G-2075 with the Free Trade Union Institute for the AFL-CIO for Democratic Pluralism Initiatives in the New Independent States of the Former Soviet Union (Project 110-0007), submitted to the U.S. Agency for International Development, March 31, 1994, PD-ABN-015 90835.

Yeltsin.⁹⁰ By contrast, independent unions founded in the late *perestroika* years, like the Independent Miners Union (NPG), Svobodny Ural, and Sotsprof supported privatization and Yeltsin's bid to dissolve of the Congress of People's Deputies.⁹¹

While numerous struggling unions sought FTUI aid in order to "garner support and alliance with a powerful American ally," USAID reported, the FTUI worked only with independent, liberal, pro-reform unions. 92 It created the Russian American Free Trade Union Research and Education center (RAFTURE) to respond to requests for technical assistance and with NED funding established a radio program and workers' newspaper *Delo*. 93 Very pro-Yeltsin, *Delo* discouraged workers from mounting protests criticizing reform and pushed independent unions to join together in a pro-reform confederation discouraging "splitters." 94

The NED's National Democratic Institute and International Republican Institute functioned in a similarly partisan manner. Both emphasized supporting the democratic process over specific political outcomes and devoted significant resources to non-partisan activities like election monitoring and civic education programs. However, their political party development activities devoted disproportionate resources to pro-Yeltsin organizations, like Democratic Russia.

The International Republican Institute's primary Russian partner was Democratic Russia. While the IRI, which received \$4.4 million from USAID from mid-1992 through 1994, did not work only with Democratic Russia it sought to build the pro-Yeltsin organization's national

⁹⁰ Linda J. Cook, *Labor and Liberalization: Trade Unions in the New Russia* (New York: Twentieth Century Fund Press, 1997), 5.

⁹¹ Lyudmila Alexeyeva, Trip to Moscow Report, 10-20 December, 1992, "The Alexeyeva File: Soviet American and Russian Documents on the Human Rights Legend," *National Security Archive Electronic Briefing Book No. 37*, http://nsarchive.gwu.edu/NSAEBB/NSAEBB387/.

⁹² Evaluation of Grant No. CCS-0007-G-2075 with the Free Trade Union Institute.

⁹³ National Endowment for Democracy, 1993 Annual Report, October 1, 1992-September 30, 1993.

⁹⁴ Cook, *Labor and Liberalization*, 91; David Bacon, "Solidarity without Pay in Russia," *The Nation*, April 27, 1998.

mobilizational capacity. It invited Democratic Russia's leaders "to attend . . . local seminars to encourage improved vertical networking and communication as well as to clarify the identity of the movement . . ."95

Receiving a \$3.85 million from USAID from May 1992 through 1994, the National Democratic Institute provided even more personalized support for Yeltsin in his struggle with Parliament. Find Influenced by Stanford professor and NDI advisor Michael McFaul, the NDI viewed Parliament as an undemocratic body, responsive not to the Russian people, but to Soviet era corporatist interests. Recause the vast majority of deputies were not democratically oriented, an NDI report explained, the NDI avoided direct political training with that body through December 1993. Like the HIID did with Chubais, the NDI placed great faith in Yeltsin and the small group of reformers around him, supporting individuals who form the core of the new organizations that are at the center of the democratic transition in Russia. As Sarah Mendelson, who began work for the NDI in Moscow in 1994 recalls, I had walked into a world of optimism We thought we were on the frontier of a democratic revolution.

Along with the IRI, the NDI collaborated with Democratic Russia to promote a pro-Yeltsin outcome in the April 25, 1993 referendum. NDI trainer Greg Minjack held a seminar for Democratic Russia, helping the organization mobilize popular support by collecting the names of 30,000 supporters through volunteer cards. On March 21, the NDI invited Yeltsin aide

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⁹⁵ Revised Draft Report, Evaluation of Cooperative Agreement No. CCS-007-A-00-2021-00 with the International Republican Institute for Democratic Pluralism Initiatives in the Newly Independent States of the Former Soviet Union (Project 110-0007), April 7, 1994, PD-ABN-016 90836.

⁹⁶ USAID-NDI Cooperative Agreement CCS-007-A-00-2019-00, May 15, 1992.

⁹⁷ "Russia," *NDI Reports* (Winter/Spring 1994); See, for example, Michael McFaul, "Russian Politics: The Calm Before the Storm?" *Current History* (October 1994): 313-319; McFaul, "The Democrats in Disarray," McFaul, "State Power, Institutional Change and the Politics of Privatization in Russia."

⁹⁸ National Democratic Institute, Two Year Report: Former Soviet Union, Cooperative Agreement #CCS-0007-A-2019, September 1992-August 1994, PD-ABK-078 92008.

⁹⁹ Sarah Mendelson, "Dreaming of a Democratic Russia," *The American Scholar* 77 no. 1 (January 1, 2008): 35-43, 36-37.

^{100 &}quot;NDI Expands Activities in the FSU," *NDI Reports* (Spring 1993).

Gennady Burbulis to speak at its Washington office, where he railed against Yeltsin's opponent Ruslan Khasbulatov. Prior to the referendum, the NED provided \$200,000 to the IRI and NDI to bring democratic leaders to the United States for political training. ¹⁰¹

Finally, a network connecting the Defense Department, Russian deputy defense minister Andrei Kokoshin, and the Carnegie Corporation worked together to promote the democratization and privatization of the Russian military-industrial complex. The Defense Department, the CCNY and key grantees, like Harvard, Brookings, and Stanford worried that the Russian military establishment might thwart the country's democratic development. Russia had inherited fifty percent of Red Army troops but fifteen percent of the Soviet budget. The social dislocation and job loss produced by defense spending cuts and the erosion of the Russian military's status could lead to a backlash against economic reform and topple Yeltsin from power. By providing cooperative security aid, U.S. actors sought to avert this outcome.

Following the Vancouver summit, Carnegie worked with the Defense Department to support the "cooperative security principles" that "resonate through the economic assistance package offered to President Yeltsin." In June 1993, the CCNY awarded \$1.05 million to the Harvard Kennedy School for a series of initiatives "promoting the democratization of Russian national security culture." While Carnegie alone sponsored Harvard's politically "sensitive" advisory meetings with Russian military elites, the DoD offered official support for Harvard's executive training program for Russian military general staff officers and its joint U.S.-Russian

WE/MBI, March 21, 1993.

National Democratic Institute, Two Year Report: Former Soviet Union, Cooperative Agreement #CCS-0007-A-2019, September 1992-August 1994, PD-ABK-078 92008; National Endowment for Democracy, *Annual Report* 1993; John Wallach, "Yeltsin Ready to Deal: Compromise Seen Likely with Khasbulatov on Constitution,"

¹⁰² David Speedie, CCNY Grant Recommendation Memorandum, Harvard University Grant B5862, June 1993; John F. Kennedy School of Government Proposal to the Carnegie Corporation of New York for Programs Promoting the Democratization of Russian National Security Culture, April 16, 1993 folder 5, Box 1545, Harvard University, Series III.A, Grants, CCNY.

¹⁰³ Carnegie Corporation of New York, Grant Recommendation Memorandum, August 11, 1993, folder 5, Box 1454, Brookings Institution, Series III.A Grants, CCNY.

seminar program with the RAND Corporation on post-Cold War conventional force structures. 104 Secretary of Defense Aspin strongly endorsed the general staff program, and the Defense Department provided \$400,000 to support the Harvard/RAND seminars. 105 Carnegie also provided Brookings \$1.5 million to study defense conversion in collaboration with the ISKAN Center for Conversion and Privatization; and it continued to support the Stanford defense conversion program, focused on privatization. 106

The Rise of Alternative Aid Strategies

Key democracy assistance groups like Soros and the NED, however, began to reject the notion that the best way to foster democratization in the former Soviet Union was through personalized support for Yeltsin and Russian state-led economic reform. Although Soros and the NED had supported Yeltsin as the leader of the Russian democratic movement since 1989, by mid-1992 they began to see his weak, corrupt Russian state as an ineffectual reform vehicle. Within Russia, Soros and the NED shifted their support away from Yeltsin. Reverting to their original, pre-Yeltsin focus on empowering human rights organizations, civil society groups, and small-scale entrepreneurs vis-à-vis the state, they supported "concrete, minimalist, focused and region-specific" projects that would provide tangible benefits to the Russian people. 107 At the same time, the NED and the émigré groups it funded pushed U.S. policymakers to redirect aid to and develop a closer relationship with Ukraine.

¹⁰⁴ CCNY, Payment Authorization, Harvard University, June 10, 1993, folder 5, Box 1545, Harvard University, Series III.A, Grants, CCNY.

¹⁰⁵ Final Progress Report on Grant B5862, December 12, 1994; Letter from Robert Blackwill to Pavel Grachev, March 9, 1993, folder 5, Box 1545, Harvard University, Series III.A, Grants, CCNY.

¹⁰⁶ Carnegie Corporation of New York, Grant Recommendation Memorandum, August 11, 1993, folder 5, Box 1454, Brookings Institution; and Grant Recommendation Memorandum, January 1993, folder 4, Box 1669, Stanford, Series III.A Grants, CCNY.

107 Fred Hiatt, "Rescuing Russia: Learning How to Teach Russians Capitalism," *Washington Post*, March 2, 1993.

Over the course of 1992, Soros grew disillusioned with Russian state-led economic reform. After Soros told Gaidar in April 1992 that "shock therapy" was not working, the subsequent resurgence of the enterprise lobby and Geraschenko's inflationary policies further undermined efforts to achieve macroeconomic stabilization. Soros was alarmed by the fact that the Russian state was pursuing policies that impoverished the Russian people at the behest of the West. Unable to collect sufficient tax revenue, it withheld workers' wages to meet IMF budgetary requirements. 108 Concerned by corruption among the former Soviet nomenklatura at his own Moscow Cultural Initiative Foundation (CI), Soros quickly identified privatization as a "free-for-all aimed at expropriating assets of the state." ¹⁰⁹

In a November 1992 op-ed in the Wall Street Journal, Soros argued that by using aid primarily to support Russian state-led economic reform, the West was subsidizing an ineffectual and unpopular set of policies. Rather than imposing impossible conditions upon and funneling aid through an increasingly corrupt and inept state, the West should provide generous aid directly to the Russian people. He proposed that the IMF should loan and closely monitor the disbursement of \$15 billion to pay for Russian pensions. 110 Because the USSR had a weak civil society and virtually no independent non-profit and foundation sector – in fact, an April 1992 report ordered by the Cultural Initiative found that the Russian people were unfamiliar with and suspicious of the work of charitable organizations - the collapse of Soviet state services left

¹⁰⁸ George Soros, "Who Lost Russia?" The New York Review of Books, April 13, 2000.

¹⁰⁹ Mezhdunarodnyi Fond "Kul'turnaya Initsiativa": Konseptsiya Organizatsionnogo Razvitiya, Moscow, June 1992, folder "Informational Brochures, 1990-1995," Fond 349, Subfond 1, Series 1, Registration Documents, Box 2, Open Society Archives, Budapest, Hungary, [OSA]; Hiatt, "Rescuing Russia;" Kauffman, Soros, 226; Leonid Nikitinskii, Trudno Delat' Dobro: Fond Sorosa, 1987-1997 (New York: Open Society Institute, 1997). In October 1991 Soros fired former apparatchik and financial director Vladimir Aksyonov for embezzlement, while a June 1992 CI report cited the need for much tighter oversight of the foundation's finances. In March 1993, Soros lamented that his foundation had become a "victim of the transition," suffering the same convulsions as Russian society. ¹¹⁰ George Soros, "A Cold Cash Winter Proposal for Russia," *The Wall Street Journal*, November 11, 1992.

Russians with almost no social safety net. 111 Soros therefore concluded that "practical and tangible benefits from Western aid," would enhance the goodwill of the Russian people toward the West and prevent their rejection of market-oriented democracy writ large. 112

When his proposal received very little attention in the West, Soros decided to use some of the billions that he had recently made to show "that foreign aid could be made to work." He sought temporarily to fill the role of the failing Russian state. He funded science research and education initiatives that it could not afford. He also promoted the growth of a Russian philanthropic sector that could help fill the void left by the collapse of state funding in these sectors. And, he sought to nurture a Russian civil society that could monitor and check the state.

Soros's largest initiative was his support for Russian science. After learning from biologist and Russian émigré Alex Goldfarb that the Russian state could no longer pay scientists, Soros met with Russian minister of science Boris Saltykov in April 1992 to discuss "international aid." His foundation granted \$100,000 to Goldfarb to facilitate connections between Russian labs and U.S. foundations and \$1 million to Russian scientists to create a Russian foundation supporting the study of biology. 114 In December 1992, Soros took his most dramatic step by donating \$100 million to establish the New York-based International Science Foundation (ISF) to support Russian science. 115 The ISF immediately initiated an Emergency Grants program, awarding \$500 to every Russian scientist who had published three articles in the past five years. The grants, which were substantial given the average scientist's salary of \$15

¹¹¹ VTsIOM, Otchet: Otnoshenie Naseleniya k Blagotvoritel'nosti i Rabote Fondov, April 19, 1992, folder "Board Meeting 24 [2], 1992," Fond 349, Subfond 1, Series 2 Board Minutes, Box 8, OSA.

¹¹² Soros, "My Philanthropy," 25.
113 Soros, "Who Lost Russia?"

¹¹⁴ Kauffman, Soros, 268-9; Letter from Elena Karpukhina to Boris Saltykov, April 9, 1992, folder "Correspondence," Fond 349, Subfond 1, Series 1, Registration Documents; and Mezhdunarodnyi Fond "Kul'turnaya Initsiativa," Proekty, Prinyatye k Finansirovaniyu, 1992-1994, folder "Lists of Programs, 1988-1994," Fond 349, Subfond 2, Series 5, Programs, OSA.

