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U.S. POLICY TOWARD RUSSIA

Goals. Core long-term objectives of U.S. policy toward Russia are to promote stable, democratic, outward-looking state, secure within own borders and at peace with neighbors, U.S. and other states, and to reduce nuclear threat.

-- Such a Russia won't pose a military threat to U.S. and its allies and will be more likely, in defense of its own interests, to pursue foreign and security policies compatible with U.S. interests.

Means. In pursuit of these objectives, Administration supports democratic, market reform in Russia and encourages Russian integration with regional and global institutions. Engagement at all levels and with all elements of Russian society to advance goals, strengthen relations.

Achievements. Have already realized concrete gains: nuclear arms cuts; detargeting of missiles; cooperation in Bosnia, Middle East; Russian troops out of Baltic states, Central Europe; expanded trade and investment opportunities.

-- Russians responsible for success or failure of reform; but U.S. has seized unparalleled opportunity to help them become democratic, open partner.

Russian Election. Russia in midst of electoral season. Will be lots of rhetoric, but free back-and-forth, conduct of December elections are signs democracy is taking hold.

-- Election for Russian people to decide. Not for us to intrude on choice of future leaders.

-- In Russia, as elsewhere, work with any democratically-elected leadership on basis of its policies.

Our Approach. Policy steady: active engagement to support democracy, development of market economy, Russia's integration. Promote cooperation to reduce military threat and to advance common foreign policy goals.

Russia's Choice. The greater Russia's commitment to democracy, economic reform, integration, conformance to international standards, the more effective our support and that of the international community can be.

-- Russia has important choices to make about its future direction; in the end, what we are able to do with/for Russia will turn on choices it makes.
PUBLIC THEMES ON NEW INDEPENDENT STATES (NIS)

- **Goals.** U.S. policy toward the NIS aims to promote stable, democratic, outward-looking states, secure within their own borders and at peace with neighbors, U.S. and other states.

  Such states will be more likely, in defense of their own interests, to pursue foreign and security policies compatible with U.S. interests. In case of Ukraine, Belarus, Kazakhstan more likely to eliminate weapons of mass destruction left on their territory after Soviet Union collapsed.

- **Means.** Administration approaches each NIS as sovereign and independent country, supports democratic and market reform in each, and encourages integration with regional and global institutions.

- **Achievements.** Have realized concrete gains for Americans: eliminating nuclear weapons that were in Ukraine, Belarus, Kazakhstan; good relations with emerging countries; expanded trade and investment opportunities; mutually advantageous development of energy resources.

  - Ukraine, for example. Kiev ratified START I, joined NPT, eliminating nuclear weapons, adhering consistently to democratic principles, launched difficult process of reform, building ties to Europe, including participation in Partnership for Peace.

- **The Choice Facing Each NIS.** The greater NIS states' commitment to democracy, economic reform, integration, conformance to international political and economic standards of conduct, the more effective our support and that of the international community can be.

- **Relations Between Russia and NIS.** Support good relations between Russia and NIS on basis of equality, mutual respect and OSCE principles.

  - Encourage cooperation among NIS and can support integration which is:
    - based on equality (including respect for sovereignty, independence, territorial integrity),
    - voluntary, and
    - outward-looking (arrangements that expand opportunities for all parties to develop outside ties).
Russia - O + A

- Russian Achievements
- Lots of mines
- Get away from Russian presence
- Why our policy fixed on long term
- Not favor of Russian but non alliance
- Investment climate = confidence
- Central purpose of our FR = relate it to this
- Problems: you are a nation with
  were got to work w/this can.
  It's in action to do so.

- Keep eye on fluctuations
  + Remoney elections
  + Privatization still to reverse. Ed reform
  benefits. Remember cost to renewing
  + FP Acts on our interests. Daily
  interest of Russia to UK w/v/we on unity of
  issues.
(Nukes (Discrim - Unity - Safety
Send)
- Rob Brown will play the plunger. Put his side notes on hot 1 or 7. Is great.
- Gap the harmonic reality for basses. We unlimited that a path of progress long by
to go his problem. Work it then
(Cold chroming) (Use Od-ly)
- NATO expiration
A DEMOCRATIC AND UNDIVIDED EUROPE IN OUR TIME

ADDRESS

BY SECRETARY OF STATE WARREN CHRISTOPHER

Cerin Palace
Prague, Czech Republic

Prime Minister Klaus, Foreign Minister Zieleniec, Distinguished Foreign Ministers: I would like to speak with you today about what we must do to fulfill the promise of our time: an undivided Europe of free nations, stretching from Russia in the east, to the Atlantic in the west, with this beautiful Czech capital once again at its heart.

Yesterday I was flying to Prague from Kiev and I was reminded of this region's painful past of conquest and shifting frontiers. Below me, I could see towns and villages that in this century alone have been Russian, Austrian, Soviet, German, Czechoslovak, Polish and now Ukrainian, Slovak and Czech. These borderlands have been battlegrounds and burial grounds for Europe's great powers. It was here that this century's two great wars, and the Cold War, began. And today, it is here in this region that the greatest threats to European security must be faced.

Yet it is also here that our century's most inspiring victories for freedom have unfolded. These hopeful events also have roots in the history of this region: They are part of a tradition that includes the Polish Constitution of 1791, Europe's first written constitution. They harken back to the Ukrainian Rada of 1917, the first representative voice of an independent Ukraine. They have strong roots right here in Prague where democracy flourished after World War I, as fascism rose in the west, and where freedom flickered briefly after World War II as Stalinism was imposed from east.

That era in Prague was epitomized by Thomas Masaryk, the elected President who believed that “for all the evils that may arise from political liberty, there is one tried remedy: more liberty.” It also produced a Czech woman who learned to cherish freedom in her youth and who now defends it as America's Ambassador to the United Nations: Madeleine Korbel Albright.
That democratic spirit endured the demoralizing years of communism. It inspired the Prague Spring and the Velvet Revolution. It animated coal miners and students, playwrights and electricians from the Berlin Wall to the walls of the Kremlin, and it gave them the power to overcome a totalitarian system that some thought could never be changed from within. Now, thanks to elected leaders like Vaclav Klaus and his counterparts, this region is home to the fastest growing economies in Europe. Many nations are resolving old ethnic and border disputes. All now have their first real chance to enjoy independence and stability at the same time.

Europe’s fears and hopes have met in the former Yugoslavia. From the first shots that rang out in Sarajevo, to the destruction of Vukovar, to the killing fields of Srebrenica, Europe relived the worst horrors of the First and Second World Wars. But if we look at Bosnia today, we will see something that has never been seen before: soldiers from the United States and Russia, from Poland and Lithuania, from the Czech Republic and Germany, and from 26 other countries joined together in a mission of peace, justice, and reconciliation. This broad participation in IFOR is taking NATO’s Partnership for Peace to new heights. It is showing the world how far the nations of central and eastern Europe have come, and how much they have to contribute as our partners to European security.

Europe’s future will be shaped by one of two very different paths: either by the divisive intolerance that left Bosnia in ruins or by the democratic integration to which most nations in this region aspire. For the right choice to prevail, there is a challenge you must meet, a challenge the United States must meet, and a challenge we must meet together.

The first challenge is that each nation in this region must take responsibility for building democratic stability from within. Free elections and free markets are only the first steps. Building a true democratic culture requires not just tolerance but respect for human rights and minority views and a willingness to come to terms with painful episodes from the past. It requires a free press, free trade unions and a network of private organizations outside government control. Likewise, sustaining economic growth requires completing market reforms. It calls for privatization and a stable legal framework for investment. It requires accountable institutions that effectively confront problems like poverty, corruption, crime, and environmental damage.

This first challenge falls to a new generation in the new democracies, to the students, the young entrepreneurs, the young mayors, the young teachers who are building their nations anew. Their parents and grandparents struggled for many years to give them this opportunity. With the power to control their destiny, they have a responsibility to safeguard freedom and to use it with wisdom and justice for the common good.

The second challenge is for the United States: we must continue to engage and to lead in Europe. The Cold War may be over, but American leadership is still critical to transatlantic peace, security, and democracy. America’s efforts helped make possible the smooth unification of Germany, the withdrawal of Russian troops from the Baltics, Ukraine’s decision to give up nuclear weapons, and now the end of the war in Bosnia. There are isolationists in my country
who would weaken our vital historic ties to the continent, but we will not heed them. It is a central lesson of this century that America must remain a European power.

The United States has a particular interest in assuring the success of Europe's new democracies. We have an interest in your liberty, because when you won your freedom, we were liberated from the Cold War. We have an interest in your security, because we wish to avoid the instability that drew over 5 million Americans to fight in two world wars in Europe. We have an interest in your prosperity, because our own prosperity depends upon a Europe that is open to our exports, our investment, and our ideas.

We know we have an interest in your success, because standing here in Prague, we cannot fail to remember history. In 1938, as Hitler threatened to conquer Czechoslovakia, many Americans saw his aggression as a European problem. Yet no European state would intervene in what Neville Chamberlain dismissed as "a quarrel in a far-away country between people of whom we know nothing." The world paid the price for that dangerous shortsightedness.

A half century later, a war in Bosnia threatened peace and security throughout Europe. And again, it was the United States working together with Europe that made peace possible. President Clinton understood that only America, the leader of NATO, could make a decisive difference.

That is why we went all out for peace at Dayton. That is why I was in Bosnia at D+45, the 45th day of the NATO enforcement mission, and that is why I met with the three Balkan leaders this week in Geneva. Yesterday was D+90, and it is clear that our troops have met their first critical challenge. The killing has ended. The armies have withdrawn. And in Geneva, the parties agreed to a series of concrete steps to pave the way for our next critical test: holding free elections this summer. Our work in Geneva provides the foundation for our Contact Group Ministerial on Saturday in Moscow. This series of meetings reflects the fact that much remains to be done, that we have to stay with this process day in and day out to achieve lasting peace.

In this region, the United States will remain a leader in support of democracy and free markets. Total American assistance to central Europe has already topped $10 billion. Our twelve enterprise funds have capitalized thousands of small businesses. We have helped rewrite commercial codes, as we did in Latvia, to create stock exchanges, as we did in Hungary, and to prepare the way for foreign investment throughout the region.

And we are ready to meet a third challenge, the one we must meet together. That challenge is to reunite this continent, to erase the outdated boundaries of the Cold War. At long last, we must become equal partners, with equal responsibilities.

Fifty years ago, when we emerged from World War II, the United States forged a permanent alliance with Europe's democratic states. Together, we created institutions that gave the West a half century of peace and prosperity. That alliance kept Soviet armies at bay. It also brought France and Germany together. It integrated Italy and eventually Spain into our
community of democracies. It gave shattered economies confidence to recover. It remains a force for transatlantic unity.

Today, our goal is to extend eastward the same structure of values and institutions that enabled Western Europe to overcome its own legacy of conflict and division. These institutions, NATO and the European Union among them, are not ends in themselves. But history teaches that they create the conditions that allow democracy and free markets to flourish.

For Europe's new democracies, integration will bring a new era. With the struggle for independence won, we are now able to work together to meet the responsibilities that Western nations share. That is what we are doing now in Bosnia, and what many of you will ultimately do as full members of NATO and the EU.

Together, we can build lasting security. We can build a true transatlantic marketplace that will deepen America's ties with a broader Europe. We can fight terrorism, organized crime and proliferation and we can protect the environment. We can work together in peacekeeping missions. We can speak and act together in support of freedom around the world, just as others stood with you during the long years of communist rule.

We are determined to keep faith with the nations of this region, to open the door that Stalin shut when he said no to the Marshall Plan. No nation in Europe should ever again be consigned to a buffer zone between great powers, or relegated to another nation's sphere of influence.

To achieve that end, President Clinton has advanced a broad-ranging strategy for European security. It includes a revitalized NATO, ready for the missions and roles of the next century. It includes support for deeper and broader European integration. It includes a strong and productive relationship with Russia.

The President's approach is comprehensive. It is far-sighted. And it is working.

We began to put this strategy into place two years ago when President Clinton proposed the Partnership for Peace. The Partnership has been an extraordinary success. It has a established habits of cooperation that made IFOR possible. It will remain a permanent feature of security cooperation in Europe and we are determined to strengthen it further.

Last week, I visited NATO's supreme headquarters in Mons. In a building where the Allies once planned to defend Berlin against Soviet attack, Russian officers now work alongside NATO's members, alongside former neutral countries, and alongside the nations of central and eastern Europe. In the main hall, forty-three flags fly in alphabetical order, recognizing no artificial distinctions. That is our vision for the new Europe come to life.

For some nations, the Partnership will also prepare the way for NATO membership. NATO enlargement is not a step we will take lightly. It involves the most solemn commitments that one nation can make to another. New allies will be full members of NATO, with all the
benefits that entails. But they must be ready to assume the full risks, costs, and responsibilities as well.

This year NATO has entered the second phase of a process that has been gradual, deliberate, and transparent. NATO has begun intensive consultations with interested partners to determine what they must do, and what NATO must do, to prepare for enlargement. Based on the results, we will decide on next steps in December. We are determined to move forward. NATO has made a commitment to take in new members and it must not and will not keep new democracies in the waiting room forever. NATO enlargement is on track and it will happen.

By extending NATO’s guarantees to strong, new democracies, we will extend the area where conflicts are deterred. This will make it less likely that we will ever again have to send American troops to fight in this region. Enlargement will help us erase a Cold-War dividing line drawn solely by the accident of where the Red Army stopped in 1945. The prospect of enlargement has also given every potential member an incentive to maintain democracy and good relations with their neighbors. In this way, enlargement will benefit members and non-members alike.

Indeed, by encouraging the peaceful resolution of disputes between countries like Hungary and Slovakia, NATO has already become a force for conflict prevention in this region. The United States and every NATO ally looks forward to Slovakia’s ratification of its treaty with Hungary, and we hope that Hungary and Romania will reach a similar agreement soon.

NATO is the linchpin of European security, but other institutions are also critical. The OSCE is vital because true stability depends on the standards it promotes: respect for an open society and for the rule of law. This year, the OSCE will test its new operational role as it supervises elections in Bosnia.

The enlargement of the EU is just as critical to the future of central and eastern Europe as the enlargement of NATO. It will tear down what Lech Walesa called the “Silk Curtain,” the artificial economic barrier that still divides Europe between east and west. The standards the EU establishes will lock in democratic and market reforms and give this region’s courageous entrepreneurs a fair chance to compete in a single European market. The EU must maintain its momentum toward enlargement.

Let me make one final, critical point about our strategy of integration. The process will be inclusive. It will not build new walls across this continent. It will not recognize any fundamental divide among the Catholic, Orthodox and Islamic parts of Europe. That kind of thinking fueled the killing in the former Yugoslavia and it must have no place in the Europe we are building.

The enlargement of Western institutions will naturally begin with the strongest candidates for membership -- if it did not start with them, it would not start at all. But our goal is not to help these nations “escape” from central and eastern Europe at the expense of their neighbors. Those who are first have an obligation to ensure their membership keeps the door open for others.
Ukraine's integration is especially important to stability and security in this region. That is why we value Ukraine's participation in the Partnership for Peace, why we want NATO and Ukraine to build a strong relationship, and why we will participate in a major military exercise in Ukraine this summer. Yesterday in Kiev, I reaffirmed America's commitment to Ukraine's freedom, independence, and prosperity.

It is also critical that Russia take its rightful place in the new Europe. Nowhere is it more important that democracy take root. Russia's reform efforts are under strain and success is not assured. But we support reform because in the long run, its success benefits not only the Russian people but Europe and America as well.

