TROUBLING TRENDS: HUMAN RIGHTS IN RUSSIA

HEARING

BEFORE THE

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

ONE HUNDRED SEVENTH CONGRESS
FIRST SESSION

JUNE 5, 2001

Printed for the use of the
Commission on Security and Cooperation in Europe
[CSCE 107-1-3]

Available via the World Wide Web: http://www.csce.gov

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 2001
75–722PDF

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: (202) 512–1800 Fax: (202) 512–2250
Mail Stop SSOP, Washington, DC 20402–0001

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

LEGISLATIVE BRANCH COMMISSIONERS

HOUSE

CHRISTOPHER H. SMITH, New Jersey
Co-Chairman
FRANK R. WOLF, Virginia
JOSEPH R. PITTS, Pennsylvania
ZACH WAMP, Tennessee
ROBERT B. ADERHOLT, Alabama
STENY H. HOYER, Maryland
BENJAMIN L. CARDIN, Maryland
LOUISE McINTOSH SLAUGHTER, New York
ALCEE L. HASTINGS, Florida

SENATE

BEN NIGHTHORSE CAMPBELL, Colorado
Chairman
KAY BAILEY HUTCHISON, Texas
SAM BROWNBACK, Kansas
GORDON H. SMITH, Oregon
GEORGE V. VOINOVICH, Ohio
CHRISTOPHER J. DODD, Connecticut
BOB GRAHAM, Florida
RUSSELL D. FEINGOLD, Wisconsin
HILLARY RODHAM. CLINTON, New York

EXECUTIVE BRANCH COMMISSIONERS

(VACANT), Department of State
(VACANT), Department of Defense
(VACANT), Department of Commerce

COMMISSION STAFF

RONALD J. MCNAMARA,, *Chief of Staff*
DOROTHY DOUGLAS TAFT, *Deputy Chief of Staff*

BEN ANDERSON, Communications Director
OREST DEYCHAKIWSKY, Staff Advisor
JOHN FINERTY, Staff Advisor
CHADWICK R. GORE, Staff Advisor
ROBERT HAND, STaff Advisor
JANICE HELWIG, STAff Advisor
MARLENE KAUFMANN, Counsel
MICHELE MADASZ, Office Administrator
MICHAEL OCHS, Staff Advisor
ERIKA B. SCHLAGER, Counsel for International Law
H. KNOX THAMES, Staff Advisor
MAUREEN T. WALSH, General Counsel
ASHLEY WILSON, Staff Assistant

TROUBLING TRENDS: HUMAN RIGHTS IN RUSSIA

JUNE 5, 2001

TROUBLING TRENDS: HUMAN RIGHTS IN RUSSIA

TUESDAY, JUNE 5, 2001

COMMISSION ON SECURITY AND COOPERATION IN EUROPE,
WASHINGTON, DC

The Commission met in Room 334, Cannon House Office Building, Washington, DC, at 9:30 a.m., Senator Ben Nighthorse Campbell, Chairman, presiding.

Commissioners present: Hon. Ben Nighthorse Campbell, Chairman; Hon. Joseph R. Pitts, Commissioner; Hon. Russell D. Feingold, Commissioner.

Witnesses present: John Beyrle, Special Advisor to the Secretary of State for the Newly Independent States, U.S. Department of State; Dr. Elena Bonner, Chairman, Andrei Sakharov Foundation; Paul Goble, Director of Communications, Radio Free Europe and Radio Liberty; Emil Pain, Fellow on Human Rights and Conflict Resolution, Kennan Institute, Woodrow Wilson Center.

OPENING STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, CHAIRMAN

Sen. CAMPBELL. Good morning and welcome to this hearing of the Commission on Security and Cooperation in Europe, the Helsinki Commission. Before proceeding, I note for the record that this week marks the Commission's 25th anniversary of promoting human rights, democracy and the rule of law. The bipartisan work of the Commission, in partnership with non-governmental organizations at home and abroad, has had an impact on the lives of tens of thousands of individuals denied their fundamental freedoms.

Today's hearing of the Helsinki Commission will examine the course of human rights in Russia after a year and a half of President Putin's presidency. I visited St. Petersburg, Russia in 1999, to participate in the OSCE Parliamentary Assembly. While there, I had an opportunity to meet with a diverse group of Russian NGOs at the U.S. Consulate. That meeting underscored in my mind the importance of civil society in Russia.

There is no doubt that human rights and the human rights movement in Russia have come along way since the fall of the Soviet Union almost 10 years ago. From an "unfree" Soviet Union, Russia has consistently been rated by Freedom House as "partially free." Our hope is that Russia will overcome the legacy of the past and achieve the freedom the Russian people deserve.

Indications of this downward trend in Russia's human rights record were noted by several experts at a Commission hearing held in May of last year, and regrettably the situation has not improved since.

One of the most disturbing events has been the forceful takeover by individuals connected with the Russian Government of the NTV television network, an independent network that had been critical of the Putin administration. The pattern of harassment against the few independent news outlets is quite clear.

The NTV case and the campaign against Mr. Gusinsky are not isolated events. According to the New York-based Committee to Protect Journalists, members of the independent press "are being harassed and persecuted far more than any time since the Soviet era." In an editorial entitled "Russia's Dying Free Press," the *Washington Post* wrote that "Mr. Putin's campaign already has spread a severe chill through the vibrant press that sprouted and flourished during the 1990s."

Incidentally, with respect to law enforcement and the press in Russia, I don't intend to say that law enforcement in our own country is flawless, but one of the best safeguards against arbitrary acts by law enforcement agencies in this country is, indeed, the existence of a free media.

For the second year in a row, the United Nations Human Rights Commission adopted a European Union-sponsored resolution criticizing Russia's actions in Chechnya, specifically calling attention to "widespread violence against civilians and alleged violations of human rights and humanitarian law, in particular forced disappearances, extrajudicial, summary or arbitrary executions, torture, and arbitrary detentions . . . "

The discovery of dozens of bodies in a mass grave near the main Russian military base in Chechnya is only the most egregious horror in a long line of horrors being visited upon noncombatants in that region. This does not excuse atrocities committed by Chechen forces, or detract from legitimate concerns about conditions in Chechnya after the first war. The gravity of the violations in Chechnya demand our attention in light of Russia's international obligations, including her OSCE commitments.

During last year's hearing on Russia, we heard testimony about the increasing pressure from the security services against Russian scientists and environmental activists, who were being accused on flimsy charges of "espionage," "revealing state secrets," etc. At least two American citizens have been caught up in this net. Two years ago, President Putin told a Russian newspaper that environmental groups were "in the employ of foreign intelligence agencies." It is now reported that Russia's Academy of Sciences has ordered its scientists to "report to state authorities on their contacts with foreign officials." Russia's Deputy Prime Minister for social policy has denied this report, and we will certainly monitor related developments. If it is true, it will certainly have, at the very least, a chilling effect on academic freedom and the intellectual exchanges.

While it is important to recognize the positive changes that Russia has experienced in the last decade, recent trends are disturbing and give rise for concern. Russia's own human rights commissioner has stated that "Russia's resurgent security forces are threatening to wreck democracy and basic freedoms."

I look forward to hearing from our Administration witness and our experts assembled this morning as we examine the human rights picture in Russia in anticipation of next week's summit meeting between President Bush and his Russian counterpart.

I would like to recognize other Commissioners before introducing our panelists for any opening statements.

OPENING STATEMENT OF HON. JOSEPH R. PITTS, COMMISSIONER

Mr. PITTS. Thank you, Mr. Chairman. Thank you for holding this timely hearing, "Troubling Trends: Human Rights in Russia." As you and others know, the current reports coming out of Russia raise great concerns about the continued protection of fundamental human rights for the Russian people. I look forward to hearing from the distinguished witnesses here today regarding their insight into the current trends in Russia, and possible positive action to encourage the protection of the basic freedoms of the Russian people.

Various reports suggest that President Putin is attempting to return to previous eras and centralize power in Moscow. This move would most likely pave the way for, not end, more corruption and less freedom for the Russian people.

The international concerns over current abuses of religious freedom and the media and human rights in Chechnya would most likely increase under Putin's new power structure.

Last week, I met with a group of Russian Pentecostal Christians, who shared stories of the persecution they are currently experiencing in Russia, including what they believe is the religiously-motivated killings of four of their members, and the liquidation of their churches in the far east of Russia.

Muslims in Vologda are facing extreme opposition to the building of their mosque, including reported financial harassment by local officials. Protestants in Viborg have been blocked by officials from using and restoring a building they purchased in 1998.

Officials in the Karbadino Balkar area refused to register Jehovah's Witness communities despite the Ministry of Justice ruling that the group should be registered. Religious literature is confiscated from religious groups. Congregants are barred from renting or using particular buildings, and other general harassment occurs.

Unfortunately, from the reports my office has received, the current trends do not bode well for religious freedom. Similarly, the trends for freedom in the media do not bode well. Examples abound of media personnel, whether owners, editors, or journalists feeling the ire of Russian officials regarding print and/or broadcast media. Many know the case of Vladimir Gusinsky, but other harassment continues against journalists, harassment that can even lead to death.

The government's control of the press, led by President Putin, reflects another manifestation of the desire to turn back the tide of democratic reform. In Chechnya, the Russian Government tries to cover up the brutal human abuses, including rape, mass slaughter, random shooting of civilians, and other horrific conduct by the military.