¹¹⁵ "A Big Grant for Russian Science," New York Times, December 14, 1992.

and \$20 per month, reached 26,145, or 23% of Russian scientists. Thereafter, the ISF initiated a competitive, long-term grants program. It was intended to act as a model for U.S. foundations, the Russian state, and the nascent Russian charitable sector on how to stimulate independent scientific research in a system previously entirely state funded with no system of peer review.¹¹⁶

In addition, Soros launched the "Transformation of Humanities Program." In collaboration with the Russian Ministry of Education, he sponsored a year-long competition beginning in September 1992 soliciting proposals for economics textbooks to be used in Russian schools. Of 1,700 applications, 400 were selected. ¹¹⁷ Soros's Cultural Initiative Foundation, not the Russian state, funded the project, donating \$10 million for authors' salaries, textbook printing, and distribution. ¹¹⁸ Soros and the CI also worked to build up a non-governmental sector that could monitor and check the state. For example, the CI funded the International Research Center for Human Rights organized by members of the Moscow Helsinki group. The Center was to function as Russia's first human rights "think tank" and "create a network of [human rights] NGOs analogous to that which exists in the West." This network was supposed to build a legal infrastructure supporting human rights and educate Russian citizens on those rights. ¹¹⁹

The NED initiated efforts to promote economic reform by aiding small-scale entrepreneurs. While three of its four core institutes continued to receive USAID funding and

¹¹⁶ Irina Dezhina and Loren Graham, "Russian Basic Science After Ten Years of Transition and Foreign Support;" Graham, *Moscow Stories*, 267; and Scott Kohler, *Case 79: International Science Foundation*, Soros Foundations/Open Society Institute, 1992, https://cspcs.sanford.duke.edu/sites/default/files/descriptive/international science foundation.pdf.

Letter from Elena Karpukhina to Minister of Education Dneprov, April 9, 1992, folder "Correspondence," Fond 349, Subfond 1, Series 1, Registration Documents, Box 1; Mezhdunarodnyi Fond "Kul'turnaya Initsiativa," Brochure, folder "Informational Brochures, 1990-1995," Fond 349, Subfond 1, Series 1, Registration Documents, Box 2, OSA.

¹¹⁸ Otto Latsis, "Capitalist Soros, Critic Kozhnikov, and Student Yegorov in Battles for Russian Culture," *Izvestiya*, August 5, 1993.

International Research Center for Human Rights, Press Release Number 1, August, 18, 1992, folder "Board Meeting 27[1], 1992, Fond 349, Subfond 1, Series 2, Board Minutes Box 8; and "Kul'turnaya Initsiativa," Proekty, Prinyatye k Finansirovaniyu, 1992-1994, folder "Lists of Programs, 1988-1994," Fond 349, Subfond 2, Series 5, Programs, Box 1, OSA.

support pro-Yeltsin parties and GKI privatization, the NED itself began to turn away from this strategy. This was evident in its grants of \$175,000 in 1992 and \$160,000 in 1993 to its fourth core institute, the Chamber of Commerce's Center for International Private Enterprise (CIPE). 120 CIPE's approach to economic reform differed from the Clinton administration's and USAID's. 121 Although USAID had started to integrate democratization into its development strategy, it continued to assign priority to market reform as an essential prerequisite for democratization. By contrast, CIPE viewed democratization and good governance as preconditions for a functioning capitalist economy, not developments that would flow from its establishment. 122 Influenced by Peruvian economist Hernando De Soto, whose work argued that byzantine regulatory structures pushed entrepreneurial activity into the informal, or illegal, sector CIPE emphasized that poor governance, corruption, and informal structures corroded markets. 123 CIPE, therefore, rejected the GKI and USAID notion that all capitalists were allies of market reform.

CIPE had long been skeptical of Red Directors. Board member Charles Smith argued in a February 1988 letter to NED president Carl Gershman that CIPE should not waste its limited resources on the Soviet Union where it had few entrepreneurial allies. Soviet "business managers" were chief beneficiaries and strong proponents of the old order; they could not be expected to promote "free market principles." In September 1992, CIPE president John

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¹²⁰ National Endowment for Democracy, *Annual Report 1992*, October 1, 1991-September 30, 1992; and NED, *Annual Report 1993*.

¹²¹ On the different approaches of democracy assistance and development organizations see Thomas Carothers, "Democracy Support and Development Aid: The Elusive Synthesis," *Journal of Democracy* 21 no. 4 (October 2010): 12-26.

¹²² On CIPE's approach, see Michael Samuels, "The Role of Business in Political Economic Development Abroad," *Commonsense* 6 No 1 (December 1983): 113-121, 115; John Sullivan "Democratization and Business Interests," *Journal of Democracy* 5 no. 4 (October 1994) 146-160.

¹²³ CIPE, "Institute for Liberty and Democracy," folder 20 "Personal Office File: Hernando de Soto," Box 6, Series II, NED; Hernando de Soto, "The Informals Pose an Answer to Marx," *The Washington Quarterly* 12 no 1 (Winter 1989): 165-72; and CIPE, *Twenty Years After the Fall of the Berlin Wall: Lessons Learned and the Future of Reform*, Conference Report, Kiev, Ukraine, November 16-17, 2009.

¹²⁴ Letter from Charles Smith to Carl Gershman, February 28, 1988, folder 21 "Board of Directors: Smith, Charles, 1987-88," Box 1, Series II, NED.

Sullivan wrote an essay echoing this point and criticizing U.S. economic aid for benefitting primarily large state firms. At a CIPE-sponsored a conference in Moscow entitled "Who is the Russian Entrepreneur?," democrat Ilya Zaslavsky rejected the notion that "as long as capitalists exist, normal market processes will be able to take shape." ¹²⁵ Rather, he divided Russia's nascent entrepreneurial class into three groups: the mafia, *nomenklatura*, and small entrepreneurs. Because the mafia and *nomenklatura* profited from the distortions that emerged in the transition from communism to capitalism, they did not want to build a capitalist society but rather to use their political connections to "continue the suspended state where they can make money." By contrast, small entrepreneurs who lacked high-level connections favored the development of a market based upon the rule of law. ¹²⁶

Endorsing Zaslavsky's notion that small entrepreneurs, not the *nomenklatura*, were the true agents of capitalist development in Russia, CIPE assisted them. It aided in the establishment of local chambers of commerce. These chambers were to serve as mechanisms to help small businesses assert their legal rights and overcome the major barriers to entrepreneurship in Russia. These obstacles included arbitrary state control of property rights, a culture of bribery, widespread mafia activity, Soviet-era anti-speculation laws, and limited access to credit.¹²⁷

In addition, the NED and the émigré organizations it funded lobbied the Bush and Clinton administrations to broaden U.S. aid and engagement with Ukraine. By the fall of 1993, their efforts contributed to two significant developments in U.S. policy: Clinton removed the

¹²⁵ John Sullivan, "Russian Reforms and Entrepreneurship," *CIPE Report*, September 8, 1992, folder "Russia," Fond 103, Subfond 1, Series 50, COLPI: Country Specific Articles, Box Russia (1991-1992), OSA; NED, *Annual Report 1992*.

¹²⁶ Ilya Zaslavsky, "Who is the Russian Entrepreneur?" *Economic Reform Today* (Fall 1992) www.cipe.org/publications/fs/ert/e06/6zaslav.htm.

¹²⁷ Sullivan, "Russian Reforms and Entrepreneurship;" NED, Annual Report 1992; Annual Report 1993.

preconditions blocking Ukraine from receiving Nunn-Lugar aid, and he earmarked \$300 million for Ukraine in the \$2.5 billion aid package to the FSU.

Key figures at the NED, including board member Zbigniew Brzezinski, Soviet specialist Nadia Diuk, and head of the AFL-CIO's International Department Adrian Karatnycky argued, that, despite Russia's move toward democratization, it remained an imperialist nation that sought to retain its sphere of influence. They contended that Russia's strategic interests were incompatible with the United States' desire to promote European integration and expand democracy in the FSU and in Eastern Europe. As Diuk and Karatnycky (both Ukrainian-American) wrote in their 1993 book, "The growing opposition to President Yeltsin raises questions about making Russia the only focal point of the West's post-Soviet policies and requires a second look at bolstering democratic forces and reinforcing the sovereignty and independence of the other republics . . . particularly Ukraine." 130

A democratic, independent Ukraine, they argued, represented a potentially more productive partner than Russia. U.S. policymakers had been too quick to identify with Moscow. The United States had erred by treating Russia's strategic interests in the FSU as its own and by accepting Russia's view of Ukraine as nationalistic and unstable. Ukraine's unwillingness to give up its nuclear weapons reinforced this perception. Soon after signing the May 1992 Lisbon protocol, promising to eliminate its remaining strategic nuclear weapons and accede to the Non-Proliferation Treaty as a non-nuclear nation, Ukraine balked. Before it would proceed with denuclearization, Ukraine demanded security guarantees from the West. It also wanted Nunn-

¹²⁸ See, for example, Karatnycky, "The Ukrainian Factor;" "Leadership Conference Focuses on Building Ukraine's Future," *Ukrainian Weekly* 61 no. 43, October 24, 1993.

¹²⁹ See, for example, Nadia Diuk and Adrian Karatnycky, *New Nations Rising: The Fall of the Soviets and the Challenge of Independence* (New York: John Wiley and Sons, 1993), 270; Zbigniew Brzezinski "The Premature Partnership," *Foreign Affairs*, March 1, 1994.

¹³⁰ Diuk and Karatnycky, New Nations Rising, 271.

Olexy Haran, "The Disintegration of the Soviet Union and the U.S. Position on the Independence of Ukraine," Discussion Paper 95-09, Center for Science and International Affairs, Harvard University, August 1995.

Lugar dismantlement assistance and compensation for the enriched uranium it was transferring to Russia. While the Bush administration offered Ukraine \$175 million in Nunn-Lugar aid in December 1992, it conditioned that aid upon Ukraine first ratifying START and acceding to the NPT. Clinton and his team continued this policy initially upon taking office. 133

The NED and its émigré allies argued that Ukraine's position represented not irrationality, but genuine insecurity vis-à-vis Russia. The United States therefore should not dismiss Ukraine's concerns, but do everything possible to protect Ukraine's independent status and promote its democratization. These goals, radical Ukrainian democrat Vyacheslav Chornovil argued, were mutually interdependent. Chornovil rejected moderates' argument that Ukrainian democrats should support Kravchuk in order to unify Ukraine and secure its independent statehood. He insisted that democratization, decommunization, and state-building were inseparable. As long as Ukraine remained a communist society at the "grassroots level" it would stay in Russia's orbit. Only if it embraced democratization and market reform could it join Europe. 135

The NED supported strengthening the unity of the Ukrainian democratic movement and offered aid through intermediaries to radicals and moderates alike. ¹³⁶ However, its leadership generally favored Chornovil's more provocative anti-Russian position that linked Ukrainian security explicitly with democratization and membership in the West. For example, in his keynote address at the October 1992 Ukrainian-American Washington Conference NED

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¹³² Sigal, Hang Separately, 265-66.

¹³³ James Goodby, "Preventive Diplomacy for Nuclear Non-Proliferation in the Former Soviet Union," in Bruce Jentleson ed. *Opportunities Missed, Opportunities Seized: Preventive Diplomacy in the Post-Cold War World* (New York: Rowman and Littlefield, 2000), 117.

¹³⁴ National Democratic Institute for International Affairs, Pre-Election Report: The March 27, 1994 Parliamentary Elections in Ukraine," March 16, 1994, PNACC-233-97025.

¹³⁵ Karatnycky, "The Ukrainian Factor."

¹³⁶ For example, the NED funded the U.S.-Ukraine Foundation's Democracy Institute, on whose Board moderate Rukh members Mykhailo Horyn and Ivan Drach sat. See NED Annual Report 1992 and Annual Report 1993 and Kolomayets, "New Era of U.S.-Ukraine Relations Examined by Washington Conference."

president Carl Gershman attacked the moderate position. "[I]n certain places today in Ukraine," he lamented, "... there is the feeling that Ukraine needs a strong state to assure its independence . . . that the interests of the nation are higher than those of the individual, and that statehood has to come before democracy." However, Gershman argued, "the building of a nation cannot take place without democracy." ¹³⁷

Urging the Clinton administration to support Ukraine's aspirations for democracy, independence from Russia, and membership in the West, the NED network pursued two key goals over the course of 1993. First, it pushed the Clinton administration to remove the preconditions for Nunn-Lugar aid to Ukraine and offer binding security guarantees. ¹³⁸ In March 1993, the AFL-CIO and the NED funded-organizations sponsored Chornovil's visit to the United States, while the endowment invited fellow radical Serhii Holowaty to speak at its international democracy conference in April. Both men appealed to the United States to offer aid and security guarantees. Chornovil suggested that Ukraine should have the right to join NATO. In addition, Chornovil argued in a meeting with Graham Allison, who had joined the Clinton administration as Assistant Secretary of Defense for Policy and Plans, that U.S. demands for Ukraine to disarm unilaterally without compensation was fueling opposition to START ratification in the Ukrainian Parliament. Nunn-Lugar aid was essential to spur denuclearization. ¹³⁹

The NED network also pushed for greater aid to support Ukraine's political and economic reform. In April, Holowaty implored, "Western aid is vital to help develop and strengthen Ukraine's incipient democratic institutions," especially given the rise of "paranoid,

¹³⁷ Quoted in Kolomayets, "New Era of U.S.-Ukraine Relations Examined by Washington Conference."

^{138 &}quot;Campaign '92: Gov. Bill Clinton on the Record for Ukrainian Americans."