One of the central issues in the future of Europe will be Russia's relationship with its newly independent neighbors. Last week, we were confronted with a dark vision of that future when the Russian Duma voted in favor of reconstituting the U.S.S.R. But history must not be reversed. Five years ago, millions of former Soviet citizens freely chose independence and the United States will continue to support their right and determination to keep it. I applaud President Yeltsin for opposing the Duma resolution. He and most Russians understand that Russia's interests lie in treating all its neighbors as equal, sovereign partners in an integrated Europe.

On Friday, I will be meeting with President Yeltsin and Foreign Minister Primakov in Moscow. We will discuss our common interest in the safety of nuclear weapons and nuclear reactors to prepare for the April nuclear summit. We will review our efforts on arms control, including our goal of a comprehensive nuclear test ban. And we will discuss the positive contribution Russia can make to European security. Russia can and should develop a cooperative relationship with NATO, in and beyond the Partnership for Peace, building on our cooperation in Bosnia.

We must avoid the danger of three Europes: a prosperous, stable west, a center on its way to NATO and the EU, and an east consigned to isolation and crisis. Central Europe's integration will neither determine, nor be determined, by events in Russia. But we have an equal interest in integrating, not isolating, Russia.

Of course, Russia must not isolate itself. Its integration, like that of central Europe, will depend on the choices its leaders and its people make. Integration depends on adherence to international norms at home and abroad.

Today, every nation in this region can make the choices that lead to an undivided Europe: a Europe whose eastern frontiers are determined by shared values, not by geography or history. As President Clinton said in Prague: "Freedom's boundaries now should be defined by new behavior, not old history." The West itself must be open to open societies and open markets everywhere.

Europe's new democracies were born in a peaceful struggle for dignity. That struggle committed millions of Czechs, Slovaks, Poles, Romanians, Russians and others to the highest
standards of solidarity, civility and courage. It created a generation that, in the words of Pope John Paul II, "called good and evil by their name, and did not blur the picture."

That special history gives you a special role to play, in partnership with the United States, in Europe's future. For each of us, that role must live up to what President Havel has called "the politics of responsibility." We must accept the responsibility to uphold the ideals that set us free.

So let us rededicate ourselves to an old goal. Let us build a Europe of sovereign, equal democracies, united with each other and America by shared values and institutions. Let us build a Europe where you can always count on us and we can always count on you. Let us make this vision a reality in our time, not in our children's time.

Thank you very much.

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A specter is haunting free enterprise: the specter of the New Socialism.

The old Socialism failed. The Marxist notion that state ownership could triumph over capitalism led to the disintegration of the Soviet Union. In its other form -- the democratic welfare state -- the old Socialism is being abandoned.

Privatization is in; from Sweden and Britain to Israel and throughout Asia, tight state control of business is unraveling. In the U.S., even the majority of Democrats read the public mood against tax-and-spend and turned away from the stultifying excesses of income redistribution. For more than a decade, the pendulum has been swinging toward free enterprise and its handmaiden, free trade.

What were the world's leftists to do? How to reassert central control in the face of public revulsion of corrupt or intrusive state bureaucracy?

After years of thrashing about, they have come up with an answer: the New Socialism.

Unable to command the economy directly, leftists propose to coerce corporations to act as government's surrogates. Under the banner of "social responsibility," the idea is to place the costs of education, health care, training, day care and environmental purity -- costs that voters are unwilling to assume -- on companies that now measure success in terms of profits and dividends.

This goes beyond "industrial policy," that liberal scheme to let Washington decide which industries to subsidize and which to let fail. That cherry-picking didn't fly.

Enter the New Socialist Person. He or she is called the "stakeholder." Remember that word; it has replaced "proletariat" in the lexicon of the left.

The leader of Britain's resurgent Labor Party, Tony Blair, advocates a
"stakeholder society." The leader of House Democrats, Richard Gephardt, told the annual gathering of A.F.L.-C.I.O. executives in Bal Harbour, Fla., "We've got to encourage, cajole and persuade our corporations . . . to recognize the role of their stakeholders as well as their shareholders."

At Bal Harbour, Clinton Labor Secretary Robert Reich went further, urging that Washington reward companies who practice "good corporate citizenship" and punish, by taxation or regulation, those driven only to make profits (by delivering quality products at a low price).

Who are the stakeholders? Workers, often seeking protection from competition; middle managers, even the unnecessary; the local community, including extreme environmentalists. In the New Socialism, share-owners come last -- including all those investing through pension funds and mutual funds -- despite the fact that these investors provide the capital to support profitable business and generate jobs.

The fifth stakeholder, usually unmentioned in the New Socialism's attack on "corporate greed" and demonization of the downsizers, is the consumer. His stake is his cost of living, which would shoot up if Reich punishments and Buchanan tariffs were slapped on the goods the middle-class family buys at Wal-Mart or Sears. The protected worker is also the cheated consumer.

Capitalism's defenders know that only stupidly shortsighted executives overlook the need for a loyal, motivated work force; we also know that good community relations help attract the best managers and innovators to a company. And easing the shock of necessary belt-tightening on workers who are not producing is "good P.R.," which makes business sense -- provided it does not squander assets on ego-satisfying do-gooding or becoming the new delivery system for politicians' largesse.

What are the primary "social" responsibilities of a corporation? To serve its owners by returning a profit and its community by paying taxes; to earn the allegiance of customers by delivering value, and to provide a secure future for employees who help it succeed in the marketplace. A new responsibility is to resist the wave of resentment stirred by politicians whose geese cannot lay those golden eggs.

The old business-bashing populism of Buchanan and some unions has linked up with the new business-using socialism of Clinton's advisers. If this pernicious bedfellowship is not rejected now, at a time of low unemployment, who will stand up for competition, productivity and free trade when the recession bites?

LANGUAGE: ENGLISH

LOAD-DATE: February 26, 1996
To the Editor:

Here we go again as the International Monetary Fund pulls financial reins to put Russia on the path of privatization and trade liberalization to retard the growing support for the Communists that might block Russia's move toward a capitalist economy (front page, Feb. 23).

It is indeed shocking that the International Monetary Fund continues to push its analysis that countries adopting free-market policies are on the path toward economic recovery when there is enough proof against it.

Countries set on the path of trade liberalization have been confronted by increased unemployment and poverty, environmental degradation, drastic cutbacks in welfare programs and widening gaps between rich and poor.

Economic restructuring has led to destabilization of human resources and productive assets.

President Boris N. Yeltsin's hopes of using the first installment of $4 billion on increased social spending will not be fulfilled under this model.

The International Monetary Fund wants Russia to increase government revenues to pay for social programs. The agency's adjustment programs are based on a model that does not recognize the importance of investing in people and does not support development based on the ethical principles of justice and environmental principles of sustainability.

ANURADHA MITTAL
Policy Director, Institute for Food and Development Policy
Oakland, Calif., Feb. 23, 1996

LANGUAGE: ENGLISH

LOAD-DATE: February 27, 1996
NOW THIS is the right way to serve Western interests in the emergence of a new Russia. It's not to wave a flag for Boris Yeltsin, and thereby license his political malpractice and invite the resentments flowing from foreign "interference." It's to use the politically bland but powerful instrument of the International Monetary Fund to encourage reform and a sound economic policy. That allows the United States and others to avoid a potentially damaging identification with one candidate in Russia's coming presidential elections and yet promote democracy and a free market.

The IMF has agreed to a three-year $10.2 billion loan to Russia, and Russia has agreed to terms sterner than any that the American government could have imposed on its own. The idea is to impose a degree of discipline that, though it will add further pain in Russian society, will contain inflation, promote growth and consolidate a working and growing free-market economy. Not all of Russia's troubles, of course, can be solved or eased by the IMF. Leadership must come from within. The terrible deprivations of economic crime and corruption must somehow be rooted out. A sensible foreign policy matching up Russia's interests and resources can only be made in Moscow. But the IMF is still central to Russia's future.

It is widely suggested, with something of a collective wink, that the supposedly technical and impartial IMF is making a huge and perhaps decisive contribution to President Yeltsin's reelection campaign. It could work out that way, and that would be a bitter pill for the many Russians who have suffered his policies and lost confidence in his leadership. But the fact remains that the IMF is imposing heavy demands on Mr. Yeltsin and that the thrust of its program is to strengthen Russian institutions, not any one man. Every month the IMF gets to say whether Russia has earned the next month's disbursement. The money goes in the first instance to the Russian Central Bank, whose respected director, Sergei Dubinin, has survived the winter's dislocations and become reform's key man.

A made-over Communist party now observing democratic rules is running its chairman, Gennady Zyuganov, for president. He is making much of Boris Yeltsin's erraticism and of the costs of change to the man in the street, and his brand of populism offers at least rhetorical hospitality to new spending programs and even to renationalization of some now-privatized industries. The IMF has made clear that such initiatives would be inconsistent with the reforms it is attempting to embed in Russian practice. If this is a form of favor for President Yeltsin, it is even more a form of favor for the new Russia.
THE NEWS ABOUT the Russian economy and the Russian political scene these days is sufficiently complicated so that non-foreign-policy types in the United States -- dance audiences, for instance -- might be forgiven for thinking that it doesn't have a whole lot to do with them personally. Unless, that is, they happened to notice a news story carried recently by Knight-Ridder about the possible problem of the "bogus Bolshoi" ballet troupe.

As writer Willa J. Conrad explains in the story, a ballet company calling itself the Bolshoi Ballet Ensemble has been booked into a tour of parts of the East Coast of the United States starting in mid-March -- and, not surprisingly, has proved quite a ticket draw in the cities that scheduled it as part of their subscription season. The only trouble, according to this report, is that the Moscow-based director of the Bolshoi troupe, Vladimir Vasilyev, has told other media (including The New York Times in an earlier interview) that the group needed a hiatus from all American tours until at least 1998 so as to rebuild itself. Accordingly, he claims, he has canceled all American tours. This naturally raises the question of who exactly is going to be touring.

Presenters and impresarios involved with the project were, perhaps not surprisingly, hard to reach for comment on the subject, Ms. Conrad reports. But a turnover in the venerable ballet company's leadership last year and a tour last year that included retired Bolshoi dancers and non-Bolshoi dancers under the title "Stars of the Bolshoi" raises the possibility that, in the chaos that is the no-longer-subsidized post-Soviet arts world, brand names like "the Bolshoi Ballet" may no longer mean exactly what they once did. Indeed, it may not be so easy to figure out who is using the Bolshoi name, let alone do anything about it legally.

Much as manufacturers of luxury goods hire copyright lawyers to protect the image of Louis Vuitton bags or Chanel perfumes or what have you from erosion by knockoffs, arts presenters who want to give audiences the kind of Old World polish associated with the great Russian art names could find themselves casting around for some comparable form of trademark protection. No one wants to arrive at the theater for an evening of ballet and spend the performance wondering whether political and economic troubles have replaced the incomparable stars of legend with a bunch of ringers. Then again, this is America of 1996, a culture currently glorying in ghostwritten biographies and fake fat. A nice evening of pseudo-Bolshoi, or maybe "as told to Bolshoi," could be just the ticket.
To the Editor:

Gary Milhollin's criticism (Op-Ed, Feb. 20) of the Clinton Administration's exporting of supercomputers to Russian nuclear weapons laboratories was informative but misses the point.

Does Mr. Milhollin support a comprehensive test-ban treaty now under negotiation in Geneva? He suggests that one use of the supercomputers will be to do simulation testing that will allow the Russians to abandon underground testing. Nuclear tests of any sort are not good, but would Mr. Milhollin prefer that the Russians keep blowing up nuclear weapons underground?

Does it really matter whether the Russians get a supercomputer to do something they already do well? They have been building nuclear bombs for more than 40 years. As of late 1995, according to the United States Defense Department, 17,000 to 23,000 nuclear weapons were in the Russian arsenal.

The real problem is the large Russian -- and American -- nuclear arsenals that still exist. The solution to this, and the nuclear testing problem, involves moving beyond the nonproliferation frenzy that has gripped the Washington national security community and proposing deeper reductions in the American and Russian arsenals.

JOSHUA HANDLER
Washington, Feb. 20, 1996

Disarmament Coordinator
Greenpeace

LANGUAGE: ENGLISH

LOAD-DATE: February 24, 1996
The White House is about to take one of the greatest national security gambles since the end of the cold war. To please the computer industry, the Clinton Administration is preparing to send powerful American supercomputers to Russian nuclear weapons laboratories.

The Convex Computer Corporation, a subsidiary of Hewlett-Packard, wants to send two computers to Arzamas-16, where Moscow's first atomic and hydrogen bombs were built, and another one to Chelyabinsk-70, the center that developed most of Russia's nuclear warheads, including the world's most powerful hydrogen bomb. The three machines, together worth almost $8 million, operate faster than anything now in Russia.

Many experts are convinced that the computers would improve Russia's nuclear arsenal. "These are the worst places in Russia to send a supercomputer," a senior American official familiar with the deal told me last week. The economic expediency of the transaction rankles Senator John McCain, Republican of Arizona, who said, "A decision of this magnitude should not be made based solely on commercial interests, but on national security interests as well."

The United States has always used the most powerful computers available to simulate and design nuclear weapons. Yet Convex has assured the Commerce Department that the computers would be used only for peaceful applications such as "ground water and atmospheric pollution modeling." A company spokesman assured me that there would be an inspection plan to prevent cheating.

But a senior American nuclear weapons expert, who spoke on condition of anonymity, questioned the security arrangement, citing Russia's legendary disregard for the environment and the lack of central control over its labs. "I can't imagine that they won't be used for nuclear weapons work," he said of the computers. Last year, the Russian news agency Itar-Tass reported that scientists at Arzamas were still using simulations to develop new warheads.

Such simulations will become critical after the five official nuclear powers ban all testing, as they are scheduled to do this year. The United States is spending $46 million to develop the world's fastest supercomputer, which Energy
Secretary Hazel O'Leary said will create "a safe, secure and reliable nuclear deterrent without underground testing." Obviously the Russians want to do the same thing -- using the Convex supercomputers. But if both sides are pursuing the same strategy, supercomputers are not a deterrent: they are part of an arms race.

Convex contends that its deal supports a program begun in 1994 in which the Energy Department pays Russian labs to keep better track of their nuclear materials. But an official familiar with the contracts told me there are no provisions in them involving supercomputers. In fact, the Energy Department initially opposed the Convex deal but was outmaneuvered by the Commerce Department.

The Defense Department could still block the transaction, but it rarely interferes with export agreements. If the Pentagon gives in, Russia will get a strategic boost, even as our nuclear talks with Moscow deteriorate into an extortion game. "We are almost down to paying them off for one clause at a time," said one United States official.

The Convex agreement could make it impossible to keep other American companies from making similar sales to Russia and other countries. "This Russian deal is part of a disturbing pattern, where we are taking bigger security risks to make money on exports," said James R. Lilley, Assistant Secretary of Defense for International Security Affairs in the Bush Administration.

With the Communists resurgent in Moscow and extreme nationalists trying to reawaken the Soviet bear, we should not be sharpening Russia's nuclear claws. The Clinton Administration should kill the Convex deal.

GRAPHIC: Drawing.

LANGUAGE: ENGLISH

LOAD-DATE: February 20, 1996
If we imagined a nightmare world, it might be a place governed by illiterate teen-age boys. They have never been to school, but they know the Absolute Truth -- and enforce it with Kalashnikov rifles.

Afghanistan is that place today. John F. Burns of The New York Times described it last week in an extended article that was a terrifying picture of puritanism at a brutalizing extreme. In the name of a Koran they have not read, young men drive all women out of schools and jobs and hold public hangings of television sets.

The Burns piece had a troubling subtext for Americans. For the United States shares responsibility for what has happened to Afghanistan. In the unthinking zeal of the cold war, we destroyed what was there in order to fight the Soviet Union. And then we walked away.