Mr. Chairman, we must continue to shine the spotlight of truth on the human rights violations in Russia. The Russian people deserve to live in freedom and peace, to prosper on the foundation of the great

history and heritage they have. These hearings will shine the light for the Russian people so that they, too, may enjoy true freedom. I thank you, Mr. Chairman.

Sen. CAMPBELL. Senator Feingold, do you have a statement?

OPENING STATEMENT OF HON. RUSSELL D. FEINGOLD, COMMISSIONER

Sen. FEINGOLD. Yes, Mr. Chairman. I'd like to thank you, Mr. Chairman and Congressman Smith, for holding this hearing today, and to thank all the witnesses for their time and their insights. The hearing clearly comes at an opportune time as the Administration prepares for the United States-Russian summit in Slovenia. It is critically important to underscore the important role that human rights issues should play in our bilateral talks at the highest level, not simply because of our national values but also because of our national interest in the long-term stability of Russia.

In the long-run, of course, order cannot be sustained without justice. So, Mr. Chairman, I look forward to learning more about the pressing human rights in Russia today. Thank you.

Sen. CAMPBELL. Thank you. We will now start with our witnesses. First, speaking on behalf of the Administration, will be Mr. John Beyrle. Mr. Beyrle is Acting Special Advisor to the Secretary of State for the Newly Independent States.

Our second panel will feature Dr. Elena Bonner, Chair of the Andrei Sakharov Foundation, and an internationally respected figure in the Soviet, and now Russian, human rights movement. Then we will go to Mr. Paul Goble, who is Director of Communications at Radio Free Europe/Radio Liberty, and former Special Assistant for Soviet Nationalities at the U.S. State Department. Then we will hear from Dr. Emil Pain, who is from Moscow and a current Fellow on Human Rights and Conflict Resolution of the Kennan Institute of the Woodrow Wilson Center and a former Advisor to President Yeltsin on National Problems.

We look forward to hearing all of your presentations, and we will start with Mr. Beyrle.

TESTIMONY OF JOHN BEYRLE, SPECIAL ADVISOR TO THE SECRETARY OF STATE FOR THE NEWLY INDEPENDENT STATES, U.S. DEPARTMENT OF STATE

Mr. BEYRLE. Thank you, Mr. Chairman. Thank you for this invitation to talk with you today about some troubling trends we see regarding human rights in Russia.

Any discussion of this subject in 2001, I think, has to start by taking into account some remarkable changes and achievements that the Russian people achieved and have benefitted from since the start of *glasnost* and *perestroika* in the mid-1980s, but especially since the collapse of communist rule 10 years ago. Freedom of travel and worship, the right to assemble and speak openly without fear of certain arrest and imprisonment, and the growth of independent media and an impressive community of NGOs, including human rights NGOs, all constitute a remarkable—you could even say unimaginable—change from the strictures that developed and grew roots during 70 years of communist totalitarian rule.

So, when viewed against that sad historical legacy, you can say that the human rights picture in Russia looks encouraging, but this also means that this record, this laudable record of achievement of the last 10 years must itself become a new standard of measure as we state our expectations for further progress in this area. To put it more simply, Mr. Chairman, it is not enough for Russia to be judged simply on how the current human rights situation differs from the communist past. To be true to our desire to support Russia's integration into international structures, we need to look at the Russian record on human rights in light of international standards and practices and, in this light, I would like to comment on some troubling trends that threaten to undermine the progress that I cited at the start of these remarks, with particular focus on media freedom in Chechnya, and I'd like to conclude by elaborating a bit on our long-term strategy to promote democratic values and civil society in Russia.

As you noted, it was just over a year ago that President Putin was elected with a promise to the Russian people to restore order in the country. This has remained among his top priorities and the Russian public appears to support him overwhelmingly in this effort.

The Russian Government isn't seeking order simply for order's sake. Its stated goal is civil and economic development. Of course, we as a nation should strongly support civil and economic development in Russia, but we need to be concerned about some means that are being chosen to achieve these ends, means which appear inconsistent with and perhaps even threaten the progress of the past decade, and which raise questions about Russia's compliance with international human rights obligations.

Russia appears to be pursuing a managed democracy in which the boundaries of free speech, the media, civil society, even politics, are loosely determined by the executive and are enforced and maintained by law enforcement, security services, and other authorities.

The most conspicuous recent example of this is the case of Media-Most that you referred to, Mr. Chairman, and its independent television station, NTV. NTV was an important catalyst for expanding media freedom in Russia because its broadcasts brought criticism of the government into the home of ordinary citizens. They got used to the fact that it was somehow normal to turn on the television and the radio and hear constructive criticism of what the government was doing and, at the same time, it accustomed the government itself, and government officials, to hearing criticism from the media.

The government's takeover of NTV relied on a combination of civil and criminal cases with state-controlled Gazprom acting as something as a surrogate. The Russian Government claims that the Media-Most takeover was primarily and simply a commercial affair, but through its single-minded pursuit of Media-Most and its founder, Mr. Gusinsky, the government demonstrated a much broader set of goals that included the stifling of outspoken critics in a way that, as you mentioned, Mr. Chairman, has already had a chilling effect on how other Russian journalists go about their jobs.

The most persistent troubling human rights issue in Russia today, I would argue, is Chechnya. While we recognize Russia's territorial integrity and its right to fight terrorism and armed insurgencies on its

soil, we are deeply disturbed by the continuing and very credible reports of arbitrary arrests, torture, and extrajudicial killings carried out by federal forces there.

Especially troubling is the lack of a serious investigation and accountability for these crimes. The culture of impunity which has developed is not compatible either with respect for human rights or for achieving a peaceful solution of the conflict in Chechnya.

More broadly, Mr. Chairman, this is a question of values. What kind of long-term relationship can we, the United States, pursue with a government that wages such a brutal and seemingly endless war against its own people on its own territory?

Our policy on Chechnya insists that there must be a political settlement to the crisis, an end to the ongoing violations of human rights, and credible accountability for past abuses, and we call for unimpeded humanitarian access and assistance including the return of the OSCE Assistance Group to Chechnya and visits by U.N. special representatives.

Ultimately, an important hope for influencing change in Russia's policies away from violence and toward accountability and dialogue and reconciliation in Chechnya will be the insistence of many voices in the international community, as well as inside Russia, and those voices inside Russia are growing.

Efforts like the Joint Resolutions over the past 2 years in the U.N. Commission on Human Rights, and the frank discussion of Chechnya that's taken place in Russia–EU summits and G–8 meetings are part of making this point and help amplify our own national complaints to the Russians on this score.

Mr. Chairman, let me touch briefly, in conclusion, on the U.S. response to the human rights challenges in today's Russia. At the government-to-government level, we have and will continue to raise human rights issues with the Government of Russia at every opportunity. I have something more to say about that regarding the upcoming summit in just a moment. We will work directly, but as well in concert with the EU and other multilateral institutions like the U.N., like OSCE, to amplify the message that we are trying to deliver to Moscow on this score. But underpinning these political and diplomatic efforts is our work at the grassroots level.

Supporting the growth of a strong and vibrant independent media has been, and remains one of our highest priorities in Russia

We are now focused more on a fact-based investigative journalism. We've moved from that focus on investigative journalism, to more of a focus on a business-oriented training and promoting financial independence. Legal assistance for print and broadcast journalists has become a more central feature of our work, including protection against federal and local government libel suits and tax investigations, because these are the preferred methods of attack.

We see more than overt efforts at censorship, more efforts to get at the independent media through libel, through suits, through tax police raids and such, and so we are trying to re-tailor our assistance to bolster the ability of the independent media owners and journalists to fight this.

Finally, we're looking to step up our support Russia's media watchdog NGOs to allow them to track developments in the regions and draw attention to national and local government attempts to suppress the news.

U.S. international broadcasting can play a pivotal role in supporting the development of independent media in Russia in fostering stronger ties between U.S. broadcasters and affiliated Russian media outlets.

Before I joined the Foreign Service, I worked for Voice of America for 3 or 4 years, and I'm a great supporter still of what they are doing, as well as Radio Free Europe and Radio Liberty broadcasting out of Prague, which are extremely important now.

In addition, nearly 45,000 Russians have traveled to the United States on our exchange programs. Through these programs, we are exposing the next generation of Russian leaders to democratic values in action. These exchange programs provide an opportunity for any Russian who competes openly for these slots to apply to gain a substantive knowledge of how things work in the West, and to make contacts with U.S. counterparts that typically endure long beyond the actual stay of the exchangee in the United States. These programs have a very strong track record, and we need to increase the number of exchangees where the capacity allows. This is a resource question, and we look to Congress for support on this.

Mr. Chairman, as you noted, next week President Bush meets with President Putin in Ljubljana, Slovenia for their first summit meeting. They will be discussing their respective views and vision for the bilateral relationship between the United States and Russia. Issues of human rights will be an important part of this dialogue, for it is clear that a Russia whose respect for human rights accords with international standards and practices is a Russia with whom we can live and work more effectively and comfortably.

The significant progress that we've seen over the past decade in the human rights area has played an important role in creating a very changed dynamic in the United States-Russia relationship. It has permitted a much broader and more ambitious agenda to develop between our two countries in areas that don't have a direct bearing on human rights. Arms control monitoring comes to mind as one example.

If we have a sense that progress on human rights and democratization in Russia has stopped, or that it is being reversed, then this cannot help but have a serious impact on how we go about our relations with Russia as a whole.

Mr. Chairman, again, thank you very much for this time and hearing. I'm happy to try to answer your questions.