¹³⁹ Olena Stercho, "Rukh Leader Visits Philadelphia to Clear up 'Misconceptions'" and Roma Hadzewycz,

[&]quot;Vyacheslav Chornovil Outlines Positions of Ukraine, Rukh," *Ukrainian Weekly* 61 no. 12, March 21, 1993; NED, *Annual Report 1993*.

nationalist government" and the looming threat that Parliament might overthrow Yeltsin. 140 Prior to the passage of Clinton's \$2.5 billion aid package to the FSU in September 1993, the Ukrainian National Association (UNA) campaigned for Congress to allot more aid to Ukraine. UNA Washington office chief Eugene Iwanciw appealed to Ukrainian-Americans to write Congress to support amendments proposed by Mitch McConnell (R-KY) and Harris Wofford (D-PA) along these lines, declaring "We have an opportunity to change U.S. policy to a more even-handed policy and to insure that our tax money is going not only to Russia but to Ukraine."¹⁴¹

The NED network helped push U.S. policy toward deeper engagement with Ukraine. Congress earmarked \$300 million for Ukraine. Combined with the Clinton administration's embrace of cooperative security principles, political pressure spurred a shift in the U.S.-Ukraine policy. In May 1993, the Clinton administration released \$175 million of Nunn-Lugar aid, providing a crucial incentive for Ukraine to resume denuclearization. 142

The closer relationship between the United States and Ukraine provoked a backlash in Russia. 143 In response to Clinton's shift in policy, head of the Russian Foreign Intelligence Service Yevgeny Primakov accused the United States of using this "generous offer of assistance" to pull Ukraine into a Western camp "that would encircle Russia with our formal fraternal republics and allies." ¹⁴⁴ Following Yeltsin's violent October showdown with Parliament, the NED backed Ukrainian-American network joined with Baltic and Eastern European émigré

¹⁴⁰ Serhii Holowaty, "Ukraine: A View from Within," Journal of Democracy 4 no. 3 (July 1993): 110-113.

¹⁴¹ Eugene Iwanciw, "We Must Continue to Speak Out," *Ukrainian Weekly* 61 no. 36, September 5, 1993; and "In the United States: Lobbying, Aid Programs," Ukrainian Weekly 61 no. 52, December 26, 1993.

¹⁴² Sigal, Hang Separately, 262; "Talbott Visit Signals Sea Change in US Ukraine Ties," Ukrainian Weekly 61 no. 20, May 16, 1993; Hryshchenko, "Reducing the Nuclear Threat through Joint Efforts: The View from Ukraine," 151-53.

¹⁴³ On the threat to Russia posed by Ukraine's integration with the West, see Sherman Garnett, Keystone in the Arch: Ukraine in the New Political Geography of Europe (Washington DC: Carnegie Endowment for International Peace, 1997); Anatol Lieven, Ukraine and Russia: A Fraternal Rivalry (Washington DC: United States Institute of Peace, 1999); Roman Solchanyk, Ukraine and Russia: The Post-Soviet Transition (Lanham, MD: Rowman and Littlefield, 2001)

¹⁴⁴ Talbott, *The Russia Hand*, 80.

groups to place rising pressure on the Clinton administration to embrace NATO expansion. These developments exacerbated the tension in U.S. policy between the imperative to build a strategic partnership with Russia and the imperative to advance democracy in Russia and its former constituent republics.

The "October Events" and the Demise of Russian Reform

A violent showdown between Boris Yeltsin and Parliament in October 1993 marked the culmination of Russia's constitutional crisis and a turning point in its development. Although Yeltsin emerged victorious in the April 25 referendum, his struggle with Parliament continued to deepen. On September 21, 1993 he issued a decree disbanding Parliament and calling for new elections. Parliament rejected the decree, impeaching Yeltsin and declaring Rutskoi the president of Russia, and an unstable situation of dual power emerged. Anti-Yeltsin demonstrators gathered outside the White House where Parliament had barricaded itself. Groups including the former Soviet state labor union FNPR protested IMF-recommended economic policies that caused mounting wage arrears. Violence erupted on October 3 and 4 when Yeltsin ordered the army to intervene after protestors stormed the Ostankino television station. The "October events" left 143 people dead, while Yeltsin imposed stricter censorship, restricted the access of nationalist and communist opposition groups to state media, and introduced a constitution with expansive presidential powers for approval via popular referendum.

Thereafter, reformers' influence over Yeltsin diminished significantly. Reform parties faired very poorly in the December parliamentary elections, while the xenophobic, nationalist party led by demagogue Vladimir Zhirinovsky captured the largest portion of the vote, 22

¹⁴⁵ Michael McFaul, *Understanding Russia's 1993 Parliamentary Elections* (Stanford CA: Hoover Institution Press, 1994), 5.

¹⁴⁶ Helsinki Watch, Annual Report, December 1993.

percent. In January 1994, reformist minister of finance Boris Fyodorov and Yegor Gaidar resigned from the Russian government, and a nationalistic group referred to as the "Party of War" increasingly dominated Yeltsin's inner circle. Including Russian Minister of Defense Pavel Grachev and Yeltsin bodyguard Alexander Korzhakov, the group helped spur Yeltsin to invade the breakaway region of Chechnya in December 1994, initiating a bloody conflict, rife with human rights violations, that did not end until 1996.¹⁴⁷

As the Russian people grew disillusioned with reform, Yeltsin and Chubais depended more and more on a group of Russian "oligarchs," who had become wealthy in the transition to capitalism, to support their pro-market agenda. Russia's new capitalists, including Mikhail Potanin, Boris Berezovsky, Vladimir Gusinsky, and Mikhail Khodorkovsky, however, were less interested in building a sustainable, legal economy than in promoting their own enrichment through political connections. They did not create wealth, but built fortunes by capturing state assets whose market value was poorly understood.¹⁴⁸

This trend culminated with the notorious "loans for shares" deal. With the state coffers empty and Boris Yeltsin's approval ratings as low as six percent in the lead up to the 1996 presidential elections against Communist challenger Gennady Zyuganov, Yeltsin and Chubais turned to the oligarchs in an attempt to save Yeltsin and market reform. Fearful that Zyuganov would reverse marketization, the oligarchs seized an opportunity to profit from the weakness of the Russian state. They offered Yeltsin their political and financial support, bankrolling his campaign in return for controlling stakes in Russia's most vital state-owned industries, including Norilsk Nickel and Yukos Oil. In a thinly veiled exchange, the oligarchs purchased shares in

¹⁴⁷ Goldgeier and McFaul, *Power and Purpose*, 137; Jeffrey Sachs, "What I Did in Russia," March 14, 2012, available online < http://jeffsachs.org/2012/03/what-i-did-in-russia/; Angela Stent, *The Limits of Partnership: U.S. Russian Relations in the Twenty First Century* (Princeton NJ: Princeton University Press, 2014), 21-22.

¹⁴⁸ Freeland, *Sale of the Century*, 169-77.

¹⁴⁹ *Ibid.*, 177.

Russia's key industries for cheap in the form of collateralized loans, seizing control when the state defaulted. Thus, while Yeltsin triumphed in July 1996, his was a Pyrrhic victory. In their effort to save market reform, through loans for shares Yeltsin and Chubais in fact exacerbated the unequal, crony capitalist distortions initiated by insider *nomenklatura* privatization in 1992.

Continuing Support for Yeltsin

The "October events" and Russian democrats' poor showing in the December 1993 parliamentary elections prompted a growing number of U.S. observers to declare that the "window of opportunity" for Russia's internal transformation had closed. Many joined the NED and Soros in attacking Clinton's support for Yeltsin. Helsinki Watch criticized Yeltsin's "antidemocratic tendencies" in its 1993 annual report, asserting that the Clinton "administration's personalized Russia policy centered on president Yeltsin was reminiscent of the Bush administration's 'Gorbymania.'"¹⁵¹ When Republicans swept the November 1994 U.S. mid-term elections, resistance to aid to Russia deepened. Backlash in Russia against Clinton's policy and the non-governmental groups who helped implement it also mounted. While the administration and USAID responded by expanding U.S. support for grassroots democratization within Russia, aid to Ukraine and NATO expansion, they persisted in their support of Yeltsin.

Clinton still viewed Yeltsin as the embodiment of reform locked in a zero-sum struggle with the forces communism and ultra-nationalism. He dismissed Yeltsin's undemocratic tactics and deepening alliance with the oligarchs as necessary detours on a path that would lead,

¹⁵⁰ Sachs, "What I Did in Russia."

¹⁵¹ Jeri Laber, "Does Yeltsin Respect Democratic Limits?" *Washington Post*, April 8, 1993: Helsinki Watch, *Annual Report 1993* and Helsinki Watch, Press Release, "Clinton's Policy Neglects Human Rights," folder 5, Box 1557, Series III.A, Grants, CCNY.

eventually to a market democracy. Thus, following Yeltsin's September decision to dissolve parliament, Clinton jumped to the Russian president's defense. He asserted that Yeltsin's decree and decision to allow the Russian people to elect a new Parliament were "consistent with the democratic and reform course that he has charted." Using aid once more to bolster Yeltsin politically, Clinton rushed the \$2.5 billion FSU aid package through Congress. ¹⁵²

A number of USAID funded non-governmental groups also continued to support Yeltsin. Following his September 1993 decree, the NDI and IRI mobilized democrats across Russia for the December parliamentary elections. The NDI in particular developed a close relationship with the new pro-Yeltsin party, Russia's Choice. Led by Gaidar and backed by Democratic Russia, its top parliamentary candidates were key members of Yeltsin's economic reform team, including Chubais, Boris Fyodorov, and Gennady Burbulis. The NDI held special training seminars for Russia's Choice in the fall of 1993. After the disappointing results of the December elections, it endeavored to help transform Russia's Choice into a coherent national organization. At Gaidar's request, in July 1994, the NDI invited Russia's Choice leaders to the United States for training "on American experiences of political organization and management."

In 1996, U.S. actors repeated this pattern. Driven by a fear of communist resurgence and a faith in the advance of capitalism by any means, they used and endorsed undemocratic practices to support what they viewed as a democratic outcome: Yeltsin's re-election. Concerned about undermining Yeltsin's bid, the administration failed to condemn loans for shares. Although

Goldgeier and McFaul, *Power and Purpose*, 130; William J. Clinton: "Statement on the Situation in Russia," September 21, 1993. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=47095.

¹⁵³ "NDI Expands Programs in the Former Soviet Union: Preparations Underway to Support Russian Elections," *NDI Reports* (Summer/Fall 1993).

¹⁵⁴ Mendelson, "Democracy Assistance and Political Transition in Russia, 77.

¹⁵⁵ National Democratic Institute for International Affairs, NDI Pre-Election Report: The December 1993 Elections in the Russian Federation, November 23, 1993.

National Democratic Institute, Two Year Report: Former Soviet Union, Cooperative Agreement #CCS-0007-A-2019, September 1992-August 1994, PD-ABK-078 92008.

the Clinton team had known about "illegal campaign financing . . . for months," Jeffrey Sachs recalls, "Nobody wanted to look closely at the abuses, and certainly nobody wanted to blow the whistle." Rather, Treasury Undersecretary Summers tied a much needed \$10.2 billion IMF loan to Yeltsin's reelection. At the same time, U.S. ambassador Timothy Pickering discouraged democratic opposition candidate Grigory Yavlinsky from running, lest he draw votes from Yeltsin, and a group of U.S. consultants who were working with Yeltsin campaign with Clinton's knowledge encouraged Yeltsin illegally to dominate the media to his advantage. ¹⁵⁸ The NDI and IRI also offered advice to Yeltsin's presidential campaign. ¹⁵⁹

When Yeltsin won a narrow, come from behind victory in July 1996, the Clinton administration, the American media, and the NDI hailed the outcome as a triumph of democracy and evidence of the success of U.S. support for Russian reform. The NDI praised the Yeltsin team's "aggressive campaign" as evidence of growing unity and coherence of "Russia's reformist forces," while applauding the growing democratic consciousness of Russian voters, who chose "reform" over "the communist past." Clinton proclaimed, the "historic vote underscores how far Russia's democratic development has progressed in just a few years ...

President Yeltsin and reform have won a decisive victory." 161

This triumphalist narrative, however, belied the fact that in Russia, the United States was increasingly perceived as supporting a corrupt, undemocratic regime. USAID's extensive support

¹⁵⁷ Loans for shares, chairman of Clinton's Council of Economic Advisors Joseph Stiglitz has argued, represented a "critical point at which the United States could have spoken out." Joseph Stiglitz, *Globalization and Its Discontents* (New York: W.W. Norton and Company, 2003), 193. See also, National Security Council et al., "Declassified Documents concerning Russia," *Clinton Digital Library*, accessed June 10, 2015, http://clinton.presidentiallibraries.us/items/show/36594; Sachs, "What I Did in Russia."

Marsden, Lessons from Russia, 67, 89; Goldgeier and McFaul, Power and Purpose, 149,155; Michael Kramer, "Rescuing Boris," Time, July 15, 1996.

¹⁵⁹ Goldgeier and McFaul, *Power and Purpose*, 155.

¹⁶⁰ National Democratic Institute for International Affairs, 1996 Annual Report, March 1997.

¹⁶¹ William J. Clinton: "Statement on the Russian Presidential Election," July 4, 1996. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=53033.

for privatization caused Russian nationalists and communists to refer to privatization increasingly as an "American show" and blame its ravages on the United States. In August 1993, USAID deputy Moscow director Robert Burke admitted that he was eager for other foreign donors to become more heavily involved, because "then it won't look as if everybody at the State Property Committee is being funded by AID, which at the moment is quite close to being true." Following Yeltsin's 1996 election, Grigory Yavlinsky told top State Department expert on the FSU Strobe Talbott that the United States' "fawning" support for Yeltsin had helped turn Russia into a "criminal oligarchy." In so doing, Yavlinsky lamented that the United States had squandered its credibility with the Russian people. Throughout the Cold War, Russians could rely upon the United States for a truthful critique of the Soviet government. Now, however, U.S. actors "seemed to recognize only the Government," discrediting both democracy and U.S. influence by offering "unstinting praise for the Government, which the people no longer trust."