The Soviet Union started the process of destruction when it invaded Afghanistan in 1979. The United States responded with a Central Intelligence Agency operation, supposedly covert but so massive that it was a secret from no one.

The C.I.A. poured billions of dollars in weapons into Afghanistan. Our chosen recipients were the Mujahedeen, Islamic fighters. The weapons came in through Pakistan, and we followed the advice of Pakistan's intelligence agency on which Afghans to arm.

"We never looked carefully at who was getting our help," Barnett R. Rubin, a leading specialist on Afghanistan, said. He is director of the Center for Preventive Action at the Council on Foreign Relations. He was in Afghanistan most recently last month.

"Afghanistan was a backward country," Mr. Rubin said, "but it had institutions: a government, a bureaucracy, schools, a university, traditional social structures based on property and kinship. By pouring weapons into previously marginal groups -- and any individuals who convinced intelligence agents they were leaders -- we undermined those institutions.

"Now there is virtually nothing. It is a society where just about every
modern institution or technology that had gained even a small foothold has been
totally destroyed. Except that people with little or no education have the most
technically sophisticated personal weapons. A Kalashnikov is their only access
to the modern world."

Roughly half of Afghanistan is now controlled by a movement called the
Taliban, many of whose soldiers are young boys. The Taliban swept through the
western part of the country starting a year ago, imposing everywhere an extreme
Islamic fundamentalism.

Correspondent Burns wrote from Herat, a city near the Iranian border that
used to be an artistic and relatively sophisticated place. The Taliban captured
it last September. Since then it has expelled girls from school, explaining that
education is only for boys.

Women in Herat are forbidden to work outside their homes except in hospitals
or clinics that treat only women. A woman can go out to shop only if accompanied
by a male relative. Women must be cloaked from head to foot when outside their
homes.

"We are ruled now by men who offer us nothing but the Koran even though many
of them cannot read," an elderly Islamic scholar in Herat told Mr. Burns. "We
are in despair."

Americans think of Iran as an example of extreme Islamic fundamentalism, but
it is far less so than Taliban-ruled Afghanistan. Women go to school and
university in Iran, and work.

And Iran opposes the Taliban, supporting other Afghan forces that still hold
the capital, Kabul. Pakistan, an American ally, and Saudi Arabia are the
Taliban's main suppliers.

The perverse lineup of external forces, with U.S. allies backing the
grotesquely repressive Taliban, is surely a challenge to American policy. There
is no magic way for the United States to rescue Afghanistan from its present
torment. But we could at least try to get Pakistan to back off if Iran would do
the same, so the country could at last stop being a battleground for outsiders.

There is a certain moral responsibility, after all. We spent upwards of $3
billion arming Afghans. Together with the Soviet Union, we fed the civil war
that still goes on, seven years after Soviet forces left. "In the ascendancy of
the Taliban," John Burns wrote, "the country has finally reached something close
to a primal state."

LANGUAGE: ENGLISH

LOAD-DATE: February 19, 1996
To the Editor:

Re "Almost Anyone Is Better Than Yeltsin" (Op-Ed, Feb. 13): As somebody who has lived his entire life under the Soviet regime, I disagree.

The shortcomings of President Boris N. Yeltsin of Russia are only too well known. There seems to be some serious flaw in his character, and his political instinct has been failing him lately. Compared with him, Gennadi Zyuganov, the Communist leader, might look like a good option for the presidency, a reasonable and decent man.

The point, however, is in choosing not between personalities but between different political regimes.

I find it hard to believe that Mr. Yeltsin's regime, with all its faults, will crack down on political opposition, silence dissenting voices, introduce censorship or restore the gulag. I cannot be sure the Communists, once in power, will not do all this.

The strength of the Communist Party lies not in Mr. Zyuganov's mediocre person but in organization and ideology. It is a collective body, a powerful machine driven by its own impetus and capable of eliminating moderates such as Mr. Zyuganov if they hesitate to act ruthlessly.

This is why I will vote for Grigory Yavlinsky, the reform leader, in the first round, and if he does not make it to the runoff, will support Mr. Yeltsin. Almost anyone is worse than Yeltsin.

GEORGI MIRSKY

The writer, a professor at the Institute of World Economy in Moscow, is a visiting professor at Princeton.
To the Editor:

While I agree with Anders Aslund's analysis of President Boris N. Yeltsin's policy (Op-Ed, Feb. 13), I disagree that Gennadi Zyuganov, the Communist leader, is an acceptable alternative.

The crucial question is, Which Zyuganov? The one who tried to woo Western business investment in Davos, Switzerland, or the one who wants to reinstate the Soviet Constitution?

On foreign policy, Mr. Zyuganov has called for the voluntary restoration of the Soviet Union and has linked the ratification of the Strategic Arms Reduction Treaty to expansion of the North Atlantic Treaty Organization.

Moreover, under Communist leadership, Russia would likely reinforce ties to allies of the Soviet period, such as Iran, Iraq and Libya. The West should not be lulled by Mr. Zyuganov's speeches designed for Western consumption.

CAROL R. SAIVETZ
Fellow, Russian Research Center
Harvard University
To the Editor:

Anders Aslund (Op-Ed, Feb. 13) thinks the important steps toward reinforcing Russia's fledgling economic and democratic institutions are admission to the Council of Europe and maintaining fiscal discipline. Why does he ignore domestic political institutions like independent courts?

Establishing courts willing to rule against government interference was one step toward protecting private businesses that President Boris N. Yeltsin was willing to take. Gennadi Zyuganov, the Communist leader, has said that many of Mr. Yeltsin's privatizations were done "improperly."

If the Communists, returned to power, wanted to take property back, they would have to prosecute claims against "corrupt" privatization officials in the Supreme Arbitration Court or in local arbitration courts.

The arbitration court in Soviet times was an arm of the Communist Party. Along with the local procurator, the court enforced what was known as "telephone law." Telephone law made some people rich, put some in jail, and left the question of who owned anything up to the local party boss.

JOEL ERICSON
Toronto, Feb. 14, 1996

The writer is a Ph.D. candidate in political science, U. of Toronto.
To the Editor:

Many analysts are predicting that Boris N. Yeltsin will lose Russia's presidential election in June. They are likely to be wrong. Mr. Yeltsin controls the levers of electoral power: In terms of organization, the majority of Russia's regional governors support Mr. Yeltsin, and in terms of patronage, the state sector is the country's largest employer. Add these together and you have a Yeltsin victory in '96.

ETHAN B. KAPSTEIN
Director of Studies
Council on Foreign Relations
New York, Feb. 16, 1996
Foreign aid is especially vulnerable to the Washington policymakers' proclaimed intention of reaching a balanced budget in seven years. Some members of Congress have proposed reducing aid by 40% overall while still protecting the two most favored recipients, Israel and Egypt, which in effect would devastate U.S. capacity to help the developing world.

While knowledgeable Americans are aware that foreign assistance constitutes a very small part of federal spending, and that its entire elimination would hardly make a dent in the budget deficit, that fact is not recognized by most citizens or new Republican legislators.

What, then, should be done to ameliorate the impact of these cuts on American global interests and influence? The United States should take advantage of this otherwise unwelcome budgetary crisis to rethink its strategy toward the developing world. Instead of spreading its attention and resources too thin, America should concentrate on improving support to a few "pivotal states."

Ideally, helping all poor- and medium-income countries struggling with demographic, environmental and socioeconomic conditions should be the aim of U.S. aid. But since the current political climate excludes such enlightened realism, it is better to focus on bolstering those states whose fate affects regional stability and U.S. national interests.

For the present, I would designate the pivotal states to be Mexico and Brazil; Algeria, Egypt, Turkey and South Africa; Indonesia, India and Pakistan. This is not a sacred, fixed list; it might well change. But all of them face severe internal stresses, and because of their relative size and/or geopolitical importance, a deterioration in their condition could have extensive repercussions. By contrast, their success, which could simply be defined as their continued economic progress, environmental security and political stability, would bolster their regions' prosperity and benefit U.S. trade and investment.

All of these states deserve more focused attention by U.S. policymakers and agencies, even at the cost of reduced attention for the rest of the developing
world (though I assume that Israel will continue to get special treatment).

By advancing the twin argument that (a) the fate of a few pivotal states is important to U.S. interests and (b) that those countries are threatened less by external aggressors than by overpopulation, migration, environmental damage and social strains, it is possible to bridge the conceptual divide in the post-Cold War debate over "old" versus "new" security threats. Mainstream policymakers, focused on the future of Russia or China, still consider nonmilitary security issues peripheral, whereas those concerned about environmental and demographic trends resist the realist emphasis on power and security objectives. A pivotal states strategy would encourage the integration of "new" security issues into the traditional state-centered framework and lend greater clarity to the making of foreign policy. People would understand why, from the viewpoint of national interests, what happens in, say, Algeria is much more important than what happens in Liberia.

This discriminate strategy would also reflect the modern U.S. aid tradition. The Cold War configured American assistance disproportionately in favor of specific targets--postwar Europe, Egypt--that would help us beat the Soviets. Today it would be easier to promote assistance on secular, realist terms, leaving it to other governments to fund "the poorest of the poor."

If that seems a cruel remark to an American public that believes it is the most generous of the world (in fact, the U.S. allocates the lowest percentage of gross domestic product of the rich nations to development aid), then perhaps this call to help the pivotal states might achieve one further result. By drawing attention to the awful nonmilitary pressures facing Mexico and other key states, arguments articulating why they need enhanced U.S. attention could awaken Americans to the folly of trying to turn our backs on the rest of the world. Were that to happen, Congress would come to see the need for a positive, proactive strategy toward the developing world instead of cutting what is a relatively modest investment in future international stability.

LANGUAGE: ENGLISH

LOAD-DATE: February 18, 1996
Say this for the Russian presidential campaign -- it will be mercifully short. The race began in earnest last week, and four months from now, in June, Russians will vote. That may be the only good thing about an election season that seems likely to offer voters little enlightenment and an avalanche of shallow slogans and misguided promises that could stunt their country for years to come.

Three of the top candidates are determined to brake Russia's uneven transition from Communism to democracy and a free-market economy. One of them, Vladimir Zhirinovsky, the ultranationalist, is a boisterous demagogue. The other two, Aleksandr Lebed, a retired general who is expected to announce soon, and Gennadi Zyuganov, the Communist Party leader who entered the race last week, deftly cloak authoritarian agendas in populist rhetoric. All three have strong appeal to millions of Russians battered by the dismantling of a state-controlled economy that long provided a low but reliable standard of living.

The leading candidate of reform is Grigory Yavlinsky, an economist who has remained outside the Government of Boris Yeltsin, leaving him free to criticize its many failings. But Mr. Yavlinsky, like Mikhail Gorbachev, the last Soviet leader, seems more beloved outside his country than within. His arrogance and self-promotion have won him few friends among Russia's reform politicians. Mr. Gorbachev, heartily disliked by Russians, may yet become a candidate, probably presenting himself as an experienced leader who can restore stability. He is given little chance of winning.

Then there is Mr. Yeltsin himself, the incumbent and the dominant figure in Russian political life. Despite an ailing heart, an erratic record, a disastrous war in Chechnya and anemic popularity, he is seeking re-election as the candidate who, in his words, "can bring the country through troubles, anxiety and uncertainty." The problem is that many Russians believe he is responsible for their troubles, anxiety and uncertainty.

Because some of the most visible pieces of economic reform have been mishandled by Mr. Yeltsin, all the candidates, save Mr. Yavlinsky, are running against reform in some fashion. There are many enticing targets, including a corrupt system for the sale of state assets to private investors that has produced windfall fortunes for a handful of well-connected Russians while denying hard-working business people a chance to compete.

Mr. Zhirinovsky, Mr. Lebed and Mr. Zyuganov have a crude answer for this kind
of inequity -- suspend reform, reclaim state assets and reconstruct a command economy. Mr. Yeltsin's campaign strategy is to ease the economic hardships of reform by breaking budget discipline to increase pensions, subsidize failing state industries and throw rubles at miners and other disgruntled workers. At least Mr. Yeltsin says of reform, "I am for correcting the course, not for backtracking on it."

The discontent in Russia is aggravated by a general breakdown of order, rising crime and a sense that it has lost its place among the first rank of world powers. It is a hostile environment for anyone preaching sacrifice and change, as the Communist gains in parliamentary elections showed. Mr. Zyuganov seems best positioned to exploit voter resentment, and starts out as front-runner.

Unless one candidate gets at least 50 percent of the vote, which looks unlikely, the two top finishers will move on to a second round of voting in late June. At this point, it is far from certain that either Mr. Yeltsin or Mr. Yavlinsky will make the cut.
WITH HIS characteristic audacity, Boris Yeltsin has crashed through Moscow's political clutter and announced his candidacy for a second five-year term as president of Russia. Not for him hesitation over the evident personal and political obstacles lying in the path of his reelection. He is ready to defy the skeptics and the odds in the June elections he once was suspected of intending to postpone.

It is an undeniable measure of the man that any judgment of his political prospects necessarily becomes a judgment of the whole fateful, compressed passage of Russian history since he played such a large part in undoing both the old Soviet Union and its ruling Communist Party five years ago. What makes the judgment hard is that you have to consider his earlier triumph in moving toward a democratic and free-market order as well as his later disappointments in consolidating these historic gains and his stumble into the Chechnya war most of all.

Yet the Russian people are plainly not of a mind simply to pronounce a judgment on a museum piece. Their duty and self-interest summon them to judge Mr. Yeltsin against his competitors for future responsibility. That it seems a hard choice from a distance does not mean that Russians close up won't be able to decide.

Russian politics center on personalities. The political parties are still mostly letterhead affairs, a collection of names -- with the single possible exception of the Communist Party, which inherited a structure, though not, it insists, an ideology from its Soviet-era predecessor. This makes for changeable possibilities of maneuver and intrigue in the search for alliances that will confer a winning advantage -- the more so that the new forms of political and economic organization, like the national self-image of Russia itself, are all contested works in progress, indicated but not yet finally shaped.

The United States and the rest of the world are deeply interested witnesses to an occasion that offers Russia the most democratic moment -- a possible peaceful transfer of power by a living leader -- in its millennial history. It is a time to step carefully in the awareness that every American act of omission or commission in respect to Russia is open to being taken -- in the American debate as well as in the Russian debate -- as an effort to influence the outcome.

Still, Washington cannot pretend indifference. It must assert without
embarrassment its favor for a result that advances democracy and free markets within Russia and peaceful international cooperation without.

LANGUAGE: ENGLISH

COUNTRY: RUSSIA;

LOAD-DATE: February 18, 1996
The Russian aircraft industry should be revitalized through private-sector-led investment and that needs, or should receive, Ex-Im Bank support. The Russian aircraft industry should be revitalized through private-sector-led investment and restructuring, not through subsidized loans from U.S. lending agencies.

Boeing Co. and McDonnell Douglas Corp. were especially mad about the loan, arguing that it would subsidize a potential competitor. They also complained about barriers to entering Russia's aerospace market, where 30% tariffs on imported jetliners limit sales opportunities. Boeing unwisely softened its objection to the proposed loan when Russian officials agreed to suspend the tariffs and open their market to American-produced aircraft. (Another factor at play may have been Boeing's own, rather sizable, stake in Ex-Im Bank loans for sales to China.)

The alleged new Russian openness to American imports was stressed by Ex-Im Bank's acting chairman, Martin Kamarck, when he announced the loan. "Over the next several years," he said, "Russian airlines -- both private and public -- will need to purchase or lease significant numbers of Western aircraft and related equipment, and there is no doubt of their preference for American equipment." Mr. Kamarck's confidence is completely unfounded.