Sen. CAMPBELL. Thank you. Let me just start with one of the last comments you made about the exchange program. Have they increased or decreased since the Putin administration has come in power?

Mr. BEYRLE. We're in the process now of reviewing all of the exchange programs that we have going, and we expect to be finished with that, I think, at the end of this month, and our hope is very much that we will be able to continue the kind of support for democratic change, civil society building.

Sen. CAMPBELL. Are these youngsters going both ways, or are these just Russian youngsters coming to America?

Mr. BEYRLE. These are Russians and not only Russians, but Ukrainians and those from other areas of the Soviet Union coming here. It's not only youngsters, it's also through the Billington Exchange, it's regional leaders who come to the United States and meet with local mayors and governors for a time. I'd have to go back and check whether the numbers actually increased since President Putin took over in January 2000. My sense is there may have been a marginal increase, but there certainly has not been a decrease.

Sen. CAMPBELL. Have you noticed any attempt by the Putin administration to screen the type of youngsters that would come over here?

Mr. BEYRLE. No, I can't say that we've seen an overt effort for them to screen the applicants who come here. What we've been concerned about is the American exchangees who have gone to Russia to study on, for instance, the Fulbright Program, in the case of Mr. Tobin, who was recently picked up and is now in a jail in Voronezh on a very minor drug charge, facing an extreme sentence of 3–4 years in a penal colony.

Sen. CAMPBELL. What sentence is he facing?

Mr. BEYRLE. The sentence is 3½ years in a penal colony for a charge of a very minor possession of a small amount of marijuana, with some question whether or not there may have been some planting of evidence there.

But the point I was making is that the security services now seem to be turning a much more careful eye on who is taking part in the exchange programs, and we don't see that as a very positive development at all. These exchange programs have done a lot over the last 10 years to help knock down some barriers of mistrust that developed over 40-50 years of the Cold War, and to have security services now levying unfounded allegations of espionage activity to scholars, Fulbright Scholars, has—to use a word you used—I heard a couple of times from the Chairman and the Commissioners—a "chilling effect" on the kind of relationship we'd like to be able to build with the Russian people.

Sen. CAMPBELL. When the youngsters from Russia come to America, what's the length of stay for that exchange program?

Mr. BEYRLE. There are several exchange programs, but one of the most successful ones, the Future Leaders Exchange, the FLEX Exchange typically has high school and early university students coming here for a year to a year and a half, living with an American family in every State of the Union. I try to meet with as many of these kids when they come through as possible because—not only to show them that we support this, but also because I learn a lot from them about what's happening in Russia and what the new generation is like, but typically they stay a year, a year and a half.

The problem that we have is finding host families who are willing to do this. I mean, it's a terrific commitment by Americans to take a stranger into their home, but the families who do this find it pays great dividends.

Sen. CAMPBELL. Well, one of our neighbors in Colorado took a Russian youngster in for a while, and it was just a great relationship. In fact, it became almost like family in that period of time, and they still communicate by mail regularly back and forth between Russia and the family in Colorado.

Mr. BEYRLE. That's exactly the point. This plants a seed, but the plant can continue to grow for decades afterwards, after-the-fact.

Sen. CAMPBELL. In his presentation before the Senate Appropriations Committee, Secretary Powell—this was in May—Secretary Powell stated that despite the loss of our seat on the U.N. Human Rights Commis-

sion, we will still, according to him, be able to communicate in a very powerful, clear voice our concerns about human rights. In that connection, has the Administration raised human rights issues with the Russian Government, and what has been their response?

Mr. BEYRLE. Well, Mr. Chairman, obviously we are very disappointed by the vote in the U.N. Human Rights Commission. We think that the Commission probably won't be as strong a body without the United States as a member for the coming year, but as Secretary Powell has said, we're going to work very hard to regain our seat next year, and we're certainly not going to slacken our commitment to human rights.

As for our contact with the Russians, I've now sat in on every meeting that Secretary Powell has had with Foreign Minister Ivanov, and on the meeting that President Bush had with Foreign Minister Ivanov as he prepares for the meeting in Slovenia. Human rights has featured prominently in all these discussions. We've made clear—I think the President made it clear when he had his discussion with Foreign Minister Ivanov, that this is a question of values. If we're going to have a relationship with Russia that's productive and constructive, as we want to, it has to be based on a sense that we share some of the same values with the Russian people and with the Russian Government.

Sen. CAMPBELL. Where do we go now, since we are not on that Commission? Is there another vote next year, and since some people that voted to exclude us from that body have pretty bad human rights records themselves, what is the hope of the United States getting back on that U.N. Commission?

Mr. BEYRLE. Well, I think we're hopeful that when the vote is taken next year—my understanding is that it's an annual vote—that we will be re-voted onto the Commission. Secretary Powell has said that we intend to work very hard and make sure that we do everything possible to make sure that happens.

Sen. CAMPBELL. President Bush, in his summit meeting with President Putin in Slovenia next week at the G–8 in Genoa, a senior Administration official has said that the Administration is looking for possible broad cooperation with Russia in terms of a host of things—missile defense, nuclear reduction, nonproliferation, economic affairs, and so on. Those are all very important, but will there also be human rights on that agenda at next week's summit?

Mr. BEYRLE. Absolutely, Mr. Chairman. The meeting that Secretary Powell just had with Foreign Minister Ivanov in Budapest, we went over the agenda for the meeting to start to prepare for the two Presidents to have a useful discussion for the 2–2½ hours that they'll meet, and there's no doubt in the Russian mind that there are several issues regarding human rights, regarding some of the specific issues that I raised in my testimony, media freedom and Chechnya, which will be on the agenda, which President Bush wants to talk to President Putin about, and hear from President Putin about as well.

Sen. CAMPBELL. I see. At the OSCE Istanbul summit in November of 1999, the Russian Government agreed to a communique that stated, "We will agree that a political solution to the situation in Chechnya is essential, and that the assistance of the OSCE would contribute to achieving that goal. Given Russia's unwillingness to at least attempt negotiations with President Maskhadov." How do you assess Russia's so-called agreement that a political solution is essential.

Mr. BEYRLE. Chechnya, Mr. Chairman, is a very difficult problem for Russia and for the Chechen people. Obviously, it's a conflict that's

gone on for centuries, and as we meet with Russians and raise this, we hear consistently them agree with us that there can be no military solution to this, that there needs to be a political resolution through dialogue, but we've seen no action to actually make that happen.

What we see instead is a continued effort by Russian military forces to subjugate the Chechen people and to establish some dominance over them. That is, in our mind, not the basis for starting a dialogue. We are not in a position of telling the Russians or telling the Chechen people who the dialogue partners on the Chechen side need to be. This is something that the Russians and the Chechen people, Chechen officials, need to work out, but I think we've made it amply clear that we, bilaterally, are probably more usefully, through the OSCE, stand willing to facilitate that dialogue if we can be helpful in putting the sides together in some way, but I have to say at this juncture it looks like the putting-together process is still somewhat far off.

Sen. CAMPBELL. You mentioned the possible return of the OSCE mission to Chechnya. Is there an update on that which you could share with us?

Mr. BEYRLE. Yes. Secretary Powell raised this when he met with Foreign Minister Ivanov in Budapest, and I had a separate meeting with Foreign Minister Geoana of Romania, who is the Chairman in Office of OSCE. He updated me on his own discussions with the Russian authorities and, as always, we're in something of a xeno-paradox here. We seem to be having the distance between the two sides, Russia and OSCE, but never quite getting to the goal. Put in football terms, it's hard to cross that last 3 or 4 yards, but we were able, through Secretary Powell's discussions with Foreign Minister Ivanov and my discussions with the Romanian Foreign Minister, to identify where the outstanding problems are, and we're pushing both sides very hard to get this resolved.

When Secretary Powell met with Mr. Ivanov here in Washington on May 18, Foreign Minister Ivanov said he expects this to be resolved in the very near future, and we expect him to live up to that.

Sen. CAMPBELL. Whatever "very near future" means. I have four or five more questions, but I'd like to yield to Congressman Pitts for a few.

Mr. PITTS. Thank you, Mr. Chairman. Mr. Beyrle, the General Accounting Office recently released a report to Congress regarding U.S. assistance to the New Independent States for the promotion of the rule of law.

From 1992 through 2000, the U.S. Government provided about $216 million in such assistance to the NIS. The GAO report focused primarily on Armenia, Georgia, Russia, and Ukraine, and in its conclusion the GAO found that "the rule of law assistance efforts have had limited impact so far, and results may not be sustainable in many cases." Furthermore, the GAO rated Russia's rule of law trend as "worse compared to better or no change" for some other recipient nations.

My question is, what is the Administration's assessment of this critical report, and will the concerns raised therein alter the U.S. approach to assistance in the rule of law area or other areas relating to civil society?

Mr. BEYRLE. I think we take the GAO report very seriously. We've looked at it in some detail, and I believe we've actually prepared a detailed response which may have been sent back to GAO, I need to check on that, but I'll be glad to give you a copy of that, submit it for the record.

As I mentioned, we're in the process of a review of all of the assistance programs we have going on with Russia, so the GAO report, frankly, was quite timely. It has, I think, prompted us to focus even more attention on the question of rule of law in Russia and how we go about trying to promote it.