The USAID funded non-state actors that assisted in the implementation of the Clinton administration's policy were tarred as instruments of U.S. power. They were accused of promoting not universal democratic and market values, but unpopular, partisan policies that weakened Russia. In 1992, Vladimir Akimov of the FNPR asserted that the "AFL-CIO is an umbrella for the CIA." Even leaders of FTUI-supported independent unions criticized the organization for its coercive partisanship. The Independent Miners' Union, for example, accused the FTUI of "play[ing] political favorites helping only unions that support liberal economic

¹⁶² Irene Ertugrul, "U.S. Aid Keeps a Busy Pace in Russia," We/MBI, August 8, 1993.

¹⁶³ Talbott's official title was ambassador-at-large and special advisor to the secretary of state on the new independent states of the former Soviet Union, abbreviated S/NIS.

 ¹⁶⁴ Talbott, *The Russia Hand*, 211; Grigory Yavlinsky, "Shortsighted," *New York Times Magazine*, June 8, 1997.
 ¹⁶⁵ Lyudmila Alexeyeva, Trip to Moscow Report, 10-20 December, 1992.

reforms."¹⁶⁶ Sawyer-Miller, the USAID funded ad agency working for the GKI, caused a scandal in November 1993 by running an advertisement on Russian television with the slogan "Russia's Choice is your choice." After USAID acknowledged funding Sawyer-Miller, *Izvestiya* declared on November 30, "information recently made public by the U.S. Agency for International Development . . . leaves no doubt that American taxpayers' money was used to campaign for the Russia's choice bloc."¹⁶⁷ The revelation, which came on the heels of the nationalist Sergei Baburin's assertion that the NED-affiliated Krieble Institute was an "agent of American imperialism," seemed to validate the notion that the United States was, in fact, actively financing pro-Yeltsin groups. ¹⁶⁸ USAID's use of public funds to support provocative democracy assistance projects lent credence to nationalist accusations and helped discredit U.S. democracy assistance generally as a subversive tool of U.S. power.

The Institutionalization of the Democracy Establishment

The shift in U.S. policy in late 1993 toward grassroots democratization within Russia and the spread of democracy outside of Russia via NATO expansion and increased aid to Ukraine afforded a larger role to and reflected the growing influence of the burgeoning "Democracy Establishment," allied with Ukrainian, Baltic, and Eastern European émigré groups.

In the fall of 1993, the Clinton administration was divided over NATO expansion. While National Security Advisor Anthony Lake pushed for the prompt inclusion of Poland, Hungary, and the Czech Republic in NATO beginning in the summer of 1993, the Defense Department,

¹⁶⁶ Cook, Labor and Liberalization, 91.

¹⁶⁷ Vladimir Nadein, "International Scandal Over a Commercial: Is Russia's Choice Privatizing American Taxpayers' Money?" *Izvestiya*, November 30, 1993.

¹⁶⁸ Irene Ertugrul, "Russian Politicians Learning a Lesson in Western Style Politics," *WE/MBI*, September 19, 1993. Chairman Robert Krieble joined the NED Board in 1993, while president Paul Weyrich received NED grants for his work in Russia in 1990 and 1992. See NED, *Annual Reports*, 1990, 1992, and 1993, and Krieble Institute of the Free Congress Foundation Brochure, folder "Krieble," Box 16, Center for Democracy Papers, Hoover.

led by William Perry, opposed rapid NATO expansion. European security, Perry argued, hinged on Russia's assent. Expanding NATO, might endanger democratization in the former Soviet empire by exciting Russian nationalist and xenophobic elements and creating a more aggressive Russia. Moreover, if Russia perceived a threat from NATO, it might be less willing to reduce its armaments. The Defense Department pushed instead for the establishment of the Partnership for Peace (PFP). Open to all Eastern European nations, including Russia, the PFP represented a transitional body that would allow Warsaw Pact nations to forge closer ties to NATO. Perry hoped that the PFP would simultaneously quench the desire of Eastern European nations for rapid NATO expansion, while acclimating Russia to NATO and making it appear less threatening. ¹⁶⁹

Following the "October events," the NED and the émigré groups it funded placed growing pressure on the Clinton administration to increase aid to Ukraine and expand NATO. Doing so, they argued, was essential to protect democracy in Eastern Europe from the threat of Russian imperialism. They rejected Yeltsin's September 1993 proposal for Russia and the United States to offer Eastern Europe a "joint security guarantee," terming the idea "Yalta II," after the agreement between Franklin Roosevelt and Joseph Stalin that led to the Cold War division of Europe. In December 1993, the East European Coalition, which included the NED backed Ukrainian National Association, the Polish American Congress, and several Baltic American interest groups declared Russian imperialism "greatest threat to peace and stability in Eastern and Central Europe." Thus, prior to Clinton's January 1994 trip to Russia, the UNA and its Coalition allies called upon Americans of Eastern Europe descent to send letters to Clinton

¹⁶⁹ Carter and Perry, *Preventive Defense*, 34, 53, 59-61.

stating "I am opposed to any 'Yalta II' agreement with Russia. I expect the United States to support the independence of Ukraine and all former Soviet and Warsaw Pact nations . . ."¹⁷⁰

This pressure helped swing a divided Clinton administration in favor of more rapid NATO expansion.¹⁷¹ While Perry hoped to delay discussion of NATO expansion for some time, in a January 12, 1994 speech in Prague, Clinton stated otherwise. He accelerated NATO expansion by declaring it inevitable. ¹⁷² "[T]he question," the president asserted, "is no longer whether NATO will take on new members but when and how."

Following Clinton's announcement, pressure to expand NATO and augment aid to Ukraine continued to grow. Zbigniew Brzezinski of the NED Board proved a particularly effective champion of both causes. In February 1993, Brzezinski established the U.S. Ukrainian Advisory group, a non-governmental second track diplomacy organization designed to expand ties and understanding between the two countries. Then, in March, he authored an influential article in *Foreign Affairs* entitled the "Premature Partnership." Critiquing the Clinton administration's naïve view of Russia as a democracy, Brzezinski argued that Russia would not be a viable strategic partner until it renounced its imperial ambitions. Thus, the United States should expand ties to Ukraine, support NATO expansion, and condition its aid to Russia upon its willingness to foreswear imperialism and respect "geopolitical pluralism" within its former empire. The provided that the support of the provided pluralism within its former empire.

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¹⁷⁰ "In the United States: Lobbying, Aid Programs," *Ukrainian Weekly* 61 no. 52, December 26, 1993.

¹⁷¹ Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," 29; Slocombe, "A Crisis of Opportunity," 86-7.

¹⁷² Talbott, *The Russia Hand*, 98-9.

William J. Clinton, "The President's News Conference With Visegrad Leaders in Prague," January 12, 1994. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=49832.

¹⁷⁴ Xenia Ponomarenko, "Advisory Group Created in D.C. to Promote U.S.-Ukraine Ties," *Ukrainian Weekly* 62 no. 10, March 6, 1994.

Brzezinski, "The Premature Partnership."

The election of a Republican Congress in the 1994 mid-term elections and Russia's invasion of Chechnya bolstered the influence of these arguments. The NED, the Helsinki Watch, and many congressional Republicans called upon the United States to condemn Russia's aggression in Chechnya. The Republicans' Contract with America articulated a commitment to NATO expansion, and conservative legislators and think tanks increasingly attacked Nunn-Lugar aid to Russia. The Heritage Foundation and CATO institute asserted that this aid was not advancing U.S. security but underwriting a Russian army perpetrating human rights violations in Chechnya. While Brzezinski supported the continuation of Nunn-Lugar aid in February 1995 congressional testimony, he argued that fifty percent of this aid should be pulled from Russia and donated to victims of the war in Chechnya.

Growing U.S. support for Ukraine and NATO expansion led to rising consternation among Russian liberals. Andrei Kokoshin warned now-Secretary of Defense William Perry that if the United States persisted in "rolling over Russian objections like a tank" and NATO expansion occurred before the presidential election of 1996, nationalists or communists would come to power and their entire effort to promote defense conversion would be undermined. Similarly, in a speech at American University in March 1993, Russian foreign minister Andrei Kozyrev pleaded that the United States treat Russia as an equal partner. Failure to do so made it more difficult for liberals like him and Yeltsin, "accused of being pro-American," to cooperate

¹⁷⁶ Jeremy Rosner, "NATO Enlargement's American Hurdle: The Perils of Misjudging Our Political Will," *Foreign Affairs*, (July/August 1996); Talbott, *The Russia Hand*, 139.

Nunn-Lugar Money Should Go to the B-2," *Heritage Foundation Executive Memorandum* no. 424 August 1, 1995; Rich Kelly, "The Nunn Lugar Act: A Wasteful and Dangerous Illusion," *CATO Institute Foreign Policy Briefing* No. 39, March 28, 1996.

National Security Council, Speechwriting Office, and Robert Boorstin, "Russia - U.S. Policy," *Clinton Digital Library*, accessed June 10, 2015, http://clinton.presidentiallibraries.us/items/show/10255.
 Talbott, *The Russia Hand*, 146.

with the United States. ¹⁸⁰ Anatoly Chubais echoed this claim, asserting that NATO expansion stirred anti-Western, anti-reform backlash. ¹⁸¹

Against this backdrop, the administration continued to pursue its dual goals of building a strategic partnership with Yeltsin's Russia and promoting democracy in Russia's "near abroad." While the administration made some concessions to Russian liberals, it ultimately moved ahead with NATO expansion and aid to Ukraine such that by 1997 Ukraine surpassed Russia as the largest recipient of U.S. aid in the FSU. Moreover, although Clinton refrained from expanding NATO until after Russia's 1996 presidential election, thereafter, the first round of NATO expansion went forward. While the decision represented an admirable attempt to support freedom and national sovereignty in Eastern Europe, it arguably agitated anti-Western elements in Russia and endangered the advance of market democracy in the former Soviet empire.

As the Democracy Establishment's influence on U.S. policy toward the FSU grew between 1993 and 1996, so too did its presence on the ground in Russia. Two factors drove this development: rising bipartisan support for democracy assistance from U.S. foreign policy internationalists eager to sustain U.S. global engagement in the face of neo-isolationism, and disillusionment with efforts to promote reform through the Russian state.

During this period, the NED came under attack from both the right and the left.

Republican and Democratic critics agreed that it represented a "loose cannon," that had outlived its Cold War purpose, drained taxpayers' money, and conducted a foreign policy independent of the U.S. government with potentially dangerous repercussions. ¹⁸⁴ Conservatives, like Barbara

¹⁸⁰ Andrei Kozyrev, Speech at American University, March 24, 1993, folder "Kozyrev AU Speech," Box 15, Center for Democracy Papers, Hoover.

¹⁸¹ McFaul and Goldgeier, *Power and Purpose*, 184.

¹⁸² *Ibid.*, 118.

¹⁸³ Talbott, *The Russia Hand*, 145-6.

¹⁸⁴ Carothers, "The NED at 10."

Conry of the CATO Institute, criticized the NED as a "slush fund" for Democratic constituencies like labor and feared the overweening influence of the AFL-CIO. 185 By contrast, liberals focused on the NED's neo-conservative orientation. As David Corn wrote in July 1993 in *The Nation* "substantial sums [of the NED's budget] have subsidized international gatherings of conservatives right wing think tanks and translations of neo-con writings." 186

However, the Clinton administration and internationalists from both parties came to the defense of the NED. After Representative Paul Kanjorski (D-PA) introduced an amendment to eliminate the endowment's funding in 1993, the administration's Leon Panetta urged the House Appropriations Committee Chairman William Natcher to adopt the Senate's bill preserving a \$35 million appropriation to the NED. 187 In 1995, two separate bipartisan groups of foreign policy luminaries, including Henry Kissinger, Cyrus Vance, Lawrence Eagleburger, George Shultz, James Baker, and Ed Muskie, on the one hand, and Richard Allen, Zbigniew Brzezinski, and Brent Scowcroft, on the other, defended the continued relevance and efficacy of the NED. 188 Speaking at the NED annual conference in 1997, Clinton himself declared, "Through its everyday efforts, the Endowment provides renewed evidence of the universality of the democratic ideal and of the benefits to our nation of our continued international engagement." 189

At the same time, USAID started to follow the NED and Soros's lead in Russia, shifting away from a strategy aimed at influencing high politics through support for individual reformers toward more long-term engagement with the Russian civil society and private sector. The decision was fueled by a Russian backlash against and the ineffectiveness of the former strategy;

¹⁸⁵ Barbara Conry, "Loose Cannon: The National Endowment for Democracy," *CATO Institute Foreign Policy Briefing* no. 27, November 8, 1993; Conry, "The NED is No Friend of the Taxpayer," *Chicago Tribune*, December 13, 1993.

¹⁸⁶ Corn, "Better Dead than NED."

¹⁸⁷ Domestic Policy Council, Carol Rasco, and Subject Series, "Appropriations Letters 1993," *Clinton Digital Library*, accessed June 10, 2015, http://clinton.presidentiallibraries.us/items/show/21868.

¹⁸⁸ National Endowment for Democracy, *Annual Report 1995*, October 1, 1994 – September 30, 1995.