Amid a growing protectionist mood in Russia -- witness the recent uproar over imports of American poultry products -- senior Aeroflot and government officials have publicly pledged to support the rebirth of Russia's aircraft construction industry. Already, Perm Motors has protested Aeroflot's plan to purchase American-made engines rather than engines from Perm. Such protests are unlikely totranslate into greater Aeroflot demand for American products. U.S. aircraft exports to Russia plummeted 46% to $186 million in 1995 from $343 million a year earlier.

The Gore-Chernomyrdin meeting produced another clear example of how Ex-Im Bank policy toward Russia does much more harm than good. Ex-Im Bank's Mr. Kamarck and Miron Tatsun, chairman of the Russian State Timber Industry Co., known as Roslesprom, signed a memorandum of understanding on Jan. 30 to support projects in the Russian forest products industry. According to the memo, Ex-Im Bank assistance to Roslesprom will "increase the efficiency and productivity of the forest products industry in the Russian federation."
Such an objective should make American forestry companies very uneasy.

"The thought that U.S. taxpayers are subsidizing a foreign competitor in our industry is unbelievable," the president of Federal Paper Board Co. wrote to Sen. Jesse Helms (R., N.C.). In a letter to the Ex-Im Bank, the American Forest & Paper Association asked the bank to consider whether the extension of loans to Roslesprom "is likely to cause substantial or direct injury to U.S. industry, including its potential impact on production and employment." Both letters were written in November; the Ex-Im Bank-Roslesprom announcement came two months later, suggesting that the bank is indifferent to the American paper industry's concerns.

Ex-Im Bank's agreement with Roslesprom is especially troubling given that the forest products industry in Russia is one sector that has already attracted considerable interest from foreign investors. These investors -- without Ex-Im Bank loans -- have even turned around decrepit, privatized Russian lumber and paper mills. Meanwhile, according to a March 2 article in the Moscow Times, Roslesprom recently has been trying to introduce protective trade measures -- timber export quotas and certification standards -- in an attempt to smother competition from smaller domestic companies and recipients of foreign investment.

These measures, although unlikely to be implemented, show that Roslesprom is an enemy of the fledging private sector and of foreign investors. By propping up Roslesprom, Ex-Im Bank once again confounds the Russian privatization program and undermines restructuring efforts by the private sector.

It is not too late to rethink Ex-Im Bank's proposed loans to both Aeroflot and Roslesprom. Canceling the deals might lead to short-term embarrassment, but that would be less costly than allowing the loans to go forward. Beyond these two deals, Congress should review the Ex-Im Bank other activities in the former Soviet Union. The bank's support for Russia's state-owned oil and gas enterprises, for example, undercuts efforts to promote much-needed privatization in that sector. If the Ex-Im Bank doesn't know what it's doing in Russia, or with whom it's dealing, it's time for the bank to get out of the country.

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Mr. Kramer is executive coordinator of Russian and Eurasian Programs at the Carnegie Endowment for International Peace in Washington. Ms. Kroll is an economist working in Moscow for the Harvard Institute for International Development.

--- INDEX REFERENCES ---

COMPANY (TICKER): BOEING CO., THE; MCDONNELL DOUGLAS CORP.; AEROFLOT (BA MD R.AER)

NEWS SUBJECT: Editorial & Columns; Financing Agreements; High-Yield Issuers; Privatizations; Trade Issues; World Equity Index (EDC FNC HIY PZN TRD WEI)

MARKET SECTOR: Basic Materials; Consumer Cyclical; Technology (BSC CYC TEC)

INDUSTRY: Airlines; Aerospace; Forest Products (AIR ARO FOR)

GOVERNMENT: Export-Import Bank; Governments of Non-U.S. Countries (EIB IGV)

REGION: Eastern Europe; Europe; Far East; Missouri; North America; Pacific Rim; Russia; Commonwealth of Independent States; United States; Central U.S.; Western U.S.; Washington (EUE EU FE MO NME PRM RS UR US USC USW WA)

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Churchill reminded his listeners that "last time I saw [war] coming and cried, aloud . . . but no one paid any attention." The meaning was unmistakable: Though he had warned the West about Hitler in the 1930s, the West had ignored him. Isolationism triumphed, and World War II was the tragic result. If we wished to avoid another cataclysm, we would do well to pay heed this time.

This time, we did. Through vehicles such as the Marshall Plan and the North Atlantic Treaty Organization, America as leader of the free world halted communism's westward spread from Eastern Europe and vigorously opposed it elsewhere. In the early 1970s, we departed from this stance as we embraced detente. Meanwhile, the Soviets embarked on an unprecedented military buildup and engaged in increased adventurism abroad. Late in President Carter's term, we responded by returning, however reluctantly, to Churchillian peace through strength. By the middle 1980s, Soviet communism began faltering badly -- thanks to President Reagan's efforts -- and now has collapsed, perhaps permanently. Churchill was vindicated again.

Churchill died in 1965, well before this vindication. Throughout his adult life, he was a consistent opponent of tyranny wherever it reared its head. Were he alive today, he would marvel at the swiftness of Soviet disintegration. Concluding that the world's remaining despotisms are at our mercy, he would be shocked to discover that, in many instances, we are coddling them. He would be dismayed by our failure since the Tiananmen Square massacre in 1989 to press China to institute genuine democratic reforms.

While Churchill would be relieved by the apparent demise of Soviet communism, he would have little illusions about the limits of reform in Russia. Churchill's idealism was tempered by a consummate realism rooted in a profound understanding of history and its many lessons. Russia, he once noted, has had no democratic tradition. Further, it has had a long history of attempting to solve its economic and social problems through the imperialistic conquest of its neighbors. Finally, Russia was unpredictable and inscrutable -- "a riddle wrapped in a mystery inside an enigma."

How would Churchill counsel us today regarding
Russia? For the past four years, we have viewed Russia as an ally, more so, even, than during World War II. Fifty years ago, following another four-year partnership, Churchill announced to the world that it was time to admit that the partnership was over. Today, with impending elections threatening to return pro-Communists to power, and with rightist imperialism making a comeback, Churchill might well argue that a reassessment is again in order. The Iron Curtain, he might say, has been torn, but rumor has it that Moscow's sewing machines are beginning the process of trying to stitch it together again.

---Mr. Liben is a writer from New York.

---- INDEX REFERENCES ----

NEWS SUBJECT: Editorial & Columns; Politics (EDC PLT)
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REGION: Eastern Europe; Europe; Far East; Pacific Rim; Russia; Commonwealth of Independent States (EEU EU FE PRM RS UR)
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Global View: Russia Tailspins Into a Laffer Curve Crisis
By George Melloan

Boris Fyodorov, finance minister of Russia before becoming one of the first victims of Boris Yeltsin's purges of reformers, cited some startling numbers during a visit with Journal editors last week. It seems that as the Russian government pumps harder and harder for revenues, its pump sucks more and more air.

Tax revenues flowing into the treasury have slumped to 10% of GDP from 14% a few years ago, Mr. Fyodorov said. "January was a disaster."

Indeed it was, and it doesn't look like things will get better. The current finance minister, Vladimir G. Panskov, told an assemblage of Russia's power elites last Thursday that the government collected only 18 trillion rubles ($3.7 billion) in the first two months of this year toward its budgeted goal of 54 trillion ($11.2 billion) for the first quarter. Even if projections for March prove out, first-quarter revenues will be 45% below budget.

That's not a very happy tune to accompany Mr. Yeltsin's grandiose election-year promises of higher wages, industrial subsidies and whatever else might improve his popularity. It explains why Mr. Panskov, frantically searching for something else to tax, last week hit upon that old standby of cash-poor treasuries, import tariffs. But that wasn't such a hot idea either. His proposal for a wide-ranging 20% levy caused consternation at the IMF, which had just promised Russia a $10.2 billion, three-year loan. One condition of the loan was that Russia would become more liberal, not less, in its trade policies.

Bill Clinton, Helmut Kohl and others worried about a Communist comeback in Russia's June elections want awfully badly for Mr. Yeltsin to get that IMF money. It might help him pull a victory out of the hat. And Mr. Yeltsin no doubt was counting on it too when he made all those promises.

But he is making it terribly hard for the West when ideas like the finance minister's tariff scheme surface.

Tax foolishness is not limited to Russia. America's chattering classes initially went ballistic over a perfectly sensible proposal by presidential candidate Steve Forbes that America adopt a simple "flat" tax and eliminate all the wasteful excess baggage the present code has picked up over the years. Some of the chattering has subsided since it became apparent that voters like the Forbes plan. But the idea that a tax system should be a manipulative tool for politicians seeking the favor of special interests dies hard.

America can survive a bad system, but Russia may not be so lucky. Its tax policies are not just bad, they're atrocious. Through weird devices like the "excess wage" tax, which makes wages over a certain level non-deductible as a business expense, the finance ministry sometimes hits companies with tax bills that exceed their earnings. The guiding rule seems to be that if a business made some money that it was not able to hide, it is the tax collector's duty to grab it all. Russians liken tax administrators to publishers of weekly magazines, because the rules change every week. IBM finally threw up its hands last month and shut down an assembly plant in Zelenograd because Russian taxes put it at a competitive disadvantage to importers of its own products who were bringing in the same computers at lower prices.

It seems never to have occurred to the likes of Mr. Panskov that there is some disconnect somewhere when a government piles on more taxes and steps up its efforts to collect them and yet keeps coming up with less and less revenue. Someone should show him where Russia sits on the Laffer Curve. Might it not make more sense to offer a sensible tax system with rates that would not encourage Russians, and particularly the newly privatized businesses, to exercise their considerable skills at tax evasion? The present system discourages both domestic and foreign investment, which Russia badly needs. Domestically, it penalizes successful companies by stripping them of their profits in order to subsidize mismanaged state-owned dinosaurs. As to foreign investment, Russia only attracted about $1 billion last year, less than Singapore. Its goal of doubling
that amount this year looks highly dubious.

Another visitor to the Journal last week was Boris Jordan, a young American of Russian descent who built CS First Boston's Moscow operations and then left that company last spring to start his own Russian investment bank, Renaissance Capital Group. He notes that Russia now has 14,000 to 15,000 private enterprises employing 2,000 workers or more. There are about 150,000 smaller private businesses. The government estimates that 65% to 70% of GDP has now passed into private hands.

But while these businesses have valuable assets, the larger companies "are not run on behalf of shareholders but on behalf of a very small group of managers who have controlled these companies for many years ... If we are ever to get any kind of development of the capital market or in investment beyond what we have today -- which is very small given the size of the market -- and if we are ever to have real growth in the Russian economy, we are going to have to restructure these businesses from the ground up."

But the forces for management improvement are blunted because the real financial results of these companies are a closely held secret. "The tax system is so capricious that even those companies that are well run and are making a lot of money don't wish to audit themselves in keeping with international accounting principles because if they do the government will take what they are making away."

Financial statements are locked away in safes or are kept offshore to hide them from the tax men.

The newly privatized industries are in a sort of guerrilla war with apparatchiks in government who still see it as their right, as in the old Soviet days, to lay hands on the cash industry generates. Judging from declining government revenues it might appear that industry is winning that battle, but in fact both industry and government are losing. Industry is decaying for lack of investment. Yeltsin's shortfalls and long list of unkept promises may be heading him for a political earthquake.

When asked about tax reform, Mr. Fyodorov simply throws up his hands, citing how much there is to do and how little effort is being made to do it. In June, Mr. Yeltsin's ignorance of the Laffer Curve may cost him dearly.
Wednesday, February 21, 1996

Letters to the Editor: History Lesson

I have some advice to you in regard to the "siege of Stalingrad," referred to in your Jan. 25 editorial "Advice to the GOP": At your next editorial staff meeting, I suggest everyone be required to write the following in their notebooks:

Stalingrad: A large Russian industrial city 600 miles southeast of Moscow. A pivotal battle of World War II was fought here from August 1942 to February 1943, ending in encirclement and destruction of the German 6th Army Group. It has since been renamed Volgograd.

Leningrad: The second-largest city in Russia, 400 miles northwest of Moscow. The greatest siege in modern times took place here from September 1941 to January 1944. At least one million Russians died of starvation and disease. Its name has now reverted to St. Petersburg.

R. L. Kinney

Upper St. Clair, Pa.

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Tuesday, February 20, 1996

The Senator and the Rabbi
By Lucette Lagnado

"NO, NO, NO! We do not want to give them a cent more!" That's what Julie Allaire-MacDonald, a field worker at the Agency for International Development in Moscow, wired to headquarters in Washington when she heard last fall that a political fund-raiser for Bob Dole was once again on the prowl for a U.S. government grant.

The fund-raiser, a Brooklyn rabbi named Milton Balkany, had pumped more than $100,000 into Mr. Dole's coffers in the last several years, and was looking for AID funds for a program to train Russians in using computers, that had been set up by a religious school, or yeshiva, that Rabbi Balkany represented.

The story of how the rabbi, with the help of the powerful senator he'd been funding, was able to secure several million dollars in federal financing for the yeshiva provides a glimpse of Mr. Dole's modus operandi at a time when Mr. Dole is the front runner for the Republican presidential nomination.

For two years, Rabbi Balkany had been knocking at AID's door, and in the words of one internal AID memo, "shaking political trees" in an attempt to obtain a $25 million grant for his pet project. The rabbi was representing "Helping Hand," a consortium of half a dozen yeshivas seeking to perform humanitarian work in the former Soviet Union. AID was skeptical of the group's proposal, suspicious of its qualifications, and hesitant at first to shell out public dollars. But Rabbi Balkany had Bob Dole as an ally.

Congressional pressure is nothing new for the long-suffering bureaucrats of AID. The assistant administrator, Tom Dine, a central player in the Helping Hand affair, says part of his job is to rebuff congressmen eager to do constituents a favor. But Mr. Dole was the most formidable legislator in the land, capable of shredding the agency's budget to smithereens, able to help his colleague, Jesse Helms, follow through on his threat to "restructure" AID out of existence.

And so it was that Mr. Dine and his boss, AID administrator Brian Atwood, started to behave like frightened rabbits, suffering an endless series of phone calls and meetings with Rabbi Balkany and memorializing it all in internal correspondence. These memos and e-mail traffic between Moscow and Washington were recently made available under the Freedom of Information Act to the Forward newspaper in New York.

The saga of the rabbi and the senator actually began more than a decade ago, when Milton Balkany, a principal of a religious Jewish girl's school in the Borough Park section of Brooklyn, emerged as an energetic political fund-raiser. Rabbi Balkany became a visible figure on Capitol Hill, and enjoyed access to leading senators and congressmen.

Sometime in 1993, he approached AID with the Helping Hand project, seeking millions of dollars to build social service centers. Gerry Donnelly, a senior AID officer, turned down the proposed project, calling it "a mile wide and a millimeter deep."

That's when Mr. Dole sprang into action. In November 1993, the senator summoned Mr. Atwood, the AID administrator, to Capitol Hill. While the two men talked of issues of concern to the agency, the top item on the senator's agenda was Helping Hand, a fact made clear by the inclusion of Milton Balkany in the meeting. A former Dole staffer, Al Lehn, who had been hired to lobby for Helping Hand, was also at the meeting.

By February 1994, with AID still declining to fund the project, Mr. Dole struck again. He sent a letter to Mr. Atwood urging him to take action on Helping Hand's application. The senator argued that "an effective use of scarce U.S. assistance would be to fund Helping Hand projects at or near their requested level."