I think one conclusion we've come to after the efforts of the last 6 or 7 years is that rule of law is going to be established in Russia only when it's demanded by the people. That's why I think as part of the assistance review, you'll see a much greater effort to build grassroots reform, increase things like community policing, legal partnerships, focus on the terrible and growing problem of domestic violence inside Russia. At the same time, rule of law can be established in Russia when you have a functioning judiciary which is well trained and well paid. Those are things we can help with the training, we can't really help much with the paying, but we've made it clear to the Russians that our view is they need to do much more to make the profession of being a judge more attractive to people coming out of law school, and they frankly need to reduce the lure of bribery and corruption for judges who frankly aren't paid enough.

Mr. PITTS. The Administration has requested $167 million in assistance to Russia in FY 2002. Can you give us an idea of how the Administration proposes to allocate these funds, and to what extent would monies be directed at assisting in promotion of human rights or civil liberties? What protections do we have to ensure that the U.S. funds will not go toward reinforcing corruption in Russia?

Mr. BEYRLE. All very fair questions. As to precisely how the assistance is going to be allocated, I think we'll owe you a report at the end of the month when we take the assistance review, go to the White House with some recommendations. I'll suggest we come up and brief staff at the same time on where the priorities are starting to come into focus, but I think it's very likely that a substantial portion is going to continue to promote democracy and rule of law in Russia. We need to look at things like training grants for NGO human rights monitors.

I think in light of everything that's happened over the last six months not only with Media-Most and NTV, which has gotten a lot of the attention in Moscow, but also a lot of the unreported pressures on regional media in some regions of Russia. We need to try to upgrade the support for independent media, especially in the regions. What I discussed earlier about training not only journalists to be more effective at what they do and better advocates, but also how to deal with the financial and tax pressures that are increasingly used by authorities.

I think, increasingly, our assistance in the democracy area being directed at the grassroots goes in the form of small grants and training to NGOs, and so this reduces the scope of opportunities for corruption, but most of the implementing agencies—I think all of the implementing agencies—conduct audits periodically to ensure that this money isn't being misused.

Mr. PITTS. Regarding religious liberty, I've noticed a recent trend in Russia and Ukraine and Belarus especially, of increased persecution against the Pentecostals. I have not seen that reflected in the media. I have not seen it in the country report or the Commission report for religious liberty.

Is the State Department aware of what is occurring against this minority group?

Mr. BEYRLE. We follow the status of religious liberty in Russia very closely. Just about three weeks ago, I chaired a meeting of a round table with the Commission on International Religious Liberty. Senator Gordon Smith joined us. He's co-Commissioner of this effort. We did a tour d'table of many of the religious denominations which are operating in Russia. The Pentecostals were represented there. They spoke about, as I recall—I have to go back, we did a summary of the meeting, and I will provide that to you for the record—but my sense is the Pentecostalists described less of a sense of increased pressure on them. We felt that the Jehovah's Witnesses and the Scientologists, in particular, were coming under increased scrutiny and, in fact, just in the last few days there was a Russian court action which overturned a favorable ruling that had been in favor of the Jehovah's Witness organization and its activities in Russia.

The Pentecostalists in Russia make up a large denomination. There are many Pentecostalists in Russia. I go back in my own experience in Russia to the days when we had seven Pentecostalists living in the basement of the American Embassy in Moscow. So, obviously, this is something I'm familiar with personally, but something we also follow closely. Again, I would say my sense is that there are other denominations feeling themselves under more pressure, but let me go back and look and check with some of our Pentecostalist contacts. I appreciate your raising this issue.

Mr. PITTS. Thank you. Thank you, Mr. Chairman.

Sen. CAMPBELL. The Administration requested $167 million in FY 2002 for Russia. My question also deals with how we monitor that assistance. It's my understanding that there's about $1.5 billion a month leaving Russia in capital flight, going into other countries and often into private bank accounts. Knowing that there's that kind of flight of money out of Russia, how do we monitor the money we are sending to Russia? How do we know it's actually getting to help solve the problem?

Mr. BEYRLE. That's a tough question, and it's something that we devote much scrutiny to because we want to be sure that the American taxpayers who, after all, are funding this effort to support development of civil society in Russia are getting the best return for their money.

Increasingly, as I mentioned, we've gone to smaller grants to grassroots support and training, which reduces the scope for misuse of money, and certainly I think the kind of internal audits which USAID, the State Department, other implementing agencies carry out have found no evidence of any large-scale diversion of money.

One thing, though, that we are doing in parallel with this is an effort through the Financial Action Task Force, which is an outgrowth of the G–8/G–7, which is on the verge of declaring Russia as a country of concern because it has not instituted the kind of money laundering regulations which would allow the international community to have more confidence about where this money flowing out of Russia is going—is coming from and going to. The consequences of Russia being on

this list means that U.S. banks would be under much tighter regulations in terms of reporting suspicious financial transactions which, in turn, would have an effect on the Russian business community in a way that we hope would get back to Russian leaders.

Sen. CAMPBELL. Do U.S. banks have access to information if money is leaving Russia and going into Swiss banks, let's say?

Mr. BEYRLE. I don't know the answer to that question directly, I'm not really an expert on that. Let me check and I'll get you an answer for that. I just hesitate to say because—

Sen. CAMPBELL. I'd be interested in knowing that.

Mr. BEYRLE. My sense would be yes, but let me check and we'll find out.

Sen. CAMPBELL. Okay. Well, I thank you very much, Mr. Beyrle, for appearing today and, since all Commissioners are not here today, we may send some additional questions to you to be answered in writing, if we could.

Mr. BEYRLE. I'd be happy to do that, Mr. Chairman, and always happy to meet with your staff informally anytime, to keep this dialogue up. Thank you very much for hosting this hearing.

Sen. CAMPBELL. Thank you very much.

We will now go to our second panel: Dr. Elena Bonner, Chairman of the Andrei Sakharov Foundation; Mr. Paul Goble, Director of Communications, Radio Free Europe/Radio Liberty, and Dr. Emil Pain, from Moscow, currently the Fellow on Human Rights and Conflict Resolution at the Kennan Institute of the Woodrow Wilson Center. If the three of you would come up.

It is the Commission's understanding that Dr. Bonner's son will present her prepared remarks, and she will answer questions through him. Dr. Bonner.

TESTIMONY OF DR. ELENA BONNER, CHAIRMAN, ANDREI SAKHAROV FOUNDATION

Dr. BONNER. Mr. Chairman, members of the Commission, I am very grateful to be present here and to have the opportunity to participate in this hearing on human rights in Russia. To save time, I have asked my son to read my statement in English, and afterwards I will be ready to answer your questions.

The period of Russian history, which began in September 1999 with the tragic explosions of apartment buildings in Moscow and Volgodonsk, can properly be called the Putin Era, the successor to the Yeltsin Era. This new era has been characterized by several distinctly troubling tendencies fundamentally affecting the Russian nation.

1. Violations of the Constitution by the President and state officials.

First, there is the creation of a union of Russia and Belarus, with the prospect of combining them into a single state. This can be lawfully accomplished only if it is preceded by popular referendums confirming the desire of the two peoples to unite, followed by the introduction of appropriate amendments into the two constitutions.

Second, there is the virtual liquidation of the Federal Council, depriving it of the functions assigned to it by the Constitution and turning it into an advisory organ. This destroys the federal structure of Russia, which *de facto* is turned into a unitary state. The division of Russia into seven regions, although formally not a violation of the constitution,

reinforces the emasculation of the upper chamber, giving the president additional levers to pressure local authorities and to centralize state power.

Such fundamental changes in state structure reduce the society's possibilities for influencing the government and impair the rights of voters. Besides, this kind of reorganization, "strengthening the vertical chain of authority" as Russian officials call it, has led to a colossal growth of the bureaucracy and to exorbitant expense for its maintenance which cause further grief to citizens and taxpayers.

High-ranking officers of the army and security services have left their former posts and infiltrated central and regional government bodies, and they continue to do so. The dependence of procurators and judges on the central and local executive organs has grown.

A number of laws adopted by the Duma and presidential decrees clearly illustrate the retreat from the democratic principles of government and humane values proclaimed during the previous era. The following examples are far from exhaustive and vary in importance.

There is the law on political parties, which deprives significant groups of voters of the opportunity to elect persons to the legislative bodies who will represent their particular interests and which also allows the president to secure a parliament even more compliant than the present one.

There is the doctrine of information security. There is the interruption of the work of the Presidential Pardons Commission, introduced by President Yeltsin.

There is the introduction of military training for high school students, the allocation of money from the budget for so-called "education in patriotism," and the creation of a pro-Putin organization of young people with the help of the presidential administration. At the same time we see a steady increase in the number of runaway children, in drug use by young people, and in child prostitution. Today there are more homeless children in Russia than there were in 1921 after our Civil War; 18,000 children are serving sentences in reformatories. The tragic fact affecting many children is the result of mass impoverishment. According to official statistics, more than a third of the population lives below the poverty level.

There is the recurring spymania and the recently revealed circular of the Russian Academy of Sciences obliging scientists and scholars to report, again, to their bosses their contacts with Western colleagues and any plans to publish abroad or receive grants from foreign sources. Truly, "what goes around, comes around."