¹⁸⁹ National Endowment for Democracy, *Annual Report 1996*, October 1, 1995 – September 30, 1996.

and by a growing perception that Yeltsin and the Russian state no longer supported reform. Instead, civil society appeared a necessary bulwark against the state. In May 1994, Andrei Sakharov's widow Elena Bonner emphasized the need to "[promote] the emergence of civil society which serves as the basic guarantee that future development of these countries will follow along a democratic path." ¹⁹⁰

Beginning in 1994, USAID pushed the National Democratic Institute and International Republican Institute to focus their resources on the "grassroots," asserting that they had "not significantly strengthened reformist national political parties." USAID also devoted less aid to supporting the Russian State Privatization Committee (GKI). In 1994, Sawyer Miller reported that working through the GKI undermined its public information campaign. Russian citizens skeptical of the GKI doubted the information they received. "Future such efforts," the report concluded "might be best executed through emerging private sector institutions . . ." 192
Following this advice, in October 1994, AID made its first cooperative agreement with the International Research and Exchanges Board (IREX). As part of this agreement, IREX sponsored a partnership between CIPE and the Russian Chamber of Commerce and Industry, representing small businesses and entrepreneurs. 193 Ultimately, in 1996 revelations that the HIID economists responsible for advising the GKI had misappropriated USAID funds helped finally discredit the strategy of promoting reform through the GKI. 194

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¹⁹⁰ National Endowment for Democracy, Annual Report 1994, October 1, 1993 – September 30, 1994.

¹⁹¹ United States Government Accountability Office, *Promoting Democracy: Progress Report on U.S. Democratic Development Assistance to Russia*, February 1996, GAO/NSIAD 96-40.

¹⁹² Deloitte Touche Tohmatsu with Robinson Lake Lehrer Montgomery /Sawyer Miller Group, Public Information Program in Support of Russian Mass Privatization, August 1-1993-February 28, 1994, Final Report, Contract CCN-0005-00-C-3123-00, April 29, 1994, PD-ABI-801.

¹⁹³ IREX, USAID/IREX Institutional Partnerships Project, Annual Report, October 1, 1994 – September 30, 1995, October 31, 1995, PD-ABN-193; and CIPE, IPP Technical Evaluation, December 6, 1997, PD-ABP-170.

¹⁹⁴ U.S. GAO, Foreign Assistance: Harvard Institute for International Development's Work in Russia and Ukraine; and Wedel, Collision and Collusion, 131-2.

Indeed, in 1996, USAID officially changed its policy to focus on Russia's grassroots. The new policy, "Partnership for Freedom" called for decreased "assistance to the Russian federal government," with "new funding focused mainly on grassroots efforts at the regional, local, or individual level." Aid would be directed to help small entrepreneurs through "investment led growth," as well as "people to people linkages" and the "development of civil society." ¹⁹⁵

Moving forward, USAID carried this grassroots reform model to other republics. For example, in Central Asia, a 1999 GAO report explained, "based on experience with democratic reforms in Russia, AID has focused on working with citizen groups rather than national political leaders and institutions that are averse to reforms." ¹⁹⁶

By 1996, the Democracy Establishment became entrenched as a tool of U.S. influence in Russia and globally. The NED's funding and role were institutionalized, while the administration's budget for democracy assistance rose from \$100 million in 1990 to \$700 million in 2000. By 1998, official U.S. bilateral democracy assistance to Russia exceeded aid for economic reform. By 2002, civil society initiatives received the largest percentage – 37 – of USAID's democracy assistance grants, more than twice what they did in 1993, while USAID spent \$92 million on civil society projects in Russia during this period. 198

Unfortunately, however, these trends did not reflect the success of grassroots democracy assistance in Russia. In some ways, the expansion of U.S. democracy assistance produced good results. Soros's assistance, for example, played a key role in sustaining scientific research in Russia through the mid-1990s. In 1995, the Russian Parliament and Russian prime minister

¹⁹⁵ U.S. GAO, International Efforts to Aid Russia's Transition Have Had Mixed Results.

¹⁹⁶ U.S. GAO, U.S. Economic and Democratic Assistance to the Central Asian Republics, August, 1999, GAO/NSIAD-99-200.

¹⁹⁷ Carothers, "The Clinton Record;" U.S. GAO, *International Efforts to Aid Russia's Transition Have Had Mixed Results*.

¹⁹⁸ Sarah L. Henderson, *Building Democracy in Contemporary Russia: Western Support for Grassroots Organizations* (Ithaca NY: Cornell University Press, 2003), 5,7.

Victor Chernomyrdin congratulated Soros on the "largest and most effective international undertaking aimed at the preservation of top grade science." Yet, overall, U.S. democracy assistance proved only marginally effective in advancing reform and in some ways undermined the strength of the civil society it endeavored to help.

U.S. aid tended to promote dependency, divisiveness, and corruption. As Soros's Cultural Initiative study showed in 1992, Russians were unfamiliar with the non-profit sector, and Russia lacked a large middle class to engage in voluntarism or giving. As a result, Russia developed a number of "civic entrepreneurs," dependent upon Western funding for their survival rather than genuine grassroots constituencies. Description of the Sotsprof Union, a recipient of FTUI support later recalled, there was something "inherently corrupting" about unions answering to Western donors rather than their workers. District Given the lack of resources within Russia, civil society groups quickly learned the tricks of competing for foreign aid. Disillusioned Russian émigré and early champion of NED aid to the Soviet Union Vladimir Bukovsky lamented that Russians had learned to appropriate the language of democracy to garner hard currency and prestige from Western NGOs. The "GONGO" or government organized non-governmental organization legacy from the Soviet era once more reared its ugly head. The USSR had often created state-backed "non-governmental" groups in order to funnel Western contacts and resources away from actual independent groups and dissidents. By the mid-1990s, the trend had

¹⁹⁹ Sergei Parkhomenko, "Special Services Fail to Drive George Soros Out of Russia," *Segodny*a, January 18, 1995; Natalia Kuznetsova, Aleksandr Safronov, and Olga Tarasova, "The State Duma on the Work of the Soros Foundation: Deputies Decide to Protect the Foundation from Special Services," *Kommersant Daily*, February 21, 1995; Nikolai Vorontsov, "Viewpoint: On the Chekists' 'Contribution' to Our Country's Science," *Literaturnaya Gazeta*, January 25, 1995.

²⁰⁰ Henderson, Building Democracy in Contemporary Russia, 10-11, 13.

²⁰¹ Cook, *Labor and Liberalization*, 91.

²⁰² Vladimir Bukovsky, "Drowning Democracy," *The National Review*, September 23, 1991.

reemerged. "A lot of governments and industries," a 1996 Soros Foundation report outlined, "are setting up NGOs because they understand it is a way to get money." ²⁰³

This "entrepreneurial" trend extended to U.S. donors. As the "Democracy Establishment" grew and professionalized, so too did the imperative for institutional survival and funding. In an environment in which the American people and their representatives were averse to offering foreign aid, U.S. NGOs often exaggerated their own success and failed to reflect critically on their efforts. ²⁰⁴ To "justify" the NED's role in a "new era," in 1994 NED president Carl Gershman hyperbolically asserted that the NED represented a "beacon of hope" for democrats throughout the world and a "source of enormous goodwill for the United States." ²⁰⁵

Such rhetoric belied reality. In Russia, although democracy assistance aided civil society and was less provocative than efforts to influence high politics, it nevertheless remained a lightning rod for nationalists who sought to discredit the recipients it was intended to help. In a nation unfamiliar with philanthropy, U.S. foundations' "unselfish generosity arouse[d] suspicion and many people, particularly the patriotic press, looked for self-interest." And, due in part to the U.S. government's support for controversial democracy assistance projects, directly through USAID and indirectly through the NED, Russian nationalists continued to see democracy assistance as a subversive tool of U.S. power designed to weaken Russia. For example, in February 1995, the KGB's successor, the Federal Counterintelligence Service (FSK) accused Soros, the Ford Foundation, and the Carnegie Corporation of being "directed by the American

²⁰³ Protecting Eurasia's Dispossessed: A Practical Guide for NGOs Working on Issues of Forced Migration in the Former Soviet Union (New York: Open Society Institute, 1996).

²⁰⁴ See Bush, *The Democracy Establishment*; Mendelson, "Democracy Assistance and Political Transition in Russia."

²⁰⁵ NED, Annual Report 1994.

²⁰⁶ Latsis, "Capitalist Soros, Critic Kozhnikov, and Student Yegorov in Battles for Russian Culture."

special services and the Pentagon" to carry out "the implementation of U.S. foreign policy, which is aimed at containing Russia . . ."207

As a rich, Jewish American, Soros particularly incited the fury of Russian nationalists, many of whom were anti-Semitic and saw Soros as an emissary of the liberal Western mores being used to undermine the strength and traditional values of Russia. 208 Izvestiva attacked Soros's Transformation of the Humanities project as an attempt to "brainwash" Russians with capitalist ideology, the nationalist paper Molodaya Gvardia accused Soros in February 1994 of attempting to set up a "secret world government" with David Rockefeller, Henry Kissinger, and Mikhail Gorbachev," and Slavophile writer Aleksander Solzhenitsyn asserted in March 1995 that Russia needed an "ideological defense against scientific and culture grants from the Soros Foundation."209 In 1995 an FSK report accused Soros of using his science foundation to steal sensitive military secrets from Russia at the behest of the CIA, in particular citing his extensive efforts, through the ISF, to build up Soviet telecommunications infrastructure, which was "extremely important for maintaining country's defense capability." ²¹⁰

Eventually, Soros's behavior reinforced nationalists' suspicions of him as a selfinterested, American agent. Having scrupulously endeavored to avoid corruption, he initiated a fateful connection with Russian oligarch Boris Berezovsky, who donated \$1.5 million to the ISF. Warning Berezovsky of the dangers of presidential victory by communist candidate Gennady Zyuganov in 1996, Soros inadvertently helped inspire loans-for shares. He then profited from a later round of loans-for-shares privatization by investing in the 1997 auction of the

²⁰⁷ Shapiro, "Russian Agency Said to Accuse Americans to Spying;" Cheberko and Pichugin, "Spies are Among the New Owners of Svivazinvest.".

²⁰⁸ Graham, Moscow Stories, 272-3.

²⁰⁹ Latsis, "Capitalist Soros, Critic Kozhnikov, and Student Yegorov in Battles for Russian Culture;" and Graham, Moscow Stories, 272.
²¹⁰ Cheberko and Pichugin, "Spies are Among the New Owners of Sviyazinvest."

telecommunications giant Svyazinvest.²¹¹ Loren Graham, a member of the ISF Board, decried Soros's decision to invest in the telecommunications industry, which ISF had been heavily involved in building up.²¹² In so doing, Soros lent credence to Russian nationalists' accusations, inspiring *Kommersant* to proclaim "Spies are among the new owners of Svyazinvest."²¹³

Soros's saga illuminates a final problem with U.S. efforts to promote reform from the grassroots: Russian civil society held relatively little power and struggled to assert its interests vis-à-vis an oligarchic state; weak political parties were poor conduits for popular input. ²¹⁴ Influencing Russia's true power centers required forging dubious connections with oligarchs. While ill-advised and self-interested, Soros's investment also reflected his genuine feeling of impotence at the inefficacy of promoting grassroots democratization. He made the investment in part because he hoped that if he were perceived not as a philanthropist, but a "robber capitalist who is concerned with cultural and political values," he would be viewed less suspiciously. He hoped he might serve as a model for the oligarchs, who held the true power over Russia's market democratic evolution. ²¹⁵

While the Democracy Establishment became entrenched on the ground in Russia, by the late 1990s it became increasingly clear that it was failing in its mission. At the same time, its agenda of promoting democracy in Ukraine and Eastern Europe was incompatible with building even limited partnership with Russia. NATO's 1999 bombing of Kosovo shattered the tenuous partnership between Russia and NATO, while Yeltsin's successor, the more nationalist Vladimir Putin, viewed democracy assistance in Russia and its "near abroad" as a tool of subversive Western power and its recipients as foreign agents. After Putin harassed Soros for his support of

²¹¹ Freeland, Sale of the Century, 192; Kauffman, Soros, 272; Soros, "Who Lost Russia?"

²¹² Graham, *Moscow Stories*, 273.

²¹³ Cheberko and Pichugin, "Spies are Among the New Owners of Sviyazinvest."

²¹⁴ Mendelson, "Democracy Assistance and Political Transition in Russia."

²¹⁵ Quoted in Graham, *Moscow Stories*, 274.

the pro-Western Georgian government, Soros shuttered his Moscow foundation in 2003. ²¹⁶ In a speech in Moscow announcing the closing of his foundation, Soros asserted that Western aid was now doing Russian civil society more harm than good. "We tried to satisfy the expectations of those people in Russia who wanted to move to an open society and believed that they had the support of the West," Soros proclaimed. However, "I think that you [Russians] have to largely abandon that illusion and act on your own."

Conclusion

Between mid-1992 and 1996, a public-private partnership devoted to the advance of a democratic peace emerged. However, the efforts of U.S. official policymakers and non-governmental actors to advance U.S. interests by fostering the growth market democracy in the former Soviet Union largely failed. They failed because a fundamental tension existed between the imperative to build a strategic partnership with Russia through support for Yeltsin and the imperative to advance democracy globally. The Clinton administration and U.S. NGOs both failed to understand and weigh the tradeoffs between these imperatives.

Clinton administration officials, as well as USAID and its non-governmental grantees, believed that support for Yeltsin's personal survival and GKI-led privatization would produce a democratic Russia that would renounce its sphere of influence and support European integration. Emboldened by the collapse of communism, U.S. policymakers and NGOs overestimated the ease with which U.S. institutions could be transported to Russian soil. Influenced by their faith in markets and their close connection to the Harvard Institute of International Development team aiding the Russian State Committee on Privatization (GKI), U.S. actors overlooked the deep-

²¹⁶ Soros, "My Philanthropy," 32-5.