Back at AID headquarters in Foggy Bottom, Mr. Dole's message generated a flurry of activity, messages, letters and e-mail. By April, they had reached a decision they hoped would bring them

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relief from Rabbi Balkany's entreaties. While they did not reject the "Rabbi Milton Balkany -- Senator Robert Dole Request" (as an AID memo dubbed it) out of hand, they decided to award Helping Hand only $2.8 million to establish a computer school in Moscow (the group had sought almost ten times as much). The funds, from AID's Democracy In Governance Project, would go to Ohr Torah, a yeshiva in the West Bank run by a prominent American rabbi.

Alas, the compromise didn't yield peace. Rabbi Balkany was not happy with the grant. He kept calling AID to say that his patron, Sen. Dole, wasn't happy either. A memo from Tom Dine to his boss, Brian Atwood, in April 1994 described how Rabbi Balkany "called to express displeasure that the grant was not $2.8 million per year over a two-year period. He also told me he would be meeting with Dole the next day and would tell the Republican leader about his reaction."

The next day, Mr. Dine noted in his memorandum, he didn't hear from the senator personally but from his foreign affairs aide who was eager "to hear from me what the terms of the grant were and why." Rabbi Balkany "then raised the stakes," Mr. Dine noted. "Has Dole called Atwood or you about AID's reform legislation' he asked.

'Well, Atwood once told Dole that that legislation was the most important priority he had. Dole can make the restructuring plan happen if we can get the additional $3 million.'"

Mr. Dine, a former head of the American Israel Public Affairs Committee, realized that Rabbi Balkany was treading into dangerous waters. "I let the statement pass," he reported. There were more communications between Rabbi Balkany and AID, and between Mr. Dole's office and AID, about Helping Hand. At one point, an aide to Mr. Dole seemed to accept AID's explanation that it couldn't give Helping Hand more money. "His objective, he said, was to convince Dole that HH's [Helping Hand's] original request was way out of the ballpark," says another AID memo.

The money, in hand, Helping Hand/Ohr Torah followed through and established small computer training centers. They passed muster with AID, though officials took note of the high cost -- $3,200 per student. Clearly, AID officials in the field were not thrilled, especially since in early 1995 Rabbi Balkany had begun agitating for more money for Helping Hand. That's when the e-mail started flying.

Reading that electronic correspondence is almost like overhearing a telephone conversation, complete with shrieks and exclamation marks. "Helping Hand Again?!" reads one wire dated April 1995 from Anne Nesterczuk, a field worker in Moscow. Ms. Nesterczuk reported that while Ohr Torah had efficiently delivered the services, "this program has very little do with our assistance program in Russia -- particularly the democracy program." The link to democracy themes is a "difficult stretch."

Intensely aware of political realities that might necessitate additional funding, Ms. Nesterczuk said she saw "absolutely no rationale for additional funds" but "would be very curious to hear what they are saying in Washington." She added: "It sounds like another political battle." That's when Julie Allaire-MacDonald, the other field worker, received a letter from her AID counterpart in Washington, asking for an assessment of how this "sensitive grant" was doing. She sent back the dramatic, four-line e-mail: NO, NO, NO! We do not want to give them a cent more!" Her outburst was dated Sept. 9, 1995.

In case the message hadn't gotten through, Ms. Nesterczuk sent another wire Sept. 14. "Our money is not necessary," she remarked. "What Helping Hand is doing is not a Humanitarian aid activity, it is a business, a good business, very helpful, and it should be carried-out with private money." In Washington, it was Tom Dine's job to break the bad news to Rabbi Balkany that there would be no more AID money for Helping Hand. In a memo to Mr. Atwood, he said he was "hopeful that the political repercussions will be minimal." Although Sen. Dole wasn't the only member of Congress agitating on behalf of Rabbi Balkany --documents cite Rep. Jerrold Nadler (D., N.Y.) Sen. Charles Robb (R., Va.), Sen. Arlen Specter (R., Pa.) and others -- it is clear from the documents that AID most feared those "political repercussions" from Sen. Dole.

Mr. Dole's spokesman responds, "Our staff made it explicitly clear to AID that the Helping Hand proposal should not be given any special consideration whatsoever, and that it should only be routinely considered on its merits." And Rabbi Balkany says that in his frequent conversations with

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Sen. Dole, "Politics came up but money was never discussed." But Mr. Dole may have run afoul of the "Keating Rule," passed by the Senate after the savings and loan scandal of the 1980s which involved Charles Keating. The rule bars senators from intervening with a U.S. government agency in return for campaign contributions.

---Ms. Lagnado is an editor with the Forward in New York.

---- INDEX REFERENCES ----

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Can these three political musketeers bring it off together? Or will the weakness of any one of them help drag down the other two?

The calendar puts Clinton in the best position to help his global running mates. Election Day in Israel comes at the end of May, in Russia two weeks later, in the U.S. more than four months after that. The American President also has the greatest incentive to come to the ticket's support, because he has identified his policies with Peres's, and been a rooter for Yeltsin; their failure might well contribute to his own.

Therefore, to shore up Shimon Peres:

Clinton has invested heavily in identifying himself with the initiative begun by the Israeli. Despite Clinton's brief protocol appointment with the opposition leader Benjamin Netanyahu during today's stop in Israel, nobody doubts that the loftily named "peacemakers' summit" and subsequent visit to terror-tortured Israel is designed to stop the plummeting polls of Peres.

The ratings of Israel's Prime Minister will probably be blipped upward by the emergency visitation. Jews had to be somewhat reassured by the sight of Arab summiteers -- notably excepting Syria, which supports the terror process -- agreeing to a statement of "strong condemnation of all acts of terror . . . including recent terrorist attacks in Israel."

Getting Arabs to sign on to that has meaning. Credit Clinton with good arm-twisting to get that language, though it was vitiated by a promise to pay money to Arafat's organization even before he proves his ability to root out Palestinian terror. Israelis may not forgive Peres for gambling with lives by subcontracting antiterrorism to Arafat, but they have to notice how Clinton stands by his South Lawn guests.
To shore up Boris Yeltsin:
Clinton has his work cut out for him there. Yeltsin's polls remain in single digits for good reasons. His promises to end the carnage in Chechnya have been broken, with a recent rebel raid embarrassing the army; he has tightened his control of state television and fired free-market economists, alienating reformers; he has failed to protect Serbian war criminals, infuriating extreme nationalists.

But Clinton used his influence on the International Monetary Fund to extend Russia a multibillion-dollar loan, bolstering Yeltsin's prestige in the run-up to elections.

Next month, Yeltsin will host the U.S. President and other G-7 leaders at a summit in Moscow, partly to talk about nuclear safety, partly to appear side-by-side with Clinton on Russian and American TV, campaigning together in the same media-sensitive way the American did yesterday in Sharm el-Sheik and will today in Tel Aviv with Peres. To avoid embarrassing Yeltsin, Clinton will dismay Eastern Europe by downplaying NATO enlargement.

Clinton knows that Yeltsin will immediately take his election campaign to China, signing a treaty settling old border disputes while selling China more advanced warplanes. The U.S. President will be tempted to let the Russian carry a message to Beijing about Taiwan; such a Yeltsin role, playing Russia's new China card, might cause proud Russians to see Yeltsin as a global superpower broker.

Thus do the candidates in Washington, Moscow and Jerusalem work in unprecedented harmony. They believe it to be in their nations' interests and know it to be in their personal political interests.

The question in each case is this: Does the image of a leader striding the world scene decisively affect voters' behavior -- or will voters see this alliance of incumbents as merely a pose to distract attention from problems at home or worries about their leaders' characters?

My guess is already on the record: If Peres, Yeltsin and Clinton all lose office this year, I will collect the Pundits' Trifecta with its deliciously long odds. If all three leaders win, however, the lesson will be plain: In presidential politics, hands across the sea can wash each other.

LANGUAGE: ENGLISH
LOAD-DATE: March 14, 1996
Whether this week's extraordinary Middle East peace summit in Egypt will prove to be anything more than an occasion of evanescent imagery depends on whether Israel and the Palestinians can resume their negotiations with a reasonable expectation of making progress on political, territorial and other issues. That in turn depends heavily on the near-term security situation in Israel.

One or two more human bombs triggered by Hamas fanatics desperate to stop the move toward peace could be all it takes to counteract the encouraging words uttered in the summit. On Thursday, President Clinton told the Israelis, who hardly need reminding, that it's impossible to guarantee a risk-free environment. But reducing the level of risk is possible, he said. The cooperation in antiterrorism measures agreed to at Sharm el Sheik and the new bilateral security arrangements pending between the United States and Israel can contribute to that goal.

The representatives of the 27 countries who met in Egypt were not there on behalf of an abstract principle. All of them, including the Western Europeans, Russia and not least the 14 Arab states in attendance, have suffered or are under threat from the kind of terrorism practiced by Hamas, which is in the forefront of the antipeace campaign against Israel. All have strong economic and security interests in the emergence of a stable and peaceful Middle East. The readiness of so many Arab leaders who until now have shunned all public contact with Israel to meet in common cause with Prime Minister Shimon Peres offers dramatic proof of how seriously the challenge is viewed.

Syria's not-unexpected boycott of the international conference casts an inevitable shadow over the meeting's effectiveness. Unlike Libya, Sudan, Iraq and Iran--the other, uninvited states most closely tied to terrorism--Syria has been on the front line in the war with Israel and is the least flexible of the confrontation states. Had Syria at last chosen to associate itself with an unambiguous public stand against terrorism, the symbolic effect throughout the region, perhaps especially in Israel, could have been enormous.

Now, for all the outside encouragement they have been given, it's left chiefly to Israelis and Palestinians on their own to surmount the terrorists' threat to the peace process. Peres and Yasser Arafat can urge perseverance.
Ultimately it's the people they represent who will decide whether it prevails.

LANGUAGE: English

LOAD-DATE: March 20, 1996
AFGHANISTAN IS the all but forgotten victim of a Cold War confrontation that fueled already-smoldering ethnic fires and eventually yielded to a regional power play that continues mercilessly to this day.

The ethnic divisions among the Afghans are keen. But the driving impetus, including the arms that make continuing slaughter possible, come first from Pakistan and Iran. They have become lead players in the historical "great game" for political, commercial and cultural influence in the whole sprawling Central Asian region. Pakistan and Iran: a secular Muslim state and a fundamentalist Muslim one. This is finally what this phase of the Afghan wars is most about. With Pakistan in their very separate and rough ways are Saudi Arabia, Uzbekistan and the United States; with Iran are India, Tajikistan and Russia.

The United States has interests in the region: to curb the influence of Iran and otherwise to rebottle the genie of Islamic revolutionaries, gunrunners, drug dealers and criminals that it inadvertently let loose when it enlisted fundamentalist tribesmen against the Soviet-backed Kabul regime in the 1980s. Still, Washington seems not to be deeply involved anymore. It is with Pakistan, politically anyway; formerly an American ally in the confrontation of Soviet power, Pakistan -- in permanent search of a counterweight to India -- now offers itself as an American ally in the confrontation of Islamic extremism. But Afghanistan slipped off the American A list at the end of the Cold War. At the moment it hovers between B and C.

This is how the Clinton administration comes to repose its modest hopes for stability in the region in the United Nations, the inheritor of American lost causes. The official view is that it is past time for a U.N.-moderated transition to an "interim" settlement. Yet the United States and others have been slow to endow the United Nations with the requisite policy mandate and resources. Just the other day the administration sent the deputy secretary of state and deputy national security adviser to poke into the miseries of Armenia and Azerbaijan; in the equation there is oil. Afghanistan has gotten only an assistant secretary.

The United States helped save Afghanistan from one tragic state of affairs but carried it into another. Instead of remaining party to a wasting stalemate, American policy ought to be looking for a regional balance that does not permanently pulverize the Afghans. The way to do it is to support a major United Nations push to negotiate out the war.
To the Editor:

Your news reports about the continuing Chechen resistance to Russian military occupation of that region make one wonder why the United States does not raise its voice more convincingly in favor of peaceful resolution of the Chechnya conflict. Unfortunately, the answer lies in the Clinton Administration's mistaken belief that remaining silent will help President Boris Yeltsin be re-elected in June.

No one expects America to endorse extremist Chechen actions. Nevertheless, the continuation of the war in Chechnya belies all Russian promises to negotiate its end.

According to unofficial estimates, more than 20,000 civilians have died in the Chechnya hostilities since late 1994. It is impossible to learn how many Russian soldiers lost their lives in this senseless confrontation.

The Administration's silence about the continuing Russian effort to destroy Chechen villages is irresponsible. It is also carefully monitored by the Islamic world, which sees the Chechens as its religious allies.

JOSEPH C. KUN
McLean, Va., March 10, 1996

Director, Central European Studies
Potomac Foundation

LANGUAGE: ENGLISH

LOAD-DATE: March 18, 1996
To the Editor:

"Sovietologists, Years After the Collapse, Cope With a New Reality" (Education page, March 13) disserves the worthwhile cause of Russian studies. By confusing the disparate subjects of Russian studies, Kremlinology, language and culture, you make equal some distinct fields.

You give the impression that the only legitimate reason to undertake Russian studies is to pursue an understanding of Russia's political systems. By ignoring the many other reasons to engage in such study -- for example, a 1,000-year history of cultural achievements; a literary corpus that is still being produced; current scientific achievements -- you contribute to declining interest.

While this decline is also part of the American tendency toward cultural arrogance, it is dismaying to see you adopt the same narrow stance toward Russia as those public and private institutions that adhere to the corporate mentality of efficiency at all costs. The resulting impatience for an immediate and relevant payoff often leads to hasty decisions and dangerous conclusions: in this case, the loss of necessary expertise in the many aspects of the Russian and Slavic world.

As a longtime observer of that world, I fear the consequences of such nearsightedness for the United States.

DENIS CRNKOVIC
Director of Russian Studies
Gustavus Adolphus College
St. Peter, Minn., March 13, 1996
To the Editor:

"With Land Sale Edict, Yeltsin Opens Way to Longed-For Era" (front page, March 17) stated that private ownership of land is something "Russia has been waiting for -- in vain -- for centuries."

In 1906, Russia's last czar, Nicholas II, abolished the communal farming system and instituted private land ownership for the peasantry.

By 1914, Russia was experiencing record harvests and had replaced the United States as the world's major grain exporter. And by the time the Bolsheviks were promising "all land to the peasants," the peasants already owned three-fourths of it.

DONALD NORSIC
Chicago, March 17, 1996
To the Editor:

"With Land Sale Edict, Yeltsin Opens Way to Longed-For Era" (front page, March 17) is in error regarding what was accomplished.

President Boris N. Yeltsin created a constitutional crisis with his decree. According to the Constitution -- the one he wrote -- land rights are a subject of federal law, not presidential decree. The legislature has gone to court to have the decree annulled.

When the land code got its first reading last summer, the deputies endorsed it only after "freezing" Chapter 17, on the land market. Its details were to be debated this spring, the intention being to consider if land should be leased, Hong Kong-style, or sold outright.

But the bill approved in the summer was surreptitiously replaced by a different draft, presented by the Agrarian Committee on Nov. 14. This new draft left only one option: the "capitalist" land market.

When the new legislature convened in January, the shenanigans were discovered. The Natural Resources Committee intervened and the original draft was restored. Four days later, Mr. Yeltsin intervened with his unconstitutional act.

The Natural Resources Committee deputy chairman, Vyachislav Zvolinsky, has asked me, Ramsey Clark and others to testify for the legislature to help prepare a land law calling for leasing. Under today's conditions, sales or mortgages would involve substantial fraud and pave the way for loading down Russia's land with mortgage debt, leading to widespread insolvency and a foreign exchange drain.

MICHAEL HUDSON
New York, March 18, 1996

The writer is a research associate at the Jerome Levy Economics Institute at Bard College.
Soviet leaders may have wrenched farmers from their ancestral ways and forced them into state farms, and industrialization may have drawn millions of people to the cities, but Russians still retain an almost mystical reverence for their land.