2. The use of financial and legal pressure to curb the independent media—television, radio, and the press.

We still haven't seen the end of the crushing of the independent television company, NTV, as well as Media-Most's press holdings. This will be followed, judging from actions of the Procurator's Office, by the destruction of TV Channel 6 and the Echo of Moscow radio station. The situation is even more catastrophic in the provinces, where, besides the financial and legal pressures leading to the closing of local newspapers, radio and television, there are frequent reports of threats, beatings, and sometimes even murders of independent journalists. Furthermore, I do not know of a single case when investigation of such crimes has resulted in the conviction of the perpetrators. Recent examples of the persecution of independent journalists was the indictment in Belgograd of Olga Kitova and the scheduling of a second trial of Grigory Pasko. In

short, the proclamation in the Universal Declaration of Human Rights that everyone has the right to "receive and impart information and ideas through any media" is being violated in Russia today.

3. The Chechen war.

In Chechnya, mass violations of the rights of the civilian population—looting, "cleansing" of villages, torture, imprisonment in pits, extrajudicial executions, including shooting of children—are continuing. The military authorities are trying to cut off access to information about Chechnya and to interfere in every possible way with the work of the Red Cross, Amnesty International, the Memorial Society, and other humanitarian organizations.

Investigations of mass crimes against civilians are sabotaged. Independent investigators are not permitted access to the investigations of mass burial sites. According to official statistics, more than 3,000 Russian soldiers have died in the second Chechen war. No one knows how many civilians have perished because there are no statistics on civilian deaths. These statistics should include not just those killed directly during military operations, but those who have died of cold and disease as well as the majority of those who have been detained during "cleansing" actions and then have vanished without a trace. In time the bodies of some "disappeared" persons have turned up in the mass graves of the executed.

The situation of Chechen refugees is going from bad to worse. According to the numbers recently published by the State Commission on Statistics, there are 77,000 refugees in Russia, mostly migrants from Kazakhstan and the other Central Asian Republics. Chechens are not included in that figure. This is the result of a technicality, only a person arriving from a foreign country is considered to be a refugee. In this way, tens of thousands of Chechens, who fled bombing, shelling, and other horrors of the war, who have lost their homes, their possessions, and often family and friends, are not counted as refugees and are thereby deprived of the right to choose their place of residence within Russia and the right to international assistance and defense.

The temporary camps for displaced persons in Ingushetia are filled beyond capacity. People survive in them only thanks to the assistance of international humanitarian organizations. Russian Government representatives, instead of helping these organizations, do everything possible to hinder their work and to compel the return of the exhausted, half-starved, often diseased people to Chechnya. But no one can guarantee that they will be safe there. The Chechens fear, with good reason, that they will be left without shelter, food or humanitarian assistance. They fear robbery, violence, and the continual "cleansing" actions, during which practically all adult and adolescent males are detained. The genocide of the Chechen nation is continuing.

On May 25, 2001, the Russian National Committee to End the War and Make Peace in the Chechen Republic received a letter from Aslan Maskhadov, President of Chechnya, in which he has again confirmed that he is ready to engage in peace negotiations without preconditions. I am in agreement with the main points of Mr. Maskhadov's letter. I ask that this letter be included in the record together with my testimony.

Sen. CAMPBELL. Without objection, your letter will be included in the record. I think that normally we hear from everyone at the table, but I think in this case we will go ahead and ask Dr. Bonner a few questions before we go on, if that meets with your approval.

Dr. Bonner, when President Putin came to power, we heard a lot about his intentions to combat corruption. Do you think that corruption has lessened, or increased, or remained about the same since President Putin has come to power in Russia?

Dr. BONNER. Indeed, there was a lot of talk about fighting corruption when President Putin came to power, but a strange process has taken place since Mr. Putin came to power. The recent persecutions of some so-called oligarchs—in particular, Mr. Gusinsky and Mr. Berezovsky—are striking in that they have been directed against particular individuals who have been singled out because their wealth has presumably come from corrupt sources, while the others are not mentioned at all. It seems that the situation of the various oligarchs is very similar. That leads one to conclude that the motivation for these particular actions is political.

I would say that the tactic of pressuring only certain individuals has a political meaning, not a meaning of fighting corruption. Indeed, the very fact of such selective prosecution destroys the legitimacy of the laws involved. The intent to fight corruption is being undermined by the selectivity and political intent of the process.

Sen. CAMPBELL. Well, some authorities believe that President Putin's so-called "fight against corruption" is simply a vehicle to suppress civil liberties of people who don't agree with him.

Dr. BONNER. First, I want to continue a little bit with my answer to your first question. I want to remind you of a situation that existed back in the Soviet Union, which also had a period of corruption fighting. That was the time when Heydar Aliyev, who is now President of Azerbaijan, was the head of the Soviet Government of the Azerbaijan Republic. Mr. Aliyev publicly vilified and very actively prosecuted and demanded, and in some cases received, death penalties for people who were accused of corruption. Some of them were probably corrupted—most, probably—but really, Mr. Aliyev at that time was using the complaints to form his own even more corrupt, more powerful, more Mafia-like government structures that were controlled by him directly. I think we are witnessing something similar. Presently, the state apparatus is pressuring some corrupt groups and destroying certain groups and individuals, but at the same time it is creating its own even more powerful corrupt structures.

The term, the "Petersburg Group," is commonly used now in Russia in a colloquial sense to describe the government of Mr. Putin because he came to Moscow from Petersburg. With him came certain associated politicians, but the term is also being used to denote certain economic or even criminal structures that are also associated with these circles.

Sen. CAMPBELL. I see. Mr. Pitts, I will yield to you if you would like to ask a few, and I'll get back to a few more.

Mr. PITTS. Thank you, Mr. Chairman. Dr. Bonner, last year, President Putin opened a Jewish community center in Moscow, in what the news called a remarkable public show of support for Jews in a country that has suffered centuries of state-sponsored anti-Semitism. However, in March of this year, the Union on Councils for Soviet Jews issued a

report stating that "Jews continue to face in Russia an infrastructure of anti-Semitism, grassroots and officials, that has solidified in several regions."

How do you assess the situation of anti-Semitism in Russia? Do you think President Putin has sufficient authority or the desire to direct local authorities to respond appropriately to anti-Semitic incidents?

Dr. BONNER. Obviously, I have nothing against the opening of the Jewish center in Moscow, but I consider Mr. Putin's participation in the opening ceremony as a banal and rather vulgar act of propaganda with no real meaning. At the same time, I want to state that in Russia not only anti-Semitism is on the increase, but in general there is a growth of what I would call racist sentiments directed not only against Jews, but against many minorities. Not only does anti-Semitism exist, but there are also hostile feelings toward people of so-called Caucasian nationality. There is the same very bad behavior toward people from Central Asia that used to prevail in the Soviet Union. The authorities have taken no active measures to counter any of these attitudes, not against the growth of anti-Semitism nor against any of the other acts of intolerance.

In general, I would say that the authorities are forming a society in Russia right now that is becoming a danger to all its neighbors, and the process in some ways is reminiscent of Germany at in the late 1920s, and early 1930s.

Mr. PITTS. According to some human rights activists in Russia, one positive trend is the growth of local and regional human rights groups throughout Russia. How do you assess the human rights activity locally in Russia, and what means do local human rights activists have to affect policy in their local communities?

Dr. BONNER. I am very grateful for this question because that is an issue that directly affects me. Indeed, in Russia there is a significant growth of human rights organizations of very different directions and goals—we know now of more than 1600 such organizations in Russia. But all these organizations are facing dire situations. Apart from recruiting volunteers and performing the work they were formed to do, all these organizations need financial support, and the fact is that the greater the distance from Moscow, the more difficult it is for such groups to survive.

There is little charitable activity on the part of rich people in Russia. The Soros Foundation for several years has been financing provincial human rights organizations. Boris Berezovsky has recently created a fund that just a couple of months ago gave grants to 163 provincial human rights organizations. However, there are two problems related to charitable giving in Russia.

First, in Russian law there is no such thing as tax deductions for donations. Moreover, the activity of foreign humanitarian organizations and grants from such organizations are taxed by the state.

The second thing is that U.S. AID is providing financial assistance primarily to the Russian Government, and I think that such assistance should perhaps be decreased or even stopped until Russia ends the war in Chechnya. However, at the same time, I think that U.S. AID should continue to support human rights organizations. Unfortunately, in the last 2 years U.S. AID has been decreasing their assistance to Russia precisely by decreasing their assistance to human rights organizations.

Mr. PITTS. Thank you, Mr. Chairman.

Sen. CAMPBELL. Thank you, Dr. Bonner. We will now proceed with Mr. Goble's testimony, but if you can stay we would appreciate it. You may be interested in hearing their comments or have some questions. The Commission will also submit further questions to you, Dr. Bonner, in writing. Thank you.

TESTIMONY OF PAUL GOBLE,
DIRECTOR OF COMMUNICATIONS,
RADIO FREE EUROPE AND RADIO LIBERTY

Mr. GOBLE. Thank you, Mr. Chairman. Let me commend you for holding this meeting, and allow me to congratulate you on the 25th anniversary of the Helsinki Commission. I fear that your most important work is not behind you, but ahead of you, especially with respect to the Russian Federation.

In recent weeks, a Soviet-era anecdote has resurfaced again in Moscow. According to the story, Napoleon returns from the dead sometime during the era of Leonid Brezhnev, and attends a Soviet May Day parade in Red Square. As he watches the heavily armed troops, tanks and missiles go by, a big smile appears on his face.

A Soviet citizen takes note and says, "Emperor, obviously you are thinking that if you had had such weapons, you would have won at Waterloo."

"No," Napoleon replies. "I'm thinking that if I had had a newspaper like your *Pravda*, no one would ever have known that I lost."