²¹⁷ Vance Serchuk, "Soros Pulls the Plug on Russia's Open Society Institute," *Forward*, July 4, 2003, http://forward.com/news/7611/soros-pulls-the-plug-on-russia-s-open-society-in/.

seated corruption that plagued privatization. Moreover, in their effort to support Yeltsin's survival at any cost, they paradoxically used undemocratic methods to support what they believed were democratic outcomes. In so doing, the United States effectively endorsed and subsidized an increasingly personalized, undemocratic, crony capitalist regime that lost the support of the Russian people. American initiatives – official and unofficial – discredited democracy in the eyes of Russians and squandered the tremendous respect the United States had built during the Cold War.²¹⁸

Beginning in late 1993, the Democracy Establishment and its émigré allies gained influence both shaping foreign policy in Washington and on the ground in Russia. Refusing to accept the tradeoffs between maintaining good relations with Russia and promoting democracy in its former empire, the Clinton administration bowed to political pressures to expand NATO and channeled more and more aid to Ukraine. At the same time, grassroots democracy promotion in Russia began to supplant economic aid to Yeltsin as the chief form of U.S. influence. This aid proved less provocative than the efforts of U.S. NGOs to influence high politics, but democracy assistance groups nevertheless continued to create resentment. Their support for independence movements among the republics during the Soviet era, combined with their role in implementing highly partisan programs with USAID funding tarred them as agents of U.S. of the government and democracy as a subversive anti-Russian weapon.

The United States, wrote Harvard's Robert Blackwill after the disillusioning events of late 1993, "should develop a coherent set of policies to deal with the current Russia, not the Russia of recent dreams ..." The impulse of U.S. policymakers and NGOs to fulfill the democratic aspirations of the people of Eastern Europe and Ukraine was doubtless noble. But

²¹⁸ Yavlinsky, "Shortsighted."

²¹⁹ John F. Kennedy School of Government, Press Release "Experts from East and West Outline Steps to Manage Deteriorating Relations with Russia," June 3, 1994, folder 5, Box 1545, Series III.A, Grants, CCNY.

their insistence on doing so without weighing Russia's security concerns endangered democracy in these regions and undermined U.S.-Russian cooperation. At the same time, by refusing to acknowledge the capacity of democracy aid to discredit its recipients, U.S. NGOs eroded the utility and appeal of Russian NGOs who shared their aspirations for Russia's liberal democratic evolution.

Conclusion

During the volatile years surrounding the collapse of the Soviet Union, U.S. policymakers and non-governmental groups redefined their missions in response to the dangers and opportunities unleashed by Mikhail Gorbachev's liberalizing, destabilizing reforms. As the USSR grew more open, decentralized, and pluralistic, the role of U.S. non-state actors expanded and evolved. Focused prior to 1989 on collaborating with Moscow to end the Cold War, U.S. policymakers relied upon unofficial organizations to forge contacts with nascent civil society and democratic forces and interpret rapidly shifting events "on the ground" in the USSR. Thereafter, geostrategic, fiscal, and domestic political constraints pushed George H.W. Bush and Bill Clinton to delegate the task of promoting the (former) Soviet Union's internal transformation to U.S. NGOs and private sector groups. A public-private aid regime committed to the dual, and often contradictory, tracks of cooperating with Moscow and advancing market oriented democracy from the grassroots in Russia and its "near abroad" emerged.¹

The gulf between Cold War and post-Soviet scholarship has obscured the pre-1991 origins and evolution of this public-private aid regime.² By tracing its rise and impact, this

¹ Michael McFaul and James Goldgeier use the term "dual track" to describe U.S. policy, but characterize the relationship between the administration and U.S. NGOs as complementary. See Goldgeier and McFaul, *Power and Purpose: U.S. Policy Toward Russia After the Cold War* (Washington DC: Brookings, 2003), 30.

Historians examining the influence of U.S. soft power in the Soviet bloc rarely extend their narratives beyond Soviet communism's 1991 collapse, while a predominantly political science literature on Russia's post-Soviet "transition" typically begins following the August 1991 coup. Scholarship that bridges this gap pays very little attention to non-governmental actors. For historical "Cold War" accounts, see Nicholas Cull, *The Cold War and the United States Information Agency: American Propaganda and Public Diplomacy, 1945-1989* (New York: Cambridge University Press, 2008); Matthew Evangelista, *Unarmed Forces: The Transnational Movement to End the Cold War* (Ithaca: Cornell University, 1999); Sarah Snyder, *Human Rights Activism and the End of the Cold War: A Transnational History of the Helsinki Network* (New York: Cambridge University Press, 2011); James Vorhees, *Dialogue Sustained: The Multilevel Peace Process and the Dartmouth Conference* (Washington DC: United States Institute of Peace Press, 2002). For political science "post-Soviet" accounts, see Anders Aslund, *How Russia Became a Market Economy* (Washington DC: The Brookings Institution, 1995; Aslund, *Russia's Capitalist Revolution*; Stephen Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia* (New York: W.W. Norton and Company, 2000); Stefan Hedlund, *Russia's "Market" Economy: A Bad Case of Predatory*

dissertation contributes to our understanding of the history of U.S. relations with the (former) Soviet Union and the changing character of U.S. soft power in the waning years of the Cold War. It illuminates how, beginning in 1986, Gorbachev's reforms intersected with and fueled broader trends toward idealism and privatization in U.S. foreign policy to reshape the character of U.S. influence in the Soviet Union and globally. In particular, the oft-overlooked pre-1991 rise of democracy assistance and the cooperative security network laid the groundwork for U.S. efforts to shape the FSU's post-1991 transition.³ Finally, it demonstrates that U.S. non-governmental actors played a central, complex, and previously unacknowledged role in shaping U.S. policy toward the (former) Soviet Union during the crucial transitional period surrounding its collapse.

Capitalism (London: UCL Press, 1999); Sarah L. Henderson, Building Democracy in Contemporary Russia: Western Support for Grassroots Organizations (Ithaca: Cornell University Press, 2003); Sarah Mendelson, "Democracy Assistance and Political Transition in Russia," International Security 25. No. 4 (Spring 2001): 68-106, Peter Reddaway and Dmitri Glinski, The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy (Washington DC: United States Institute of Peace Press, 2001); Jeffrey Sachs, "What I Did in Russia," March 14, 2012, available online < http://jeffsachs.org/2012/03/what-i-did-in-russia/>; Janine Wedel Collision and Collusion: The Strange Case of Western Aid to Eastern Europe (New York: Palgrave, 2001); "The Harvard Boys Do Russia," The Nation, June 1, 1998. For accounts that "bridge the gap" see James Baker with Thomas DeFrank, The Politics of Diplomacy: Revolution, War, and Peace, 1989-1992 (New York: G.P. Putnam's Sons, 1995), 478; Michael Beschloss and Strobe Talbott, At the Highest Levels: The Inside Story of the End of the Cold War (Boston: Little and Brown, 1993); George Bush and Brent Scowcroft, A World Transformed (New York: Vintage Books, 1998), 503; Goldgeier and McFaul, Power and Purpose, 63-4; Jack Matlock, Autopsy on an Empire: An Ambassador's Account of the Collapse of the Soviet Union (New York: Random House, 1995); Serhii Plokhy, The Last Empire: The Final Days of the Soviet Union (New York: Basic Books, 2014).

³ The boundaries of conventional periodization and limited access to contemporary archival sources have deterred historians from studying democracy assistance. It has been the purview primarily of political scientists, who treat it as a post-Cold War phenomenon. Similarly, accounts of the Nunn-Lugar program typically begin after the failed August 1991 coup. For studies of democracy assistance, see Sarah Sunn Bush, The Democracy Establishment, Ph.D. Dissertation, Princeton University, 2011; Thomas Carothers, Aiding Democracy Abroad: The Learning Curve (Washington DC: Carnegie Endowment for International Peace, 1999); Larry J. Diamond, Developing Democracy: Towards Consolidation (Baltimore: Johns Hopkins University Press, Press, 2000); David Rieff, "Evangelists of Democracy," The National Interest (November/December 2012). For accounts of Nunn-Lugar, see Paul Bernstein and Jason Wood, The Origins of the Nunn-Lugar Cooperative Threat Reduction Program (Washington DC: National Defense University, 2010); Ashton Carter and William Perry, Preventive Defense: A New Security Strategy for America (Washington DC: Brookings Institution Press, 1999); Richard Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in John M. Shields and William C. Potters, eds., Dismantling the Cold War: U.S. and NIS Perspectives on the Nunn Lugar Cooperative Threat Reduction Program (Cambridge, MA: The MIT Press, 1997), 41-60; Sara Zahra Kutchesfahani, Politics and the Bomb: The Role of Experts in the Creation of Cooperative Nuclear Non-Proliferation Outcomes (New York: Routledge, 2014); and Sam Nunn and Richard Lugar, "The Nunn-Lugar Initiative: Cooperative Demilitarization of the Former Soviet Union," in Allan E. Goodman, ed. The Diplomatic Record, 1992-1993 (Boulder, CO: Westview Press, 1995).

Prior to Gorbachev's ascent to power, the role of U.S. non-governmental groups in the Soviet Union was highly circumscribed. State to state relations predominated. Non-state actors struggled to obtain access to the USSR, where dissidents and truly "independent" entities were allowed little contact with foreigners and had few avenues through which to exercise power.⁴

This was soon to change. In the 1970s and early 1980s, key developments laid the foundation for the expansion of U.S. non-governmental influence under Gorbachev. Advances in technology, communications, and travel facilitated the growth of transnational non-governmental networks. The ascendant ideal of individual freedom, embodied in the rise of neoliberal economics and the universal human rights movement, eroded the sovereignty of states and empowered non-state actors to challenge their authority. In U.S.-Soviet relations, détente, or the easing of superpower tensions, spurred expanded non-governmental contacts. A peace movement grew, while the signing of 1975 Helsinki Accords gave rise to a transnational network committed to monitoring Soviet violations of universal human rights.

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⁴ Philip D. Stewart, "Informal Diplomacy: The Dartmouth Conference Experience" in *Private Diplomacy with the Soviet Union*, David D. Newsom, ed. (Lanham, MD: University Press of America, 1987), 19.

⁵ On the growing role of NGOs, see Manuell Castells, "The New Public Sphere: Global Civil Soviet, Communications Networks, and Global Governance," *Annals of the American Academy of Political and Social Science* 616 (March 2008): 78-93; Akire Iyire, "A Century of NGOs," *Diplomatic History* 23, no. 3 (Summer 1999): 421-435; Margaret Keck and Kathryn Sikkink, *Activists Beyond Borders: Advocacy Networks in International Politics* (Ithaca NY: Cornell University Press, 1998); Thomas Risse-Kappen ed., *Bringing Transnational Relations Back In: Non-State Actors, Domestic Structures, and International Institutions* (New York: Cambridge University Press, 1995).

⁶ For accounts of the ascent of the ideal of individual freedom and the weakening of state sovereignty, see Niall Ferguson, Charles Maier, Erez Manela, and Daniel Sargent, eds. *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2010); Mark Mazower, *Governing the World: The History of an Idea* (New York: Penguin Press, 2012); Alastair Roberts, *The Logic of Discipline: Global Capitalism and the Architecture of Government* (New York: Oxford University Press, 2010); and Daniel T. Rodgers, *Age of Fracture* (Cambridge MA: Harvard University Press, 2011).

⁷ On the rise of the U.S.-Soviet human rights and peace networks, see Evangelista, *Unarmed Forces*, Akira Iriye, Petra Goedde, and William Hitchcock, *The Human Rights Revolution: An International History* (New York: Oxford University Press, 2012) Jeri Laber, *The Courage of Strangers: Coming of Age With the Human Rights Movement* (New York: Public Affairs, 2002); Snyder, *Human Rights Activism and the End of the Cold War;* Daniel Thomas, *The Helsinki Effect: International Norms, Human Rights, and the Demise of Communism* (Princeton, NJ: Princeton University Press, 2001); Lawrence Wittner, *Nuclear Abolition: A History of the World Nuclear Disarmament Movement, 1971-Present* (Stanford, CA: Stanford University Press, 2003).

The 1983 establishment of the National Endowment for Democracy (NED) marked the emergence of democracy assistance as a tool of U.S. foreign policy. The NED represented the anti-communist alternative to the liberal human rights movement, embracing the same idealistic, universalizing impulses. In the wake of the 1979 Soviet invasion of Afghanistan, newly elected president Ronald Reagan adopted a confrontational policy vis-à-vis the USSR. He initiated an arms buildup, reduced détente era contacts, and launched an ideological crusade against communism. Concerned that the United States was losing the global "war of ideas," Reagan embraced democracy as an anti-communist weapon. He endeavored to revitalize the state-centered public diplomacy apparatus of the early Cold War to promote democracy abroad. Congress, however, believed that provocative democracy aid should be disbursed through unofficial channels not directly affiliated with the U.S. government, and instead established the NED. While nominally independent, the NED worked closely with and served as a nexus between the administration and independent U.S. anti-communist and neo-conservative forces. 12

⁸ Joshua Muravchik, "U.S. Political Parties Overseas," *Washington Quarterly* 12 no. 3 (Summer 1989): 91-100, 92. ⁹ For accounts of Reagan's early confrontational policy, see Raymond Garthoff, *The Great Transition: American Soviet Relations at the End of the Cold War* (Washington DC: The Brookings Institution, 1994); and James Graham Wilson, *The Triumph of Improvisation: Gorbachev's Adaptability, Reagan's Engagement, and the End of the Cold War* (Ithaca NY: Cornell University Press, 2014).

¹⁰ Ronald Reagan, "Address to Members of the British Parliament," June 8, 1982, The American Presidency Project, available online < http://www.presidency.ucsb.edu/ws/index.php?pid=42614&st=&st1=>.

¹¹ Bernard Gwertzman, "Skeptics Pelt Shultz with Queries on Reagan's 'Project Democracy,' "New York Times, February 24, 1983.