Antonina Konoplev eloquently described the attachment to me one day when I visited her collective farm in Sokolniki, an agricultural area several hundred miles southwest of Moscow.

"The land is our bread," she said. "There's something intoxicating about working in the fields in the spring. You pick up the soil and it's like holding your mother's hand."

Boris Yeltsin understands the power of the land to inspire Russians, and he is invoking the soil in his campaign for re-election as President. He decreed this month that Russians can own their own land for the first time since the Bolsheviks seized power in 1917 and abolished private ownership of property.

Exactly how the buying and selling of land will work remains to be seen, and there is no guarantee that the privatization of real estate will prove less vulnerable to corruption than the sale of industrial assets. But just the issuance of the decree gives Mr. Yeltsin the initiative on an issue that means a great deal to Russians in both cities and rural areas.

His action is important, in part, because the right to own land opens the way to a new, potentially profitable form of economic activity available to citizens who could not afford a share of other state assets that have been sold, including factories and businesses.

But there is much more to it than that. Land in Russia is not just something to be bought or sold. It is history and hope. It is history because the land is tied up in idealized visions of Russia's past, and it is hope because land can be a means to independence and self-reliance.

Russian literature celebrates the simplicity and dignity of rural life, investing peasants with a virtue and wisdom that no doubt existed more in the minds of the writers than in their subjects. From Turgenev to Solzhenitsyn,
links to land and village are honored.

As Soviet censorship relaxed during the late 1980's, one of the sensations of the Russian stage was "Brothers and Sisters," a poignant two-part epic performed by the Maly Theater of Leningrad that lamented the establishment of collective farms and lyrically evoked the world of the village.

Every time I set foot outside Moscow in the late 1980's when I reported from the Soviet Union, I encountered Russians in communion with the land. Where there was arable land, they were trying to raise a few vegetables on a small plot rented from a collective farm or state enterprise. Where there were woods, they were walking or picking mushrooms, or cross-country skiing in the winter. Where there were streams, they were fishing.

Russians also found a hint of freedom in the land. At places like Antonina Konoplev's collective farm, farm workers would spend their days numbly cultivating crops destined for places like Moscow and Leningrad, then hurry home in the evening to lavish care on the tiny garden plots that supplied food for their own tables.

The gap in motivation and productivity seemed such a clear indictment of the deadening collective farm system, yet the Communist leadership, even under Mikhail Gorbachev, could not bring itself to relinquish state ownership of the land. Mr. Yeltsin's first attempt in 1993 collapsed because it established no mechanisms for the handling and recording of land sales.

His new decree is more complete, but even so the development of a robust real estate market may be slow. Many Russians who would like to own their own farms cannot afford the cost of tractors and other farming equipment. The price of land for homes and dachas will be beyond the reach of many people, and speculation is sure to be extensive. Some Russians may be reluctant to give up the idea of communal farming, which goes far back in Russian history. This form of cooperative agriculture was twisted beyond recognition by the Soviet collectivization of farming.

Still, Mr. Yeltsin has taken a historic step. Russians may now have a chance to own a piece of the land they love so much. PHILIP TAUBMAN

LANGUAGE: ENGLISH

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LANGUAGE: ENGLISH

LOAD-DATE: March 14, 1996
Though Josef Stalin died 43 years ago, he torments Russia to this day. As Russians prepare for a presidential election this June, a revived Communist Party is struggling with the still volatile issue of Stalin and his legacy. Gennadi Zyuganov, the party's presidential candidate, seems wary of condemning one of the founding architects of the Soviet state yet fearful of embracing him. Other Communists openly defend Stalin as a great leader.

Americans find it hard to understand how Russians could regard Stalin with respect, even admiration. He was among the most brutal dictators in history, a leader who spilled the blood of millions of his countrymen in a drive to modernize Russia and enforce ideological conformity and personal loyalty in the Communist Party.

But the continuing debate over Stalin, recently described by Michael Specter of The Times, reveals some important, disquieting truths about Russia that America and the world should bear in mind as Russians choose a president this spring.

One is the power of wounded pride. The disintegration of the Soviet Union has brought democracy and the makings of a market economy to Russia, but it has also left Russia a second-class power. Its empire is gone, its once-powerful military is shattered and its place in the world is no longer clear.

Stalin gave Russia power and pride. The human cost was unimaginable. As many as 20 million people died during the forced collectivization of agriculture and the party purges, but many Russians see those losses as the price of industrialization and the emergence of the Soviet Union as one of the world's two great powers. Russians also credit Stalin with the Soviet Union's survival and eventual victory in World War II.

On the surface, the Communist Party today is far removed from the party of Stalin. Mr. Zyuganov and his colleagues offer Russians a retreat from the political upheaval and economic dislocation of reform, couched in the rhetoric of moderate social democratic policy. But smoldering just below the surface is a more visceral promise to restore Russia's power and pride. The refusal to denounce Stalin underscores that intention.
The debate over Stalin also reveals resentments that linger from a long-running struggle to shape the record of Russian history. Four decades after Nikita Khrushchev attacked Stalin in a secret speech to the Communist Party leadership, and nearly a decade after Mikhail Gorbachev reopened public discussion about Stalin's crimes, Russians are still divided over whether they have a 20th-century history worth honoring, beyond their role in the defeat of Hitler.

To disown Stalin is to dismiss much of Soviet history. As terrible as Stalin was, and as much as Russians suffered under his rule -- it is hard to find a family not wounded by the terror he sanctioned -- a people cannot easily repudiate its past. If the Stalin era is written off as deformed, then little is left to justify the sacrifices that were made and the lives that were lost. Younger Russians may not care much about this issue, but for older generations, where support for Mr. Zyuganov is strongest, it matters a great deal.

A Russian I knew well in Moscow once said that despite all the revelations about Stalin's brutality, the dictator was still her hero. He had transformed Russia, she said, from a backward land into a great nation. It was her way of saying that her life, for all its misery, had been part of a greater enterprise.

Stalin's place in Russian history may not be an overt issue in the presidential campaign, but it will be an undercurrent. Boris Yeltsin is already telling voters that his re-election is the only way to prevent a return to the abuses of Communism. Mr. Zyuganov in oblique ways is trying to exploit the hunger among many Russians for a restoration of pride and power. It will be many more years until Russia finally escapes Stalin's shadow. PHILIP TAUBMAN

LANGUAGE: ENGLISH

LOAD-DATE: March 11, 1996
His voice, always soft, is reduced to a whisper by yet another tragedy in what has been a devastating year. But only hours after learning his country home had burned down, former Russian Foreign Minister Andrei V. Kozyrev exhibits little sign of distraction. He momentarily laments the loss of photographs, paintings and mementos commemorating the milestones of his 44 years; then, with signature self-control, he waves off further discussion of the suspected arson to tackle the hardly more comforting subject of where Russia is heading.

One might expect this career diplomat to be angry--or at least disappointed. In a year filled with accusations of political failings and marred by divorce, Kozyrev's fall from the Kremlin hierarchy culminated in the most humiliating of President Boris N. Yeltsin's recent rash of unceremonious sackings. But Kozyrev is not a man who gets angry. In fact, his attitude toward Yeltsin is stunningly loyal, the rational acceptance of injustice befitting a martyr. Unemotionally, he lays out a sober vision of the near future and an unshakably confident explanation of the recent, rocky past.

More than any other figure in Yeltsin's ever-revolving entourage, Kozyrev personified the less menacing Kremlin that emerged after the collapse of the Soviet Union and the end of the Cold War. It was this association with democratic reform policies, as well as his grace and popularity in the West, that branded Kozyrev as too dovish once the political hawks resumed circling the Kremlin.

Kozyrev saw the ax swinging before it came down and hit him, so he had snagged a seat in the Duma during the December parliamentary elections. That also secured him a podium for the coming political free-for-all, as Russian voters prepare for the all-important June presidential election.

Kozyrev's ministerial limousine has been replaced by an old black Volga. His new office in the Duma is a cubbyhole compared with the sprawling domain of his successor, Yevgeny M. Primakov, atop the gothic Stalinist tower along Moscow's Garden Ring. But trappings of power appear to mean little to this man who represented the face of a revolutionizing Russia to the West for more than five
years.

From his mobile office—the Volga, a black briefcase and a cellular phone—Kozyrev intends to keep the reform fires burning through what promises to be, at best, a shaky second presidential term for Yeltsin or a destructive drive by the reinvigorated Communist Party to turn back the clock.

Stepping out of the Volga for 90 minutes but bringing the briefcase and phone with him, Kozyrev visited the The Times Moscow bureau to talk about his new role as self-appointed ambassador for the rescue of Russia.

*Question: In Budapest in 1992, you gave a forbidding portrayal of what the consequences would be for the rest of the world if reforms were to fail in Russia. Do you feel they are failing?

Answer: Yes. There is concern, a feeling of great concern and nervousness because of the current struggle to influence public opinion in Russia ahead of the elections. I think there could be considerable damage if there continues this trend toward stagnating or even reversing the foreign policies I was advocating.

Q: How would this damage manifest itself? What would be the indications that reforms are being disrupted significantly?

A: The damage will be mostly in lost opportunity—lost profit, in business terms. This would be very regretful because the country is in difficult shape. The living standards are low—so instead of moving quickly through the transitional period, there could be further postponement of improvement, or even reversal.

Q: What should America's policy be toward Russia now? Does Washington send the right signals to encourage reform?

A: What they are doing right now is more or less reasonable. The question arises: What to do next? If the Communists come to power in the next elections, then I would be very watchful of their performance. What to my mind is crucial now is that the United States administration and other Western governments concentrate on specific projects and investments. Even under Communists, there still would be hope for investment, for joint ventures, for regional engagements, for training programs and technical assistance. All this should be on a pragmatic basis—as it would be the best way to speed up the failure of the reform backlash. So I would very much urge that no one give up on Russia.

Q: Do you see the Communists led by Mr. Zyuganov as a reformed force? Have they mended their ways and changed direction since the Soviet era?

A: I think there are people with agendas on both sides of the track. It is important to see which faction within the Communist Party gets the upper hand. I think it is important to remain analytical and to keep cool. Don't panic. I try to convey this message to our partners abroad. Be pragmatic—because there are still some who are for reform and a market economy.

Q: Did President Yeltsin properly evaluate your role in developing Russia's foreign policy, or do you feel you were made a scapegoat for problems Russia had and still has—particularly in the Balkans?
A: I'm sure that this history will be seen in a much more objective way with the passing of time. Probably very soon people will begin to assess my work much better and see the significance. Later, there will be this realization from the state, an awareness that this was not an artificial or idealistic policy but the only policy which was both most suitable for reform, in political terms, as well as pragmatic.

Q: Is there a danger the Communists will pursue a more Eastern focus, the myth that by looking more committed to traditional allies that a superpower image can be recreated?

A: Yes, the Communists have pursued this trend. You can sense it. But Russia will soon learn, with or without them, that this is a self-defeating strategy, because it does not lead to any benefit for Asia or CIS states Commonwealth of Independent States. It leads only to a loss of status, a loss of opportunity. The policy of engagement with the West kind of compensates for the weakness of the economy and the difficulties of this transitional period in Russia. But entertaining the idea of a 'cold relationship, not to speak of confrontation with the West, this only multiplies the weakness. This is the policy of surrender rather than a policy of overcoming difficulty.

Q: Do you fear reform has taken on a negative connotation among many Russians, and this is why the Communists are threatening to regain power--because people are disenchanted with the process?

A: People know at the back of their minds, and will soon clearly understand, that the source of their dissatisfaction is not a so-called pro-Western policy or reform policy, but mismanagement of those policies, the hesitation on those policies, stagnation of the process. If the Communists come to power, the stagnation trend could continue. Then people will soon learn there is no alternative to real reform in foreign and domestic policy. I am not a fortune teller, but take my word for it. In no more than two years, there will be a new wave in Russian public opinion and at the next parliamentary elections there will be gains by reformists.

Q: Do you think that Yeltsin's performance as president now suggests he is still committed to reforms, or are you concerned by recent changes and personnel decisions?

A: I wouldn't put too much emphasis on personnel decisions. But I have to admit there is considerable concern in Russia about the attempts to win back public opinion. Yet I wouldn't rush into pessimistic conclusions. I believe the government still has time and the resources to actively defend and promote the reform cause. Only this can bring him victory in the elections. Any further yielding to the pressures from hard-liners will cost him reelection. Because I don't believe that people voted for Communists or communism when they voted for Zyuganov's party in the elections. They voted against the mishandling of reforms and against the difficult economic situation.

Q: Were you sacrificed by Yeltsin, did he remove you to pacify anti-reform forces?

A: No. I would not put it that way. Of course, there has been some backtracking. Let's face it, there is stagnation. In foreign policy, I suffered
defeat in a few particular fields. But I wouldn't say that I was necessarily a scapegoat. I think it was real divergence of opinion. It was a genuine political conflict. I lost. I was overruled. I believe that my time will come again, that my policies will be brought back, sooner or later. Sometimes you win. Sometimes you lose.

Q: How do you see your policy being brought back? Do you see yourself as a minister in a future government or perhaps as a presidential candidate?

A: I wouldn't rule out anything if it was important to the country. I wouldn't be a diplomat if I were to say a flat no. Never say yes and never say no. For the foreseeable future, I am well-harbored. I have my constituency--the people of Murmansk--and my seat in parliament. I want to enjoy this and do what I can for my constituency. Sometimes, it is better not to be a minister in the government.

Q: How do you assess your successor as foreign minister. Is Primakov more cautious in his policies toward the West?

A: I wouldn't want to pass personal judgments at the moment. I think I've said enough about trends in politics to be clear, but I don't want to engage in any personal comments.

Q: You've touched on your concerns in the event the Communists win the presidential election. What is at stake for the United States and other Western countries?

A: It depends on who will be leading the Communist Party--whether it is the outrageous group of people or the more reasonable group. There will be lost opportunities, but we will still deal with each other on a business level. Any investment, any joint venture, any cooperative arrangements will be a contribution to the eventual defeat of the Communists.

Q: So the West should not punish Russia for voting Communist--it should continue to invest into the system so that the people see that support is unconditional?

A: Exactly. Absolutely. This is my message. Don't give up on Russia. Don't punish Russian people, because they didn't vote for communism, they voted against hardships and mishandling of reforms.

Q: But because of the power vested in the presidency, isn't a lot contingent on whether or not Zyuganov is a reformed Communist and committed to integrating Russia into the world community? Do you trust him as a leader, with the powers that the constitution gives the president?

A: First of all, I don't trust Communists. Secondly, I will still try to discriminate against Communists and I will encourage the reasonable and pragmatic forces.

Q: Are you confident that the leaders of the Communist Party recognize that they are not being voted for, but that the status quo is being voted against?

A: There are different people in the Communist Party, and it is important to
discriminate among them and encourage the good guys--to the extent that there are good guys in the Communist Party.

Q: Do you see Zyuganov as a good guy?

A: Let's wait and see.

Q: Is the outside world overreacting to the Communist resurgence?

A: I would caution against both overreaction and lack of reaction. Overreaction would be to give up on Russia. A lack of reaction would be to act like nothing is happening.

Q: Is President Yeltsin making the right move in seeking reelection?

A: There is nobody else. That's what we believe. Yeltsin still has a window of opportunity to really defend the reforms and policies and thus win at the elections.

Q: Does he have to speak now in an anti-reform fashion to bridge the gap with that part of the population that thinks it doesn't want reform?

A: No. Any giving up or any further yielding to populistic or anti-reformist forces would be a prescription for defeat.

Q: Do you bear ill feelings toward him because he rejected you?