The fact that anecdote has reappeared in Moscow is testimony to some very disturbing developments. Over the last year, President Vladimir Putin and those around him have moved to gain unchallenged control over the electronic media most Russians now rely on. Eight-five percent of the Russian people rely exclusively on television for their news, so that even if newspapers continued to have some freedom in what they present, control over the electronic media, and especially over television, represents a threat to the free exchange of information on which a free society is built.

Over the last year, there has been a retreat from the progress of the Yeltsin years in a wide variety of areas, but nowhere has that retreat from the progress of the last decade been greater than in the area of media freedom. Putin has shown himself unwilling to tolerate any criticism of himself or his government, and he has moved both to intimidate journalists and to silence those who carry their work, but his ability to do so, the amount he has achieved so far reflects two underlying realities. First, the Russian media were never as free even under Yeltsin as many people had self-satisfactorily thought and, second, the Russian people, at least in their overwhelming majority, were not nearly as interested in or supportive of media freedom as many of us in the West had assumed.

When Putin came to power by Yeltsin's sleight of hand at the beginning of 2000, the Russian media were already in difficult straits. Privatization had not led to a free media. It created owners who did not have the kind of subscription payments or advertising sector that is the basis of divided financial support that guarantees some protection of the media, nor was there a legal situation which provided journalists a defense at what they do. Moreover, the people who had seized control of the media were the kind of oligarchs, the Boris Berezovskys and the Vladimir Gusinskys, whom many Russians did believe were dishonest and had

gathered their property in illegal ways. Hence, it was in fact popular for Mr. Putin to move against some of these people even though his moves against them were designed to silence an opposition rather than to correct corruption.

That situation, in turn, has been compounded by problems in the journalistic community itself. We tend to forget that 15 years ago it was precisely the crusading journalists in the years of former Soviet President Mikhail Gorbachev who took the lead in ripping away the cover on a very ugly Soviet reality. But with the collapse of the Soviet Union, so, too, the status of journalists declined, and with their declining status came a decline in their salaries.

Right now, journalists across the Russian Federation, on average, earn $50 a month. As a result, they are frequently in the position of having to sell their stories to the highest bidder, a situation that has become so nearly universal that an entirely new jargon has emerged in the Russian language to describe it.

I learned the other day that one newspaper that was reporting on oil investments said that it charged more for the story it put on page 1 than the ad from the oil company it put on page 3 because it assumed that the story on page 1 did more good for the company and therefore expected it to pay more. But that kind of thing hardly builds much support in the authority of the press.

Congressman Pitts, you raised the issue of religion and coverage of religion. One of the tragedies is that, with the single exception of the Russian Orthodox Church, the patriarchal church which enjoys the support of the state, none of the other religious congregations have had the funds to buy this kind of coverage, and coverage of religious activities has dropped off the papers across the Russian Federation, dropped out of the news, and the situation has become so serious that six weeks ago a group of journalists who thought religion ought to be covered—presumably that had been their beef—formed an organization to promote new religious coverage. So far, however, they have not been able to get more articles into the newspaper, and because the reporting isn't there, it makes it far more difficult for the American Embassy or for Western experts to track what is going on, and precisely because local authorities know that no one will be watching them, they have fewer reasons not to behave badly. This is happening across the Russian Federation.

Unlike Boris Yeltsin, Putin, who is, after all, a former KGB lieutenant colonel, had little reason to like the press even if he could still claim to be supportive of market reforms and capitalism. Within days of taking power, he showed his true colors with respect to the media, by being behind the arrest RFE/RL correspondent Andrei Babitsky and the comic opera behavior of the Russian Government with respect to Babitsky. He said only one true thing in those first two months of power, he said that work of journalists like Babitsky was "more dangerous" than the activities of the Chechen gunmen. In fact, the reports of a free media are more dangerous to an authoritarian government than any gunman.

Over the last year, we have seen a drumbeat of developments representing a threat, first, to the free media, and hence to all the other freedoms which depend on the media.

Putin and his government have presided over a country that a variety of international journalist organizations now say is the third most dangerous place on earth for people working in the media. An average

of one Russian journalist dies each month, and as Dr. Bonner has pointed out, none of the perpetrators of those crimes have been brought to justice. Moreover, Putin and his government have promulgated an information security doctrine that puts the state in effective charge of all media activities, and last week we saw the appearance of a new decree which recalls the worst of the Soviet era about controlling academic contacts between Russian scholars and their Western counterparts. Not surprisingly, the discovery of this was because of some heroic activities by human rights activists. Not surprisingly, the reports were initially denied by members of Mr. Putin's government. Not surprisingly, the following day members of the Academy of Sciences confirmed that the order had, in fact, been issued.

Putin and his government have hounded into exile and into bankruptcy Mr. Berezovsky and Mr. Gusinsky. They have restored Soviet era symbols and actions, and that restoration of symbols, which may not seem terribly important to us and may not be all that important in Moscow, has sent a signal to regional officials of what will be tolerated and has led to worst behavior in the regions than anything that has happened in the capital of the Russian Federation.

Finally, Putin and his government have used their broad powers to reward editors, owners, and journalists who say what they want to hear and to punish those who don't. I could extend that list easily, as could other members of the panel, but the fact is we have a problem in the Russian media and, hence, in Russian society.

Many of Putin's defenders, both in Russia and this country, argue that no leader likes to be criticized. That's certainly true. Indeed, none of us likes criticism. But the fact is that unless leaders in a society and their policy are prepared to be criticized, there will not be democracy.

Putin, moreover, they say, has said that he needs to restore the Russian state. There's no question that such a need exists, but there is a problem. There are many ways to rebuild a state, and Putin has chosen a way that begins by attacking the foundations of a free society. Unfortunately, many Russians support what he is doing.

According to the results of a poll taken in the Russian Federation in November of last year, 49 percent of Russians believe that the reimposition of censorship would be a good thing for the government to do. Four months later, that number had risen to 57 percent. The idea that the attacks on the media have generated a countervailing force inside Russia unfortunately has not happened.

There appear to be three reasons for this. First, many Russians are simply deferring to Putin because he is the President. Second, the quality of the media in Russia has deteriorated both because the reliance on market forces has reduced the ability of many print media, print outlets, to employ people at a reasonable wage, and because of the actions of Putin himself. Finally, many Russians, accustomed to the cheerleading of the press in Soviet times and appalled by the conditions that the Russian media do report when they have the chance, are less and less concerned about listening to the media, and are upset even when the media is reporting things they don't want to hear.

In this environment, I would not want to suggest that there are no positive developments. Some newspapers, a few radio stations, and an occasional television broadcast do perform according to the highest standards of journalism. Moreover, an advertising sector is beginning to emerge after the ravages of the August 1998 collapse. Some journalists

and editors appear to be concerned about their image and their responsibilities. But those developments are being overwhelmed by Putin's campaign and by the indifference of large parts of the population.

A decade ago, the media could rally people to its side and mobilize people to march in its defense. That achievement helped end communism and start Russia's troubled transition toward democracy. But now the media in Russia do not have that power. Mr. Putin has gelded them. Worse, they do not appear likely to regain it anytime soon, making hearings like this, the activities of international broadcasters, and the attention of international human rights activists more important.

As a result, few listeners and readers in Russia are likely to do much if Putin continues his crackdown against the press. That is something Putin knows well, but that many in the West so far have failed to understand. That makes it incumbent on us to speak out in the West, as we are doing today, lest the dream of Napoleon again prove true in Russia. Thank you, Mr. Chairman.

Sen. CAMPBELL. Thank you, Mr. Goble. I was really interested in your testimony. I was trying to read parts of it while you were speaking because some of it you did not articulate, but it was written.

Where are the two places where it is currently more dangerous for journalists in Russia? You mentioned Russia was the third place?

Mr. GOBLE. Colombia is No. 1, and I'm sorry, I didn't find out which one is No. 2, but I remember Colombia being No. 1 because of the drug cartel.

Sen. CAMPBELL. Well, certainly not in D.C. The only danger they face here, there are so many of them, they run over each other in our time frame right now. You ought to try to get on the floor of the Senate sometimes.

Also, you mentioned that more Russians now believe that government has a right to distort the media?

Mr. GOBLE. That's right. One of the most disturbing things is—several polls have been taken over the last 18 months, which show that an increasing percentage of Russians believe that it is not only right for the government to suppress information, which is one thing, where you don't report something, but that it is all right for the government to distort coverage in order to advance national goals. In other words, that it's not only people are saying the government should stop information from coming out if it has negative consequences for the government or the society, but that the government has a positive right to encourage the distortion of information. That, in some ways, is more pernicious because half-truths are always more difficult to fight than complete falsehoods.

Sen. CAMPBELL. Well, I don't really want to make light of it, but as you know, in this country, we don't believe government has a right to distort coverage by the media, we believe they can do it quite well by themselves, as you probably know, but that's just my own personal view, not the view of this Commission.

In that light, to what extent should the U.S. Government, i.e., the taxpayer, promote the free press in Russia, if so many Russians themselves oppose the concept and believe it's okay for the government to distort the media?

Mr. GOBLE. Well, many Russians believe that because the government has told them that that's the way to go. Moreover, the experience they've had with the free media has not been an entirely positive one. The President of Estonia Lennart Meri once observed that the transi-

tion from a controlled press of the Soviet time to a free press passes through a "yellow press," and an awful lot of these places in Russia are locked in that process.