¹² On this network, see Carl Bon Tempo "From the Center-Right: Freedom House and Human Rights in the 1970s and 1980s," in Iyire, Goedde, and Hitchcock, eds. *The Human Rights Revolution*, 223-44; R. Kent Weaver, "The Changing World of Think Tanks," *PS: Political Science and Politics* 22, no. 3 (September 1989): 563-578; Olivier Zunz, *Philanthropy in America* (Princeton NJ: Princeton University Press, 2012), 247-54. On the close connection between the NED and the Reagan administration, see Memorandum from Walter Raymond to Robert McFarlane, October 2, 1984, folder "Conference: USSR [09/14/1984-09/15/1984 – Hoover Institution]," box 22, Jack Matlock Files, Ronald Reagan Presidential Library; and The Democracy Program: A Brief Introduction," Folder 22 "Chronological Files: January 1983," Box 1, Series I Project Democracy, National Endowment for Democracy, The Founding Papers, 1982-1994, Library of Congress Manuscript Division. [NED]

At the same time, in response to Reagan's confrontational policy, a network of liberal U.S. foundations, including the Carnegie Corporation of New York (CCNY) led by new president David Hamburg, the Ford Foundation, and the Rockefeller Brothers Fund, poured growing resources into programs aimed at avoiding nuclear war. ¹³ Rejecting the hardline assumption that the Soviet system was unreformable and irrevocably opposed to the West, they urged cooperation with the USSR. Rather than seeking to destroy communism through politicized tools like democracy assistance, these organizations funded programs aimed at improving bilateral relations by promoting contacts that would foster mutual understanding and gradual liberalization. 14 They funded "second track diplomacy" via the Dartmouth Conference, scholarly exchanges, pro-détente advocacy organizations, like the American Committee on U.S.-Soviet Relations (ACUSSR), universal human rights organizations, like the Helsinki Watch, and groups devoted to expanding people-to-people contacts, like the Institute for American Soviet Relations (ISAR). Through these efforts, U.S. foundations and NGOs sustained, and in some cases expanded, contacts endangered by Reagan's hardline policy, building connections with liberal "new thinkers" and human rights dissidents who would gain influence under Gorbachev. 15 As the Reagan administration began to embrace a more moderate policy in 1984, aimed at

¹³ On the growth of foundation funding for projects aimed at avoiding nuclear war, see Carnegie Corporation of New York, *Annual Report* 1983 (New York: Carnegie Corporation, 1983), 25; Ford Foundation, *Annual Report* 1980, vi; David Hamburg, "Foreword," in *Windows of Opportunity: From Cold War to Peaceful Competition in U.S.-Soviet Relations*, eds. Graham Allison and William Ury with Bruce Allyn (Cambridge, MA: Ballinger, 1989), ix-xi; Rockefeller Brothers Fund, *Annual Report* 1985 (New York: Rockefeller Brothers Fund, 1985), 14; Joan E. Spero, *The Global Role of U.S. Foundations* (New York: The Foundation Center, 2010), 6; John Tirman, *Making the Money Sing: Private Wealth and Public Power in the Search for Peace* (Lanham, MD: Rowman and Littlefield, 2000).

 ¹⁴ In 1982, the Ford Foundation and the Rockefeller Brothers Fund rejected requests to a study to establish the National Endowment for Democracy. On the Ford Foundation's opposition to democracy assistance see Letter from Richard Lyman to Lawrence Eagleburger and George Agree, Folder 8 "Fundraising Responses, 1982," Box 2, Series I, Democracy Program, NED; and William Korey, *Taking on the World's Repressive Regimes: The Ford Foundation's International Human Rights Policies and Practices* (New York: Palgrave MacMillan, 2007), 36.
 ¹⁵ See, for example, Carnegie Corporation, Grant Recommendation "For the Political Relations Task Force of the Dartmouth Conference," August 28,1987, Box 1227, Folder 6, Kettering Foundation; and Letter from Allen Kassof to David Hamburg, April 9, 1986, Box 1219 Folder 5, IREX, Series III.A, Grants, CCNY.

engaging the Soviet regime while fostering the USSR's gradual liberalization, it relied on groups like Helsinki, ISAR and the Dartmouth Conference as partners.¹⁶

Gorbachev's reforms proved the catalyst for the expansion and evolution of non-governmental influence in the USSR. By late 1986, Gorbachev believed that limited political and ideological liberalization was essential to revitalize the stagnating Soviet economy. Seeking to stimulate local initiative, build a popular base for reform, improve relations with the West and reduce the arms burden, Gorbachev released political prisoners, introduced *glasnost*, and initiated limited democratization. His reforms transformed the closed, centralized USSR into an increasingly open, pluralistic state and, ultimately, unleashed forces that precipitated its demise. Informal groups emerged in 1987 and radicalized quickly. By 1989 a Boris Yeltsin-led democratic opposition urged Gorbachev to accelerate reform, and republican independence movements began to threaten the integrity of the Union. Democratization provided these groups with a platform to exert power. By removing the unitary structure of the party and making republican leaders responsible not to the CPSU, but to their local constituents, democratization fueled centrifugal nationalism and enabled Yeltsin to use Russia as a power base from which to challenge Gorbachev. By 1990, a destabilizing struggle for authority between

(New York: Taylor and Francis, 2005); Michael Urban with Vyacheslav Igrunov and Sergei Mitrokhin, The Rebirth

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¹⁶ On the growing cooperation between these groups and the administration see Voorhees, *Dialogue Sustained*, 165; Laber, *The Courage of Strangers*, 253.

¹⁷ Archie Brown, "Did Gorbachev as General Secretary Become a Social Democrat?" *Europe-Asia Studies* 65, no. 2 (March 2013): 198-220; Seweryn Bialer, "Gorbachev's Move," *Foreign Policy* 68 (Fall 1987): 59-87; Mikhail Gorbachev, *Reorganization and the Party's Personnel Policy: The Report and Concluding Speech by the General Secretary of the CPSU Central Committee at the Plenary Meeting of the CPSU Central Committee,* January 27-28, 1987 (Moscow: Novosti Press Agency, 1987); "Report to the CPSU Central Committee and the USSR Supreme Soviet on the 70th Anniversary of the Great October Socialist Revolution," *Pravda*, November 3, 1987.

¹⁸ On the rise of the informal groups see Lyudmila Alexeyeva and Catherine Fitzpatrick, *Nyeformaly: Civil Society in the USSR* (New York: Helsinki Watch Committee, 1990), Cathy Fitzpatrick, *From Below: Independent Peace and Environmental Movements in Eastern Europe and the USSR* (Helsinki Watch Report, October 1987); Robert Horvath, *The Legacy of Soviet Dissent: Dissidents, Democratization, and Radical Nationalism in Russia*

of Politics in Russia (Cambridge: Cambridge University Press, 1997.

19 Timothy Colton, Yeltsin: A Life (New York: Basic Books, 2008); Zbigniew Brzezinski, "Post-Communist Nationalism," Foreign Affairs 68 No. 5 (Winter 1989): 1-25, 11; Stephen Kotkin, Armageddon Averted: The Soviet

the center and the republics exacerbated a mounting economic crisis and ultimately produced the Soviet collapse.

As the Soviet Union grew more accessible, unstable, and decentralized between 1986 and 1990, U.S.-Soviet unofficial contacts proliferated and U.S. influence became more diffuse. Beginning in late 1986, U.S. non-governmental organizations seized upon the new Soviet openness to exert expanded influence. "Bilateral" groups concerned with improving superpower relations leveraged the contacts they had nurtured with suddenly influential "new thinkers" in Gorbachev's inner circle to promote the liberalization of Soviet foreign policy. The Helsinki Watch began to move beyond its Cold War mission of human rights monitoring to support the growth of Soviet civil society. And, the NED and George Soros pioneered and established the model for democracy assistance in the Soviet Union. Trawing upon existing human rights networks, Soros and the NED dispensed grants to a wide range of independent informal groups.

By late 1989, democracy assistance became more prevalent. The fall of the Berlin Wall created euphoric hopes that a democratic tide was sweeping the globe. The waning of ideological competition transformed democracy assistance from a controversial anti-communist tool to a more mainstream practice seen as advancing an apparently universal human aspiration for

Collapse, 1970-2000 (New York: Oxford, 2008), 77; Matlock Autopsy on an Empire; Gwendolyn Stewart, SIC Transit: Democratization, Suverenizatsiia, and Boris Yeltsin in the Breakup of the Soviet Union, Ph.D. Dissertation, Harvard University, May 1995.

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²⁰ See Joel Hellman, "Soviet 'New Thinking' Toward Global View," *Surviving Together* (November 1986): 7 in Folder "ST November 1986," Box 4, Series ISAR, Hoover; Grant Recommendation "Toward Facilitation and Dissemination of Meetings Involving U.S. and Soviet Scholars and Policy Experts, June 22, 1988, Box 1219, Folder 3, IREX, Series III.A, Grants, CCNY; David Hamburg, "President's Report: A Historic Opportunity to Reduce Nuclear Danger," *Carnegie Corporation Annual Report, 1988* (New York: CCNY, 1988): 3-22, 17.

²¹ "Proposal on Civil Society in the U.S.S.R." submitted as an attachment to a letter from Jeri Laber to Fritz Mosher, April 1, 1988, Box 1557, Folder 4, Human Rights Watch/Helsinki Watch, Expansion of Activities in the Soviet Union, 1988-1994, Series III.A, CCNY.

²² On the connection between the democracy assistance and human rights networks see Michael T. Kauffman, *Soros: The Life and Times of a Messianic Billionaire* (New York: Vintage Books, 2002), 173-174.

²² George Soros, *Opening the Soviet System* (London: Weidenfeld and Nicolson, 1990), 2; Laber, *The Courage of Strangers*, 131; Laber, *The Courage of Strangers*, 131; Leonid Nikitinskii, *Trudno Delat' Dobro: Fond Sorosa*, 1987-1997 (New York: Open Society Institute, 1997), 8.

freedom.²³ Rising hopes, combined with growing fear of instability in the USSR, spurred U.S. foundations and NGOs concerned previously with bilateral relations to embrace democracy assistance. Convinced that the fate of the superpower relationship hinged on peaceful market-democratic reform, organizations like the ACUSSR and Dartmouth Conference began to focus on building contacts with nascent democratic forces and the CCNY started funding democracy assistance under the umbrella of its new Cooperative Security initiative.²⁴

Over this period, a "dual track" policy emerged. From 1986 through 1989, Reagan and Bush encouraged grassroots non-governmental contacts, viewing the liberalization of Soviet society as complementing their objective of engaging Gorbachev to improve U.S.-Soviet relations.²⁵ However, these two tracks came into conflict by late 1989. Prioritizing its relationship with Gorbachev and the stability of the USSR, the Bush administration refrained from forging contacts with or offering its support to the Yeltsin-led democratic opposition and national independence movements.²⁶ Non-governmental groups moved in to fill the void, forging contacts at the republican level. While these efforts helped render legible to policymakers the chaotic and decentralized Soviet scene, growing U.S. unofficial support for Yeltsin and for Baltic and Ukrainian independence conflicted with the administration's emphasis on stability.

Despite this tension, between 1991 and 1996, Bush and his successor Bill Clinton relied upon non-state actors to serve as partners in the FSU and embraced a new strategic doctrine,

²³ Carothers, *Aiding Democracy Abroad*, 6; Carl Gershman, "President's Report," *National Endowment for Democracy 1991 Annual Report*, 5.

²⁴ See, for example, Robert Lehman to Fritz Mosher re: "Citizen Summit," April 12, 1988; Grant Recommendation "For the Political Relations Task Force of the Dartmouth Conference," August 28, 1987 Folder 6, Box 1227, Kettering Foundation, Series III.A Grants, CCNY; and American Committee on U.S. Soviet Relations, Grant Request, March 16, 1991, Box 1431, Folder 6, ACUSSR– Assessment of Developments in the Soviet Union and the U.S. Soviet Relationship, Series III.A, Grants, CCNY; Paul Balaran, Recommendation for Delegated-Authority Grant, October 14, 1987, Grant File 885-0034, Reel 5690, Ford Foundation Archive, Tarrytown, NY.

²⁵ Revised Briefing Book for Shevardnadze Visit, Folder 2, Box 92191, Fritz Ermath Files, RRL.

²⁶ Adamishin and Schifter, *Human Rights, Perestroika, and the End of the Cold War*, 186; Beschloss and Talbott, *At Highest Levels*, 87-89; Bush and Scowcroft, *World Transformed*, 14.

"democratic peace," that explicitly linked U.S. security to the advance of market-oriented democracy in the FSU.²⁷ Ideology, domestic political imperatives, and sweeping geopolitical change influenced this development. The collapse of the USSR and its statist communist system simultaneously appeared to validate the universal appeal of the U.S. political-economic system and confirm the notion that civil society and private sector actors embodied the defining strengths of that system.²⁸ At the same time, the demise of the United States' longtime adversary invalidated the *raison d'etre* that had driven U.S. global engagement for nearly fifty years and, combined with an economic recession, gave rise to calls for retrenchment.²⁹

Facing domestic anti-foreign aid sentiment and the staggering intellectual and logistical challenge of supporting reform in the collapsing Soviet Union, the Bush administration devised ad-hoc solutions that relied on non-state actors. President Bush and Secretary of State James Baker delegated the task of overseeing Soviet economic reform to the International Monetary Fund (IMF) and Western advisors like Jeffrey Sachs. They also called upon U.S. NGOs and private sector groups to assist in the emergency distribution of humanitarian and technical aid in the FSU in the winter of 1991, and at the same time they transferred primary responsibility for

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²⁷ On Bush and Clinton's embrace of "democratic peace," see Thomas Carothers, "The Clinton Record on Democracy Promotion," Carnegie Endowment for International Peace Working Papers no. 16, September 2000, http://carnegieendowment.org/files/16carothers.pdf; Carothers, "The Democracy Nostrum," World Policy Journal 11, no. 3 (Fall 1994): 47-53; Melvyn Leffler and Jeffrey Legro, eds. In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11 (Ithaca NY: Cornell University Press, 2011), 180; George MacLean, Clinton's Foreign Policy in Russia: From Deterrence and Isolation to Democratization and Engagement (Burlington VT: Ashgate, 2006); Mark Schafer and Stephen G. Walker, "Democratic Leaders and Democratic Peace: The Operational Codes of Tony Blair and Bill Clinton," International Studies Quarterly 50 no. 3 (September 2006): 561-583; Strobe Talbott, "Democracy and the National Interest," Foreign Policy (November/December 1996). ²⁸ See for example George Bush, "Remarks at Texas A&M University in College Station, Texas," December 15, 1992. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency. ucsb.edu/ws/?pid=21775; William J. Clinton, "Remarks to the American Society of Newspaper Editors in Annapolis," April 1, 1993. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=46392; and National Security Council, Speechwriting Office, and Antony Blinken, "Tony Lake - "From Containment to Enlargement" 9/21/93," Clinton Digital Library, accessed May 22, 2015, http://clinton.presidentiallibraries.us/items/show/9013.