A: No. This is political and shouldn't be mixed up with personal feelings. I think the personality and the figure of Yeltsin deserves respect, reverence, if only because of his place in history. After all, he was, and still is, the one and only popularly, freely elected president in the history of Russia. If only he leads Russia to free and fair presidential elections, whoever win, this will make history and place him in an absolutely unique place in Russian history for centuries.

GRAPHIC: PHOTO: Andrei Kozyrev PHOTOGRAPHER: ANATOLY ZHDANOV / for The Times

LANGUAGE: English

LOAD-DATE: March 20, 1996
BODY:

Anna M. Larina, the widow of Nikolai I. Bukharin, died at age 87 in Moscow, on Feb. 24. It is a bitter thing to reflect that, with her death, we have lost a last link to some of the grand "what ifs" of this century.

She grew up in the circle around Vladimir I. Lenin and, at age 20, married Bukharin—a hero of the Bolshevik Revolution of 1917 and perhaps the greatest of the Bolshevik theoreticians. Bukharin was a leader of the Soviet Communist Party during the 1920s. But at the end of that decade, his faction was defeated by Josef Stalin and, in 1938, he was accused of treason in the Moscow Trials.

Under extreme pressure, Bukharin made a bizarre confession: "The monstrousness of my crimes is immeasurable." His actions served as the basis for "Darkness at Noon," Arthur Koestler's immortal novel about totalitarianism. Having confessed, Bukharin was executed. But what if he had not been? What if, instead, he had triumphed?

Bukharin was a Communist, not a democrat, yet, unlike Stalin, he was willing to allow the Soviet peasants to own land. Stalin's collectivization of Soviet agriculture proved one of the great horrors of the 20th century. What would have happened to the Soviet farmers if Bukharin had prevailed? The violent collectivization would probably have been avoided, and literally millions of peasants might have lived.

For a time, Bukharin headed the Communist International, the Comintern. There, too, he entertained a view of his own. Stalin wanted communist parties the world over to follow Soviet orders in the strictest manner, on the ground that the Soviet experience offered a universal model—which everyone had to emulate.

Bukharin's alternative theory, called "the general theory of exceptionalism," asserted that the Soviet Union was not, in fact, a universal model. Instead, every country's situation was different, and the communist parties in every country ought to choose their own policy.

Following Stalin's orders, communist parties in Germany and around the world
refused to unite with the enemies of fascism and Nazism in the 1920s and '30s. They made it far easier for the fascists and Nazis to come to power. In 1939, communists all over the world, on Stalin's orders, looked on Britain, instead of Nazi Germany, as the world's worst tyrant—a bit of foolishness that made it simpler for Adolf Hitler to begin the war. Stalin's policy was, in short, a calamity.

What would have happened if Bukharin's general theory of exceptionalism had been pursued instead, and the communist movements in different countries had followed their own instincts? It is likely that, in Germany and elsewhere, the communist movement would have fought more vigorously against the Nazis and fascists, and history might well have taken a somewhat different course.

The "what ifs" of Bukharin's life have an American echo. Before the Bolshevik Revolution, Bukharin spent seven months in the United States. He worked with Leon Trotsky, on St. Marks Place in New York's East Village, editing a Russian newspaper called Novy Mir. He returned to Russia for the revolution and rose to power, but he always maintained some close American ties.

The leader of the American Communist Party in the late 1920s, Jay Lovestone, was a close friend of Bukharin's and a supporter of his general theory of exceptionalism. Lovestone's version was called "American exceptionalism," a phrase that entered modern usage to denote the qualities that make the United States different from all other countries.

When Stalin defeated Bukharin in the Soviet Union, Lovestone was removed as head of the American Communist Party. But Lovestone refused to accept defeat. He regarded himself as the Communist Party's legitimate leader and formed a tiny splinter organization called the Communist Party (Majority Group), with support in the garment workers' union, the textile workers and the miners.

Tiny as it was, Lovestone's organization contained some of the brightest minds of the American left. The writers Bertram Wolfe, a historian of the Bolshevik Revolution, and Will Herberg, an important theologian, were ardent Lovestoneites. The Mexican muralist Diego Rivera painted murals for the Lovestoneite school in New York.

In the 1930s and '40s, the official American Communist Party commanded a significant amount of support in the U.S. labor movement. But Lovestone's faction of anti-Stalin Communists fought bitterly against the official Communists.

After Bukharin's execution, Lovestone and his group gave up on communism entirely—and fought it vehemently. Lovestoneites became the American labor movement's leading experts in combating communist influence in the trade unions. Eventually, communism was driven out of most of the American unions, and Lovestone and his organization were one reason why.

Lovestone rose in the AFL-CIO to become head of the labor federation's international-affairs department, where he commanded 20% of the AFL-CIO's budget. He and his comrades from the old Bukharinite days went all over the world, on behalf of the AFL-CIO—and also on behalf of the Central Intelligence Agency. Ardently anti-communist, they supported the anti-colonial struggles in Africa and elsewhere, they promoted non-communist unions—and, above all, they
led a struggle against any union that was communist-controlled. The Lovestoneites helped orchestrate an anti-communist split in the French labor movement after World War II, which diminished the power of the French Communist Party.

What would have happened if Bukharin had not been Lovestone's personal friend. Would Lovestone and his organization have played such a zealous role around the world, and would they have exacted so much vengeance against the Soviet Union? Would the Lovestoneites still have thrown in with the CIA?

Larina's life with Bukharin was hard. When she married him, his star was already falling. Before he was taken away from her, Bukharin wrote a political testament proclaiming his innocence and his loyalty to the communist cause.

He gave it to his wife, hoping she would present it to the Communist Party after Stalin was gone. But that wasn't easily done. Larina spent 20 years in Siberian exile in Stalin's gulag, the vast system of prisons, for the crime of having been Bukharin's wife.

She destroyed her husband's written testament--but first committed it to memory. Her son grew up not even knowing his father was the great Bolshevik. Only in 1988, under Mikhail S. Gorbachev's government, was Larina finally able to publish Bukharin's secret testament.

Bukharin was more than rehabilitated. Gorbachev made clear that, in his own judgment, Bukharin's ideas had been right, and Stalin's wrong. But, by then, it was too late for communism of any kind--Bukharin's or otherwise. Gorbachev's effort to draw a few inspirations from Bukharin had no chance to succeed.

Now Larina is dead, and there is no one left from the tight circle around Lenin and we have lost our last tie to some of the most important "what ifs" of this most terrible of centuries.

GRAPHIC: PHOTO: Nikolai I. Bukharin

LANGUAGE: English

LOAD-DATE: March 20, 1996
To the Editor:

Re "The Real Zyuganov" (Op-Ed, March 5): Adrian Karatnycky implies that Gennadi A. Zyuganov, Russia's Communist Party leader, is neither an "agreeable social democrat" nor a "troglodyte Communist," but something more "worrisome": a "conservative traditionalist, a Russian nationalist, a proponent of pan-Slavic reunification."

Mr. Karatnycky links concepts that are historically distinct. Although Mr. Zyuganov calls himself a Communist, Mr. Karatnycky argues that he is in fact "something worse." What is that? "White," which he says is synonymous with a "centuries-long tradition of Russian nationalists who celebrate Orthodox Christianity, Slavic unity and imperial expansion."

The Whites were a disparate movement that included everyone from monarchists to Social Revolutionaries. Attempts to articulate a White political program failed because of the incompatibility of its members. They were nationally diverse, including Czechs and Ukrainians. The only thing linking the Whites, who were never blessed by the Orthodox Church, was a common distaste for Bolshevik rule.

In Mr. Karatnycky's version of Zyuganovism, Mr. Zyuganov "places himself at the center of an epic struggle against the secular" by building close relations with the Islamic world and China. It is not clear how a struggle against the secular is demonstrated by a close relation with China, arguably the most secular state.

It is less clear how Orthodox Christianity, which according to Mr. Karatnycky is synonymous with Slavic unity, can find common cause with the Islamic world. Slavic unity and imperial expansion have historically run counter to each other in Russian foreign policy.

Mr. Zyuganov is neither White nor Pan-Slav. He is something more original. He is a Communist Eurasian, the latest descendant of an intellectual movement that flowered in the 1920's. The Eurasians argued that the Muscovite czar and state were successors to the Mongol khan and the Golden Horde, that Muscovite institutions, legal norms and even psychology are part of the legacy of Genghis Khan.

Because of this, the Eurasians argue, Russia ought to look not to Western
Europe, but to its Asian neighbors, as natural allies, and seek to develop links with, say, China and Japan rather than France and Germany. Given the current expansion of Asian markets and their proximity to the former Soviet Union, economic Eurasianism is a not implausible response to the pressures Russia is facing.

NADIA KIZENKO
Asst. Professor of Russian History
University at Albany, SUNY
Albany, March 6, 1996

LANGUAGE: ENGLISH

LOAD-DATE: March 9, 1996
To the Editor:

Adrian Karatnycky, in his article on Gennadi A. Zyuganov (Op-Ed, March 5), brings to a wider public what Prof. Alexander Yanov substantiates in his book "Weimar Russia": that Mr. Zyuganov is neither an old-fashioned Communist nor a democrat, but a National Bolshevik.

He is carrying out the plan that Russian ultra-nationalists have been dreaming of since the 1970's. This plan envisages reinforcing the decrepit Red ideology with heavy Brown elements to renew the totalitarian state and avoid degeneration into a pro-Western democracy.

With three months left until the Russian elections, it is time to stop consoling ourselves with arguments about how Mr. Zyuganov wouldn't make things any worse. There is no limit to how bad it can get. The West has only three alternatives:

* Make an all-out effort to strengthen the Russian center and give the moderate-to-democratic forces a fighting chance in the June elections.

* Stop insisting that Russia hold the elections in June.

* Prepare for the new cold war, with a $100 billion increase in military spending and more infusions of financial and military support to our unstable allies in Eastern Europe and the Mideast.

IRA STRAUS
U.S. Coordinator, Committee on Eastern Europe and Russia in NATO
Washington, March 6, 1996

LANGUAGE: ENGLISH

LOAD-DATE: March 9, 1996
THE RUSSIAN WAR in the breakaway region of Chechnya, now nearly 15 months old, has intensified again this week. Astonishingly, Russian troops find themselves once more pinned down in brutal combat in the rubble-strewn capital of Grozny, which they thought they had secured 13 months ago. Thirty miles to the west, Russian troops have been shelling the village of Sernovodsk, one of few previously unscathed settlements. Thousands of refugees who had taken shelter there have been forced to flee again, and many civilians have been killed or injured.

President Boris Yeltsin bungled into this civil war in December 1994 after his defense minister assured him that the Chechen insurrection could be suppressed in a matter of hours. Now he is stuck in a war the Russian army is humiliatingly incapable of winning but from which he does not know how to disengage.

The human cost of the war is stunning. Most estimates now put the number of Chechen dead at close to 40,000 -- proportionately equivalent to the number killed in the much-longer war in the former Yugoslavia. What the U.S. State Department this week called "the indiscriminate and disproportionate use of force in Chechnya by Russian troops" has displaced more than half the population. The toll among Russian soldiers, many of them virtually untrained teenagers, also is high.

There may be a stiff political cost as well. Mr. Yeltsin would be facing an uphill battle for reelection even without being saddled by this unpopular war, and he has acknowledged that he must find a way out before the June vote. But he has increasingly surrounded himself with former Communist apparatchiks whose limited imaginations do not seem to go beyond vows to shoot the Chechen leaders and win the war.

Mr. Yeltsin announced yesterday, as he has many times before, that he had come up with a "plan" to end the war, the details of which would be released later this month. Perhaps the 1,000-man Chechen offensive in Grozny, coming two days after Russia's ever-confident defense minister said there were no "big groups" of rebels left, will finally convince him that negotiation is his best option. But his assertion yesterday that Russian troops must "complete the fighting" was not reassuring.
To the Editor:

Your Feb. 29 front-page article on the woes of modern Russia illustrates the Russian fondness for proverbs but does only partial justice to the two you quote.

"To divide the skin of a bear not yet killed," was rendered correctly. But not the second, which you translated as "When seven nurses take care of a child, he may end up without his eyes." The proverb refers to the risk of assigning the same responsibility to more than one person. The eyes in the phrase "without eyes" (bez glaz) are those of the nurses, not the child.

A better translation would be, "A child with seven nurses is not watched."

LINDERS J. FERNBACH
Burnet, Tex., Feb. 29, 1996
WHILE BOB DOLE is hoping to become the Comeback Adult of the 1996 U.S. campaign, Mikhail Gorbachev has cast himself in a similar role in Russia. More than four years after the Soviet Union collapsed and brought Mr. Gorbachev down with it, the last Soviet leader is making himself available as a candidate in Russia's presidential election, scheduled for June.

Mr. Gorbachev's announcement was greeted at home by apathy tempered with derision. Abroad, the architect of perestroika still commands respect as a major historical figure, and rightly so. You can fairly observe that there were many pressures toward disintegration already at work in the society and the decrepit political system when Mr. Gorbachev took power. And other people in the Soviet Union were far more eager and impatient than he to see the system and its imperial hold on other unwilling nations collapse. But none of that negates the truth that Mr. Gorbachev played a leading role in taking decisions that ultimately led to the freeing of the captive nations of Eastern Europe and the liberation of his own country from the totalitarian grasp of the Communist Party. That he did not intend such far-reaching changes when he embarked on a course of cautious reform may affect history's judgment of him but does not lessen his achievements. Nor is it fair to say that the changes were absolutely inevitable in any case; at the very least, under a different ruler they might have taken much longer.

But at home, Mr. Gorbachev, who just turned 65, is mocked, reviled and -- most painful to him -- ignored. Communists blame him for the breakup of their nation and their loss of status in the world. Reformers berate him for having faltered in pursuit of reform, allowing events to overtake him and thereby squandering what they believe was an opportunity for a more orderly transition to democracy and free markets. No one misses his long-winded, hectoring lectures.

Now the conventional wisdom in Moscow holds that the former general secretary can only embarrass and humiliate himself on the campaign trail. To the extent that he attracts any support, it is said, he will serve only to split the anti-Communist vote and enhance the chances of the front-runner, Communist Party leader Gennady Zyuganov. These are weighty considerations in an election fraught with significance for the United States and the world.

Still, it is also worth noting what the Gorbachev candidacy says for the health of Russia's young democracy. Russia's rulers traditionally have died on the throne, or have been murdered there. Mr. Gorbachev, by contrast, has spent
much of the past four years relentlessly criticizing his successor, Boris Yeltsin, himself now a candidate for reelection. That he is nonetheless free to run for office -- and even to embarrass himself, if it turns out thus -- is a positive sign, and a good object lesson for whoever captures the Kremlin this summer.

LANGUAGE: ENGLISH

LOAD-DATE: March 06, 1996
Gennadi A. Zyuganov, the Communist Party leader who is the current favorite to win Russia's presidential elections in June, tries hard to sound like a reasonable man.

At the World Economic Forum in Davos, Switzerland, last month and in recent meetings with American business leaders, he has insisted that he believes in private enterprise balanced by a strong social safety net. He has written in The New York Times that he wants to live in peace with the United States.

Such conciliatory statements have led many Westerners to call him a social democrat. Others have expressed doubts: If he's a social democrat, why is his party full of Communist hard-liners who backed the 1991 coup against Mikhail Gorbachev?

So is Mr. Zyuganov an agreeable social democrat or troglodyte Communist? On the basis of his writings, he emerges as neither. He is a more worrisome figure: a conservative traditionalist, a Russian nationalist, a proponent of pan-Slavic reunification.

In the last year, Mr. Zyuganov has produced a series of books bearing ponderous titles like "Beyond the Horizon" and "I Believe in Russia," which exude a sort of mystical nationalism. All posit a millennial struggle between East and West that began in 1054 with the schism between Orthodox and Roman Catholic Christianity.