Now, the fact is that the free flow of information that was promoted by international broadcasting, by U.S. Government support of exchange programs, had a lot to do with the demise of communism and the possibility that Russians could make a change.

If the Helsinki process had not taken place, many people, including one at least at this table, I think, might not have been nearly as successful precisely because the information, the arguments they were making, were played back to a much larger group. Many people thought a decade ago that there was no need for that kind of international broadcasting, such as Voice of America or BBC or my own organization, Radio Free Europe/Radio Liberty, engages in. Nevertheless, the fact is there is more need for that today precisely because the governments in Russia and some of these other countries not calling themselves "Communists" are, nonetheless, authoritarian and enemies of a free press.

What I've discovered in talking to Russians over the years is that when you sit and talk about what a free press means and how it can function, you find very few Russians who don't, after 10 or 15 minutes, agree with you that it's an absolute essential that they have a free press, but that many of them, at first blush, will tell you a free press doesn't really exist, it's the mouthpiece of big business or someone else. So our task in international broadcasting and in the American Government supporting exchanges, the kinds of things you talked about with Mr. Beyrle, is to convert more Russians to that point of view about the importance of this because, if there is a free press, then Russia will have all the other freedoms. If there isn't, it won't.

Sen. CAMPBELL. How do we do that, though? It sounds like we're fighting a losing game with the government controlling the press over there. How do we turn that around? What would you recommend?

Mr. GOBLE. Well, as Mr. Beyrle wisely pointed out a few minutes ago, 20 years ago the press and the media in the Soviet Union was a great deal more controlled than it is yet under Mr. Putin. Despite that fact, the activities of the United States Government, USIA and whatnot, and our broadcasts, had the effect of helping the people of Russia who wanted change to get there. You have victories, you have defeats. The idea that this was going to be a single straight line up to the mountaintop was, I think, naive on our part. We are right now in a lull.

I personally do not believe that Mr. Putin can succeed. I believe that he will fail. I think that is ultimately a good thing for the people or Russia as well as others. That's my personal view.

Sen. CAMPBELL. Meanwhile, many good journalists are going to suffer. It's my understanding several Russian journalists have been murdered, more of them physically assaulted. Have any of those people, the perpetrators, been brought to justice?

Mr. GOBLE. Since the end of the Soviet Union at the end of 1991, 121 Russian journalists have been killed. That's approximately one a month. As far as I'm aware, several people have been charged, no one has been convicted.

Sen. CAMPBELL. No one has been convicted?

Mr. GOBLE. No one has been convicted. When you have that kind of activity, it only encourages people to do otherwise. That's the tip of the iceberg. Beating up journalists, breaking into their houses, intimidat-

ing them, charging them with crimes that are made up, all these things are intended to silence people and, more importantly, to intimidate others into not taking the risk of speaking out.

Sen. CAMPBELL. Well, I'll tell you, we're going to be in Paris in another month, at the OSCE Parliamentary Assembly Annual Session, as you probably know. I'm just amazed that so many have been killed and so many more have been injured. I'm going to look into introducing some kind of a resolution so at least our colleagues from other countries in the Helsinki process will understand the depth of that in Russia. Russia probably won't like that, but I think it's important.

You also mentioned that many journalists are moving—at least I believe that was in your written testimony—who worked for NTV, have moved out to smaller broadcasting outlets. Has there been more movement to silence or restrict them at these smaller outlets, too?

Mr. GOBLE. Well, what has happened is people have left NTV and news department, people have moved to other channels. Those other channels are now under attack, too. There is widespread speculation, as Dr. Bonner pointed out, that TV 6 where many of them have moved to will now be under pressure to get rid of them.

More than that, the act of intimidation, the fact that you do it once and you get away with it, has a chilling effect on what the people, even honorable people, will choose to report. People who know that if they report one way, nothing will happen to them, but if they report another way, that they or their families may suffer, are going to think twice.

What I'm more concerned about than the actions against individuals, is the climate of intimidation, the climate of fear that is being reintroduced in Russia by Mr. Putin and his regime, that is discouraging people from telling the truth.

Sen. CAMPBELL. Most of the journalists that become professionals in this country, most of them go to schools in this country to learn how to do it. They have journalism schools. Every university probably offers courses on journalism. Are there such programs in Russian universities or colleges?

Mr. GOBLE. There are journalism programs, but most of the people working in journalism today were trained in Soviet times, and so you can imagine what they were trained as.

Sen. CAMPBELL. Does the present Government of Russia do any attempt to control the schools of journalism within the university system?

Mr. GOBLE. There is increasing evidence that the Russian Government is working through the administrations of these institutions to dictate the course of study, and to even select those who are involved and those who are not. If one takes the document that I mentioned and that Dr. Bonner mentioned at the Academy of Sciences, it's clear that the government, the Kremlin, intends to supervise very closely who gets to travel abroad, who gets to go on these exchanges, and that we are likely to see the restoration of many controls that we all hoped were over 20 years ago.

Sen. CAMPBELL. You mentioned also that a journalist makes about $40 a month.—

Mr. GOBLE. Fifty, $50 a month.

Sen. Campbell. $50 a month in your written testimony. When we were in St. Petersburg, the gentleman driving our car at nighttime was a physicist from the local university in St. Petersburg, and he told us

that he had to drive the car at nighttime to make ends meet, that's about what he was making, about $50 a month, which is the national average for salaries.

He also mentioned that a friend of his who was the janitor at the same university, was a heart surgeon, and that as a heart surgeon he was making—he was doing better, he was making about $200 a month. When I compare that with the opportunities of any free nation, it's just appalling how difficult it must be for the average Russian citizen to just try and stay alive and pay the bills and get his kids through school.

Mr. GOBLE. People who face those kinds of difficulties frequently don't care as much about some things we consider very important, namely, a free media.

Sen. CAMPBELL. Well, clearly, with pay that bad, it opens the door for alternative ways of making money, which are very often not within the lines of legal confines. Thank you, Mr. Goble, I appreciate it.

Dr. Pain, would you proceed.

TESTIMONY OF DR. EMIL PAIN,
GALINA STAROVOITOVA FELLOW ON HUMAN RIGHTS AND CONFLICT RESOLUTION, THE KENNAN INSTITUTE, WOODROW WILSON CENTER

Dr. PAIN. Thank you, Mr. Chairman. It is really a great honor for me to speak in such a distinguished committee. You have my written statement, so I will summarize my remarks and expand a few points.

First, in Russia and partly in the West, there is a tendency to call the second Chechen war a low-intensity conflict similar to the fighting in Northern Ireland. In my mind, nothing could be farther from the truth than this notion. In all the years of the Northern Ireland conflict, there was nothing near the magnitude of casualties and destruction as in the $3^{1}/_{2}$ years of two Chechen wars.

In the first war, according to Russian official records, more than 4,000 Russian soldiers and more than 30,000 civilians were killed. In the second war, however, experts have shown that more than twice that amount have perished. In a year and a half, according to official records, Russia has lost more than 3,000 soldiers and more than 9,000 wounded. Thus, the monthly losses of the Russian army now is bigger than in the previous war.

I am confident that the losses among civilians also are greater. The Chechen war has been second only to World War II in terms of its destructiveness. Even Bosnia and Kosovo could not compare with this war. So, it is a tragedy not only for Chechens, not only for Russia, it is also a tragedy for Europe as a whole.

The Russians have no chance of victory in this war. Even in a purely military sense, there is little probability of victory, especially utopian idea to have an economic victory in Chechnya. It means turning the Chechen population to the Russian side through the economic restoration of Chechnya.

How is it possible to restore industry in Chechnya if more than 80 percent of it was concentrated in peaceful times in Grozny, which is now completely destroyed? Grozny was one of the biggest and probably one of the richest cities among the old capitals of the North Caucus Republic.

The army cannot be located for a long time in a hostile occupied territory. It will begin to demoralize, and demoralization of 100,000 Russian troops in Chechnya is already displaying itself. With every month of

the war, a larger part of the home country population becomes dissatisfied with it. Opinion polls show that this change is taking place now. If in the beginning of this year more than 60 percent of respondents supported the continuation of the war until final victory, in May of this year less than 40 percent still did.

In this type of conflict it is incorrect to talk of the guilt of only one side. One cannot demonize Russia and idealize the Chechen rebels. There are people among the Chechens that are without question international terrorists. But that is the problem. The longer the war lasts, the greater the influence of radicals in the rebel camp.

So, the Russian leadership, our government, still has a chance to begin a dialogue with the moderate forces in the Chechen armed resistance grouped around President Maskhadov.

In my opinion, international organizations must, above all else, help the Russian Government understand that continual reliance on force to solve the Chechen problem is self-defeating for Russia. That is all. Now I am ready to answer your questions.

Sen. CAMPBELL. Dr. Pain, thank you for being here. I know sometimes it is difficult to be able to testify in front of this Commission when you have to go home, but we're quite aware of the risk that people take when they testify here, and I just want to commend you on your courage for appearing here because your testimony is very important for us to know.

Let me ask you two or three questions dealing with Chechnya. You mentioned that in the last Chechen war, Russia suffered about 3,000 casualties, 9,000 wounded. Does that lead to a large-scale desertion? I understand that many Russian soldiers were young, inexperienced, not really committed from an ideological standpoint, poorly trained, and so on. Is there a large desertion problem within the Russian military?

Dr. PAIN. I suppose that there are such problems. What I know for sure is, that the Russian army, the Russian Government, has had ever more problems with reinforcement of the war.