²⁹ On rising domestic isolationism see, for example, Richard Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," in *Dismantling the Cold War;* Jeremy D. Rosner, "Clinton, Congress, and Assistance to Russia and the NIS," SAIS Review 15 no. 1 (Winter/Spring 1995): 15-35.

dispensing bilateral aid from the United States Information Agency to the United States Agency for International Development (USAID), which relied heavily on non-state grantees.³⁰ The Clinton administration harbored more ambitious hopes for effecting internal transformation in Russia and the Newly Independent States (NIS).³¹ It deepened the public-private partnership, dramatically expanding USAID funding and institutionalizing democracy assistance and cooperative security aid as tools of U.S. influence.

Non-governmental groups had a significant, complex, and mixed impact on U.S. policy toward and influence in the (former) Soviet Union. U.S. NGOs deserve significant credit for contributing to the demise of the most repressive features of the closed, "hostile-isolationist" Stalinist system. Efforts by U.S. bilateral foundations and NGOs to sustain contacts during the tense early Reagan years helped foster the growth of the liberal internationalist values embodied in Gorbachev's "new thinking." George Soros, the NED, and the Helsinki Watch also deserve credit for the small, but important role that they played in supporting the rise of civil society in the early years of *perestroika*. By providing crucial resources and Western backing to nascent, besieged informal groups they helped insulate those groups from regime attacks and enabled them to project their powerful ideas – from human rights to democracy to self-determination – more effectively into an increasingly open political and ideological field.

As Soviet requests for Western aid mounted and the possibility of the Soviet collapse materialized in 1990, U.S. non-governmental groups played an important role in shaping strategy

³⁰ On the rise of USAID see Combs, "U.S. Domestic Politics and the Nunn-Lugar Program," 46; Nicholas J. Cull, "Speeding the Strange Death of US Public Diplomacy: The George H.W. Bush Administration and the U.S. Information Agency," *Diplomatic History* 34, No. 1 (January 2010): 47-69.

³¹ Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2002), 52. ³² On the impact of these efforts, see Georgii Arbatov, *The System* (New York: Random House, 1992, 310; Evangelista, *Unarmed Forces*; Robert English, *Russia and the Idea of the West: Gorbachev, Intellectuals and the End of the Cold War* (New York: Columbia University Press, 2000); English, "The Sociology of New Thinking: Elites, Identity Change, and the End of the Cold War," *Journal of Cold War Studies* 7, no. 2 (Spring 2005): 43-80; Voorhees, *Dialogue Sustained*, 277, 361.

and aid debates. They placed competing pressures on the administration. The NED, the émigré groups that it funded, and their congressional allies persistently pushed the Bush and Clinton administrations to divert resources away from Moscow to the republics. Prior to the USSR's dissolution, the NED network urged Bush to promote the Soviet collapse by supporting independence movements in the Baltic States and Ukraine and rejected aid packages, like the Grand Bargain, that it perceived as perpetuating the survival of an oppressive empire with an unreformable political-economic system. Thereafter, the endowment and its allies emphasized the threat of Russian imperialism and the imperative to secure the independent statehood, democratization, and integration of the non-Russian republics, particularly Ukraine, into the Western orbit. By contrast, the Carnegie Corporation network and George Soros urged the administration to use large-scale aid to promote the peaceful devolution of power in the Soviet Union, underscoring the danger of nuclear proliferation and the destabilizing collapse of economic ties. Their efforts, combined with advocacy by figures like former president Richard Nixon culminated in the passage of the FREEDOM Support Act in October 1992.

Ultimately, the Carnegie Corporation's cooperative security program represented the most successful contribution of the public-private aid regime. Drawing upon partnerships with Soviet actors, U.S. academic institutions, and legislators built during the early Reagan years, the CCNY network contributed to the peaceful collapse of the Soviet Union. Its Cooperative Security initiative, which grew directly out of its Avoiding Nuclear War project, played a key role in conceptualizing and articulating the threats posed by the violent disintegration of the USSR. Its advocacy helped influence the Bush administration to promote the USSR's rapid denuclearization following the coup. And, when the Bush administration failed to seek funding for Soviet denuclearization, the Carnegie network combatted domestic isolationism and pushed

the Nunn-Lugar amendment through Congress. Under Clinton, cooperative security aid proved crucial to incentivizing Ukraine to surrender its nuclear weapons.³³ By 1996, all strategic and tactical nuclear weapons in the FSU had been either destroyed or removed to Russia.³⁴

Efforts to promote the USSR's political-economic transformation were decidedly less successful. Despite the euphoric hopes evoked by the failed August 1991 coup, the United States' aspirations to effect the Soviet Union's market-democratic transition and integration into the Western orbit fell short. The "window of opportunity" was in many ways a false construct. Both U.S. and Soviet actors underestimated how immensely difficult it would be to bring about the political-economic transformation of a collapsing empire with a disintegrating economy and infrastructure. Nevertheless, even judged against this standard, U.S. efforts to advance market-democracy in the USSR in the years surrounding its collapse should largely be deemed failures. U.S. public-private engagement spawned anti-Western, anti-reform sentiment that undermined Soviet reformers at the time and has continued to haunt U.S.-Russian relations to the present day.

U.S. efforts created the perception, especially in Russia, that market reform and democracy represented Western imports designed to weaken Russia and deprive it of its empire. Beginning in late 1989, the dual tracks of U.S. policy mirrored and exacerbated the center-republic split. Growing unofficial U.S. support for republican independence movements and the Yeltsin-led democratic opposition, whose rise Soros and the NED helped fuel through their aid to informal groups, directly contradicted the Bush administration's emphasis on supporting Gorbachev and Soviet stability. The rise of democracy assistance and the decentralized injection

³³ Konstantin Hryshchenko, "Reducing the Nuclear Threat through Joint Efforts: The View from Ukraine," in *Dismantling the Cold War*, 151-53.

³⁴ Leon Sigal, *Hang Separately: Cooperative Security Between the United States and Russia, 1985-1994* (New York: The Century Foundation, 2000), 267.

³⁵ Walter Slocombe, "A Crisis of Opportunity: The Clinton Administration and Russia," in Leffler and Legro, eds. *In Uncertain Times*, 92.

of U.S. aid into the Soviet political cauldron elicited accusations from Soviet conservatives that the United States sought to precipitate the Soviet collapse and helped drive their opposition to Gorbachev's cooperation with the West.³⁶ The congressionally funded NED's aid to and advocacy for U.S. recognition of Ukrainian independence were particularly provocative.³⁷ Additionally, the Bush administration's failure to offer Russia large-scale economic aid in early 1992, even as Russia endeavored to comply with draconian IMF conditions, spurred a backlash against market reform. By mid-1992, U.S. actions contributed to growing opposition against Yeltsin, who was assailed for his cooperation with the West and for Russia's economic misery and dwindling geopolitical power.³⁸

When aid finally did materialize in the form of the FREEDOM Support Act, it had serious shortcomings. The Bush administration's decision to transfer the USAID-led aid structure from Eastern Europe to the former Soviet Union laid an unstable foundation for U.S. assistance. Lacking expertise on and contacts in the FSU, USAID relied heavily on non-governmental grantees to enact its programs. While awarding contracts to U.S. grantees was popular domestically, it proved ineffectual. AID's growing pool of funding under Clinton attracted "Beltway Bandits" who knew little about Russia, but sought lucrative contracts. Moreover, AID's reliance on non-state actors tied the U.S. government to the provocative activities of these groups and tarred independent actors as subversive agents of U.S. power.

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³⁶ Thomas Blanton, "U.S. Policy and the Revolutions of 1989," in Svetlana Savranskaya, Blanton and Vladislav Zubok, eds., "Masterpieces of History," 74; Anatoly Chernyaev, My Six Years with Gorbachev (College Park, PA: The Pennsylvania State University Press, 2000), 233; Matlock, Autopsy on an Empire, 324-25; and Zapis' besedy A.N Yakovleva c poslom SShA v SSSR Dzh. Metlokom, July 20, 1989, Fond 10063, Opis 1, Delo 264, GARF.

³⁷Bush and Scowcroft, A World Transformed, 512; Sensatsiya! 'Glavred' vpervye obnaroduyet zapisi besed Gorbacheva's mirovymi liderami ob Ukraine," http://glavred.info/archive/2009/10/05/163604-3.html.

³⁸ See for example Stenogramma Predsedatel'ya Verkhovnogo Sovieta Rossiiskoi Federatsii Khasbulatova R.I. c amerikanskimi finansistami, February 4, 1992, Fond 10026, Opis 5, Delo 465, GARF.

³⁹ On the "Beltway Bandits," see for example McFaul and Goldgeier, *Power and Purpose*, 98; Wedel *Collision and Collusion*; "The Harvard Boys Do Russia," *The Nation*, June 1, 1998; and "U.S. Foreign Aid and Foreign Policy: Building Strong Relationships by Doing It Right!," *International Studies Perspectives* 6 (2005): 35–50.

During the Clinton years, idealism and hubris undermined U.S. efforts to advance market democracy in Russia and the NIS. Like Bush, Clinton viewed Yeltsin as a vital strategic partner and bulwark against Russian revanchism. Unlike Bush, however, he harbored an unrealistic faith in Yeltsin's capacity to effect Russia's internal transformation. He believed that a policy of U.S. support for Yeltsin would foster the growth of a democratic Russia that would renounce its sphere of influence and allow the integration of its former empire into the Western orbit. Unfortunately, however, building a strategic partnership with Yeltsin was incompatible with promoting democracy in Russia and its near abroad. 40 Efforts by the Clinton administration, USAID, and its non-governmental partners to support Yeltsin, primarily by aiding corrupt stateled privatization, weakened and discredited Russian democracy. When the burgeoning "Democracy Establishment" pushed back against this Russia-first, Yeltsin-first policy, the administration shifted U.S. assistance within Russia to the grassroots, increased aid to Ukraine, and offered more robust support for NATO expansion. The growth of this "democracy track," however, undermined cooperation with Russia without effecting Russia's liberalization. NATO expansion provoked anti-Western outrage, and grassroots democracy aid was only marginally effective, often fueling dependency, corruption, and competition among Russia's weak civil society and discrediting its recipients as Western agents.⁴¹

The legacy of the "dual track" public-private aid regime continues to reverberate nearly twenty-five years after the Soviet collapse. In 2010, President Barack Obama affirmed the United States' commitment to "a strategy of dual track engagement." By 2012, however, the

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⁴⁰ On this tension, see Slocombe, "A Crisis of Opportunity," 83. 86, 88; and Talbott, *The Russia Hand*, 94-97.

⁴¹ See for example Vladimir Bukovsky, "Drowning Democracy," *The National Review*, September 23, 1991; Henderson, *Building Democracy in Contemporary Russia*, 10-11, 13; and *Protecting Eurasia's Dispossessed: A Practical Guide for NGOs Working on Issues of Forced Migration in the Former Soviet Union* (New York: Open Society Institute, 1996).

⁴² "U.S.-Russia Relations: 'Reset' Fact Sheet," https://www.whitehouse.gov/the-press-office/us-russia-relations-reset-fact-sheet.

tension between the imperative to cooperate with Russia and the imperative to promote democracy in the former Soviet Union grew untenable. Upon his reelection in 2012, Russian president Vladimir Putin took escalating steps to reverse the inroads made by U.S. NGOs beginning in the late 1980s. Rejecting the post-Cold War notion that democracy represented a universal value, Putin decried it as a subversive ideology of U.S. power designed to weaken Russia and infringe its sphere of influence. He blamed "color revolutions" in Georgia and Ukraine in 2003 and 2004, anti-Putin rallies in Moscow in 2011, and the overthrow of pro-Russian leader Victor Yanukovych in Ukraine in 2014 on the meddling of Western NGOs like Soros and the NED. In 2012, he expelled USAID, ended Russian participation in the Nunn-Lugar program, and required all foreign funded NGOs to register as "foreign agents." Then, in May 2015 he signed legislation banning "undesirable" foreign NGOs from operating on Russian soil.

Moving forward, the United States must conduct relations with Russia and project soft power globally with greater attention to the past. In weighing the tradeoffs between building stable relations with Russia and advancing democracy, U.S. leaders and NGOs should turn their attention to the legacy of U.S. involvement in the former Soviet Union during the volatile years surrounding its collapse.

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⁴³ Jordan Michael Smith, "The Democracy Project," *The National Interest*, May-June 2013; David Remnick, "Watching the Eclipse," *The New Yorker*, August 11, 2014.

⁴⁴ Carl Gershman, "Russia's Crackdown on Civil Society Shows the Regime's *Weakness*," *Washington Post, July 28, 2015*; Tatyana Lokshina, "Soros Foundation Outlawed by Russian Parliament," Newsweek, July 10, 2015.

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