Orthodoxy's fight against Catholicism and Protestantism is based, says Mr. Zyuganov, on the fact that the West has "broken loose from its original cultural-religious traditions," largely because of the Industrial Revolution, which accelerated moral decline.

There are, of course, the usual villains. In "Beyond the Horizon," which was issued last summer, Mr. Zyuganov writes of the "ever more perceptible influence of Judaic dispersal, whose influence consistently grew by the day, even by the hour" and so contributed to the decoupling of the West from its Christian moral roots.
His convoluted prose echoes the stereotypes and conspiracy theories prevalent in traditional anti-Semitic tracts: "The Jewish diaspora, which traditionally controlled the financial life of the continent, began expanding its own market by becoming the bearer of the controlling packet of shares in the complete industrial-economic system of Western civilization."

Mr. Zyuganov saves his greatest venom for liberal democracy, which he blames for most of the ills of the modern world. He is remarkably kind to Stalin, who, he says, restored the Eurasian tradition to the center of Soviet life.

Although he avoids passing judgment on Stalin's crimes, he clearly admires the leader's national Bolshevism. Mr. Zyuganov suggests that Stalin "understood the urgent necessity of harmonizing new realities with a centuries-long Russian tradition."

If only Stalin had lived a few more years, Mr. Zyuganov sighs, he would have restored Russia to its former greatness and saved it from the "cosmopolitans" who have ruled it in various guises since his death.

In an ominous declaration of his ambition to extend Russia's territories, Mr. Zyuganov writes approvingly of Alexander III, the 19th-century Czar whose reign saw Russia's "southern border expand by 1,000 kilometers toward Afghanistan."

To prepare for a new expansion, Mr. Zyuganov favors a strategy of turning inward in order to cast all resources and effort toward "internal evolution." By this, he apparently means that a self-reliant Russia could exact its international influence on its own terms.

Although he purports to be a Communist, he makes little mention of Marx and Lenin. Rather, he eulogizes Russia as the "idealist nation," the "dreamer-nation," the "mobilizer-nation."

Some Westerners say that we should view his rhetoric as nothing more than election year hyperbole. To be sure, Mr. Zyuganov may be attempting to cunningly straddle the Red-Brown spectrum with the aim of building a Communist-nationalist coalition to propel him to the presidency. But his writings, which outline a comprehensive, coherent philosophy, suggest something more than political expediency. They show a genuine commitment to the extreme ideas he advances.

What would a President Zyuganov mean for the West? He speaks with a dangerous moral absolutism that resembles the ideological didacticism of Soviet Communism. He aggrandizes the Soviet Union's historic role as the rival of the United States. And he places himself at the center of an epic struggle against the secular. As President, his top international priority would be to bring the territory of the former Soviet Union under Russian rule and build close relations with the Islamic world and China.

Thus, while Mr. Zyuganov may not be a Communist, he is something worse. Neither Red nor Pink, Mr. Zyuganov is White -- the latest incarnation in a centuries-long tradition of Russian nationalists who celebrate Orthodox Christianity, Slavic unity and imperial expansion.
On policy matters, he is quite specific. He opposes the General Agreement on Tariffs and Trade, which he says is a conspiracy of big-business interests. He rails at the United Nations and the threat of a foreign-dominated world government. He despises the International Monetary Fund and says the international financial system is cheating the little guy.

As for domestic issues, he believes that abortion is immoral and should be banned. He is tough on crime and contemptuous of what he regards as a fundamentally corrupt political establishment. He complains that the average worker has seen his standard of living erode. He believes his nation is God's country, steered by a unique moral vision, but he worries that the secular and commercial values of consumerism have degraded the nation's spiritual purity.

Does all this sound oddly familiar? Discontented Russians aren't the only ones with whom such ideas are finding resonance. Perhaps it's time for a candidates' summit: Patrick Buchanan, meet Gennadi Zyuganov.

GRAPHIC: Drawing

LANGUAGE: ENGLISH

LOAD-DATE: March 5, 1996
Throughout our history, the U.S. government, on the one hand, and whatever regime was in power in Cuba, on the other, have been prone to spasms of reciprocal obsession—marked by wild rhetoric, economic warfare and sometimes armed violence. Cuba's stupidly brutal shooting down of two U.S. civilian airplanes last weekend, and President Bill Clinton's subsequent surrender to Congress on maniacal legislation aimed at the destruction of Fidel Castro's regime, mark the latest spasm.

Today, no U.S. presidential candidate dares challenge the wisdom of escalating intervention against a small, if unpleasant, neighboring government. The angriest voices in Washington and Florida advocate a naval blockade and do not rule out invasion—ignoring international law and the opinion of other governments. This furor has an all-too familiar ring.

Since the early 19th century, Cuba's proximity to the United States, strategic location on the seaways of the Caribbean and economic importance have induced U.S. politicians to assert the right to dictate Cuba's foreign policy and internal arrangements. But the line between legitimate U.S. national-security interests in Cuba and domestic political partisanship has always been blurred.

For example, in 1853, Washington, influenced by the slaveholding states, tried to buy Cuba from Spain to increase the area of slaveholding and suppress a feared insurrection of slaves in Cuba and its spread to the United States. Spain refused to sell. In response, three senior U.S. diplomats—including soon-to-be President James Buchanan—issued the "Ostend Manifesto," which argued that Spain's continued possession of Cuba threatened "our internal peace and the existence of our cherished Union." If we cannot acquire Cuba in any other way, said the diplomats, we should take it through war. Nothing came of this because the United States was hurtling toward civil war—but its tone and its intimate connection to politics in the United States set a pattern.

In the 1870s and again in the 1890s, the Cuban people rose in armed rebellion against the Spanish colonial regime. The Spaniards became alarmed, with good
reason, over the support for the rebels coming from the United States, in
general, and Cuban Americans, in particular.

Spain suppressed the first insurrection, but not the second, in 1895-98. This
time, Cuba was a far hotter issue in U.S. politics--thanks to coverage by
mass-circulation newspapers, deeper economic interconnections, the strident
lobbying of Cuban Americans and heightened concerns in Washington over the
strategic security of the Caribbean. President William McKinley, eager to assure
his reelection, joined those who said Spain must be ousted. The sinking, in
Havana harbor, of the U.S. battleship Maine as a result of an internal explosion
in February 1898, (260 Americans died) inflamed a war spirit--though it is
highly unlikely that the Spanish government was responsible. McKinley did not
make a serious effort to negotiate. The Spanish government, in turn, preferred
war to what it considered dishonorable concessions. And war it was--"the
splendid little war" of 1898. Spain lost Cuba--along with Puerto Rico and the
Philippines.

The Cuban freedom fighters expected immediate independence. Instead, the
United States militarily occupied the island for four years, then imposed,
through the Platt Amendment, its right to control Cuba's foreign relations and
to intervene, with troops if necessary, in the country's internal affairs.
President Franklin D. Roosevelt formally relinquished these rights in 1934--but
U.S. influence remained pervasive.

Fast-forward to Jan. 1, 1959. Fulgencio Batista, a corrupt and
non-ideological dictator, fled Havana and Castro, leader of a successful
rebellion, entered the city and established the regime he heads to this day.
Scholars debate whether the regime was communist from the outset or became so
within a year or two. They also debate whether an accommodating posture by
Washington, instead of an obsession with undermining the regime, could have
preserved amicable relations. Or were Castro's obsession with Washington as the
source of all Cuba's problems and his welcome of the Soviet Union as protector
the real obstacles? There can be no question, however, that a pattern of
reciprocal obsession and provocation was evident from the outset. Washington
organized an exile force to invade Cuba at the Bay of Pigs in April 1961. It
was, as one historian said, "the perfect failure."

More serious, of course, was the 1962 crisis over the placement of Soviet
nuclear missiles in Cuba--the most dangerous moment of the Cold War and a
genuine threat to U.S. security. Castro was ignored in the negotiated
Soviet-U.S. settlement. The Russians removed the missiles and Washington
promised not to invade Cuba.

For the next 30 years, Castro poked his finger in Uncle Sam's eye at every
opportunity--supporting leftist revolutionaries in Latin America, sending troops
to Africa at Moscow's behest--and Washington did everything possible to inflict
economic pain and make Cuba a pariah state--only to be thwarted by the subsidies
sent to Castro by the Soviet Union.

With the end of the Cold War and disappearance of the Soviet Union, easing
tensions, even normalizing relations, might have been expected. But objective
security interests and domestic politics are different matters. Castro was too
proud--and too convinced of U.S. hostility--to make conciliatory gestures toward
Washington. Castro also believed that Mikhail S. Gorbachev lost control of the
Soviet Union because he abandoned a repressive political system. Castro says he
will not make the same mistake. And in the United States, politicians of both parties competed for the support of the Cuban American community by demonstrating how tough they could be on Castro.

By 1995, Republicans in Congress appeared to have won the tough-posture competition. The Helms-Burton bill--officially the Cuban Liberty and Democratic Solidarity Bill--sets new heights of obsession with Cuba and pretensions for dictating that country's future. And it has gained tremendous momentum since the planes were shot down.

The bill's purpose is unequivocal: Use economic strangulation to eliminate Castro, then establish, with military help, a transitional government and market economy under U.S. supervision, followed by free elections. These measures are justified both on the idealistic ground that Castro is a violator of human rights—which he is—and on a fanciful description of his regime as a threat to U.S. security and international peace. The bill's arrogant and overblown rhetoric recalls the Ostend Manifesto and its specific provisions are more intrusive than the Platt Amendment of 1903-34.

Helms-Burton assumes that Castro is on the edge of a cliff and the Cuban economy is in shambles. But both assumptions are wrong. Castro is paranoiac about internal criticism, but remains popular. And the island's economy is reviving with expanding trade and considerable new investment from Canada and Europe.

This trade and foreign investment are the real targets of Helms-Burton. If its provisions become law, and are sustained in the courts, they would burn down the house of U.S. foreign policy. Seeking to overthrow the regime of one little country, the law inflicts great injury to the larger fabric of U.S. trade and investment.

The key provisions flow from the assertion that the confiscation and nationalization of private property in Cuba, carried out by the regime since 1959, violates U.S. and international law. Therefore, any person, corporation or state entity engaging in trade and investment in Cuba is likely to be "trafficking" with stolen property—since, by definition, virtually all economic activity in Cuba is based on confiscated property. Any current U.S. citizen, or any U.S. corporation—like the Bacardi rum company—with a claim to such property can sue these "traffickers" in U.S. courts and be awarded damages.

Furthermore, individual traffickers, or officers or controlling stockholders of trafficking corporations—including their spouses and children—can be excluded from the United States. In theory, the son or daughter of an executive of a Canadian hotel company with Cuban interests attending school in the United States could be deported. The bill's implementation would create a nightmare for U.S. courts and would violate major treaties and international-trade agreements.

Last summer, Secretary of State Warren M. Christopher recommended that Clinton veto the bill when and if it came to his desk. Until Feb. 24, the chances of the bill being passed and signed were slight. But then Castro blundered into the hands of his enemies—by authorizing the destruction of the two civilian planes flown by the Brothers to the Rescue group. The Cuban government is brazenly unapologetic and said it was defending its sovereignty—but even Castro's newest friend, China, has joined in deploping the deed.
By this action, Castro achieved what his most fervent critics in Congress could not: He persuaded Clinton to agree to Helms-Burton. Clinton, like McKinley in 1898, wants a second term. The final details of the legislation remain to be worked out, but the president said he will sign. Reciprocal obsessions have again triumphed.

GRAPHIC: GRAPHIC-DRAWING: DAVID ZARICK / for The Times

LANGUAGE: English

LOAD-DATE: March 20, 1996
In the years since he turned over the keys to the Kremlin to Boris Yeltsin, Mikhail Gorbachev has been restless in the shadow of his successor. Overtaken by a political revolution he initiated but could not control, Mr. Gorbachev retreated to the private sector, where he organized his own foundation, capitalized on his continuing popularity abroad and fumed over Mr. Yeltsin's leadership. Now, in a bout of pride, Mr. Gorbachev says he is prepared to run for president if democrats cannot unite behind another candidate.

That is a venture that could end disastrously for Mr. Gorbachev. His popularity is painfully low, and the prospects for an election surge seem remote. Russians who liked the order and subsidized economy of the Soviet Union will not forgive Mr. Gorbachev for initiating the reforms that ultimately destroyed that life. Those who were impatient for reform condemn him for hesitation and indecision. Few seem willing to acknowledge that had it not been for Mr. Gorbachev, Russia might still be a dictatorship and the world might still be waging a cold war.

Humility has never been one of Mr. Gorbachev's strong suits, and his arrogance would not play well in a campaign. He tends to be long-winded and to lecture people rather than converse with them. He mastered the brass-knuckle combat of Communist politics, but is unschooled in barnstorming for votes. Despite the democratic changes he introduced, Mr. Gorbachev has never run for public office in an open election.

A Gorbachev candidacy could not help but further divide the democratic vote, making it all the easier for Gennadi Zyuganov, the Communist leader, and Vladimir Zhirinovsky, the nationalist, to face one another in a runoff election.

Mr. Gorbachev's place in world history is secure. If he runs for president, he is only likely to suffer humiliation and give Russia another nudge away from reform. It is hard to see why he would want to risk either result.
The International Monetary Fund has taken a calculated gamble by promising Russia $10 billion if it sticks to a strict regimen of market reforms over the next three years. The Government of President Boris Yeltsin and Prime Minister Viktor Chernomyrdin has been erratic and often ineffective. But it has kept federal spending in check and brought inflation down from astronomical levels to about 4 percent a month. Markets are not well in Russia, but they are alive. With additional help from the West, they might survive.

With Mr. Yeltsin distancing himself from reform as he runs for re-election, there is a danger that the loan will take effect just as Moscow slows or even rejects the policies the international aid is designed to encourage. But by locking in market reforms now, and closely monitoring the performance of the Russian Government, the I.M.F. protects against that possibility. The fund will disburse cash on a monthly basis, and only if Russia meets detailed performance standards. While delaying the loan might have been preferable, this carefully tailored agreement is defensible.

Even with the agreement, market reforms will remain fragile. The Yeltsin Government is finding it hard to establish a reliable system for collecting taxes. Nor will it be easy to restrain spending. To help his campaign, Mr. Yeltsin has promised to pay civil servants and coal miners their back wages and renew subsidies to bankrupt industries. If he honors these promises, he will spend money his Government does not have, forcing it to print billions of rubles. That would lead to soaring inflation and the death of Russia's budding markets.

The I.M.F. provides one way out of this impasse. With billions of dollars to spend, Mr. Yeltsin might be able to help civil servants and other workers without printing rubles. That way he, or his successor, might win enough time with voters to keep market forces in place until they begin to pay off in higher living standards.

While some details of the agreement are needlessly secret, it also appears to obligate Russia to raise more tax revenue, presumably by taxing sectors, like natural gas, that have evaded their fair share. In addition, the agreement requires Russia to raise oil prices toward world levels, a key step toward integrating its goods and capital markets with those of its trading partners.

There are still reasons to worry about the agreement. It is far from clear that the I.M.F. has the resolve to humiliate Russia by cutting off aid if it
deviates from performance targets. The fund is helping Mr. Yeltsin pay for the war in Chechnya and is rewarding a Government that has turned privatization, the sale of government-owned companies to private investors, into a corrupt giveaway to friends. Russian citizens may hold the West accountable for their misery.

Yet market reforms are still worth nurturing. The potential benefits of timely help, backed by strict accountability, outweigh the political risks.

LANGUAGE: ENGLISH

LOAD-DATE: March 1, 1996