Sen. CAMPBELL. Recruitment?

Dr. PAIN. Recruitment, yes. So it will be more and more difficult to continue this war for the Russian Government.

Sen. CAMPBELL. You mentioned that their policy of using force in Chechnya is self-defeating. Is there any indication that opinion is shared by the military leadership?

Dr. PAIN. Some of them should understand. First, among those who experienced the war in Afghanistan, they learned by their experiences and they understand that it is impossible to win such a war. However, I know that it is a two-stage process. First of all, if society could understand the self-defeating, and if they begin to understand my friend Paul will tell you about the approach for the mass media. The majority of Russians said that it became worse since Putin came into power. So, they understand because it is gross. I suppose after this will be the changes among the political elite.

Sen. CAMPBELL. Well, you know, in the history of warfare, Russian soldiers have always been known for great strength and great courage. I think of the terrible circumstances they went through during World War II against Nazi Germany. I've always had great respect for Russian soldiers, but sometimes Russian soldiers, if they don't believe they are righteous in their mission and on the right side of what is fair, then it makes it a lot more difficult to expect them to be involved in a war like that with Chechnya.

Do you think that there's a specific policy in the Russian military of terrorizing non-combatant civilians in Chechnya? Is that a policy, or just what they call collateral damage in some circles?

Dr. PAIN. There are two positions in which I want to stress my opinion, and I am sure that many peacemakers in Russia will disagree with my position.

In my opinion, these two wars were not ethnic wars, so there was no idea of genocide of the nation. I can give you many arguments for this. First of all, if you compare this war with what Milosevic did in Serbia, in Bosnia or Kosovo, he supported full privileges for the Serbs. Nothing like this was in Chechnya. The Russian Government never supported Russians who lived there, and the majority of them were forced to emigrate before these wars. During the bombing of Grozny, maybe half of those people who died were Russians. Outside of Chechnya, the majority of Chechens live now, more than a half. And there is no measuring of Chechens outside by government. Of course, there is xenophobia, big xenophobia now grows, by both sides, by the way. But there is a big difference between xenophobia and murdering. About the tactic of fear against civilian at all, without ethnic groups? Yes, they use this tactic. In Chechnya, they use this tactic as they use it in previous war, and in a bigger scale in the second Chechen war.

Sen. CAMPBELL. There have been many atrocities on both sides of it, I know. If Russia were to grant independence to Chechnya, what would be the implications for the rest of the Caucaus—the North Caucasus region or for the Russian Federation? Would it start a further escalation of breakaway republics?

Dr. PAIN. First, now in the situation in Chechnya it is not the time for speaking about the status, in my mind, and I am supported by the position of Aslan Maskhadov, who said that it's not necessary to—no preliminary position on this. If, in its time, Russia would exclude Chechnya from its composition, it wouldn't at all produce a domino effect, in my mind, because the example of Chechnya didn't inspire anybody. In principle, in general, it is impossible to keep integrity on the basis of fear. That's all what I can say.

Sen. CAMPBELL. Mr. Goble, would you like to respond to that, too? I'd be interested in your perspective.

Mr. GOBLE. I think that I completely agree that if Chechnya were allowed to be independent, that it would not immediately lead to the departure of other republics or other parts of the Russian Federation. At the same time, it is worth noting that the pressure that the Putin government has placed on the regions is generating a countervailing reaction.

The President of Tatarstan, Mintemir Shameyev, pointed out last week that if the Russian Government continues with its rules or with its effort to harmonize legislation and insists on the dropping of the powersharing treaty between Moscow and Kazan, the people in the Kremlin should remember that Tatarstan is the only other place besides Chechnya that did not sign the Federation treaty, and that pressure on the regions may affect others to leave. I don't think anyone wants to follow Chechnya into destruction, but I think if the central government attempts to rule the country by fear, by pressure, that there are other parts of the Russian Federation that will ultimately look elsewhere. I think that the distances involved in Russia—11 time zones wide, still—the diversity will lead to that unless the Russian Government is built on the basis of democratic legitimacy. If it isn't, then I believe that the

process of decolonization will proceed, but it will not be primarily on ethnic basis, but on a basis of regions that want to protect their own rights, and that some of the regions that may be the most interested in leaving may be made up of ethnic Russians, such as the Far East.

Sen. CAMPBELL. I see. Mr. Semyonov, you've been translating for your mother. If she would like to participate or answer in any way, she is certainly welcome to do so.

Dr. BONNER. I would like to respond a little bit on the question about whether there are deliberate genocidal actions being committed by the Russian army. I am not sure if there is a direct order from the authorities higher up to that effect, but the fact is that the commanders in the field are not controlled by the chain of command as they should be, and that their actions, in fact, objectively amount to genocidal actions.

When there is a "cleansing operation" in a village, and all males, including boys as young as 12 years old, are taken into custody and most of them disappear and are never seen again, that is genocide in my opinion.

I agree with the others and the letter of President Maskhadov which I enclosed with my testimony that right now is not the time to decide the final status of Chechnya, but there are issues that need to be addressed immediately, including by Western states.

I am sure that unless there is pressure to ensure that an investigation of mass burial sites is carried out in Chechnya right now, that we will never—that the population of Russia will never know the truth. I am certain that civilians and innocent victims have been executed in huge numbers, and are buried in these sites. They should be investigated and the results made known so as to not allow Russians to live with the comfortable thought that their country is not doing anything unusual when, in fact, the country is responsible for cruel actions that come close to or perhaps satisfy the definition of crimes against humanity.

Sen. CAMPBELL. Well, in that context, in 1994, the OSCE Assistance Mission was in Grozny and then was evacuated, I guess for fear of some dangers. There is a possibility that it may return. How do you assess the future role of the OSCE in efforts to resolve the problems in Chechnya? Perhaps, Dr. Pain, if you would answer, and then maybe I could get all three of your opinions.

Dr. PAIN. I suppose the role would be the most important, but the efficiency of the OSCE Mission relates to the personality who represents OSCE in this territory. I have dealt with two of them. First, I even forget his name, it was a person from Hungary, who was not—had not paid too much attention to this, and then it was Tim Guldimann. His role was crucial in preparation of the peace agreement and finishing the first Chechen war. So, it will be largely depend on what person will be the representative of OSCE in this territory.

Mr. GOBLE. I would add only that it's not only a question of getting a mission into Chechnya, it is important for the OSCE to consider what the Russian state is doing as a whole.

Sen. CAMPBELL. The Russian state—

Mr. GOBLE. Being Moscow.

Sen. CAMPBELL.—Apparently would not like them to return at this juncture, is that true?

Mr. GOBLE. They do not want to be returned, but the fact is one needs to pay attention to what Russian officials are saying. There is currently a trial going on of a Russian colonel who is accused of raping

and killing a Chechen young woman. A series of senior Russian officials, including the Defense Minister, the leaders of several of the largest political parties in the Duma, have said that the individual involved is a victim of circumstances and that it's unfortunate that he is being tried. Prosecutors have indicated that he's not going to be punished all that severely in any case. Those are issues that the OSCE needs to address, too.

It may not be that there's a specific order to kill Chechens, as such, but when those kinds of comments are being made by the Defense Minister of a major power, then I think the OSCE needs to intervene and speak up on those things. I would love to see a return of a serious OSCE mission in Chechnya because I think the reason that Mr. Putin thinks he can get away with what he is doing is because no one is watching. But, unfortunately, people don't seem to be watching very much what is being said and done in Moscow itself on this issue. I haven't seen a single op-ed in an American newspaper, for example, asking about why the Defense Minister of the Russian Federation should be expressing sympathy and understanding to someone who is apparently guilty of raping and murdering a Chechen girl.

Sen. CAMPBELL. Dr. Bonner, did you have any comments on that?

Dr. BONNER. I think that unfortunately OSCE as well as other international organizations—for example, the European Parliamentary Assembly—have conducted conversations about Chechnya, but have not really taken any actions.

I think that European countries, as well as the United States, have means, diplomatic means, of pressuring Russia, strongly pressuring Russia, to ensure that there is a cease-fire. A cease-fire by the Russian side would be immediately followed by a cease-fire on the Chechen side. Then the Chechen and Russian sides can negotiate and figure out how to repair the consequences of this terrible war, but right now a cease-fire is up to the Russian side and can be declared unilaterally since it is Russia that is on the offensive.

I want to point out two possibilities for Western action. First, in my opinion, all economic assistance to Russia should be stopped immediately, blocked completely, as long as the war continues. No assistance should go to a country that is conducting such a war. The only exception I would make to this statement is that human rights organization should continue to receive international aid, but there should be no assistance to the state, as such.

Second, Russia likes prestige. The government wants prestige and, in particular, the prestige of being a member of the G–8. Of course, according to purely economic standards, Russia should not have been made a member of the G–8 to begin with, but now I think that it would be useful to reward the Government of Russia by continuing its membership in G–8 if it ends the war in Chechnya, but if Russia continues the war in Chechnya, Russia should be dropped as a member of the G–8. It is not a country that belongs in a select group of democracies.

Sen. CAMPBELL. It is my understanding from staff that there is a resolution that has been introduced on this side, on the House side, to exclude Russia from membership in the G–8, but whether that gets passed or not is anybody's guess because it is a long process.

Last comment, and then we will close.

Dr. PAIN. It is one thing which I strongly disagree with is the resolution and this notion. There are two aspects. Now it is impossible to threaten Russia with the economic assistance because they don't need it. Now they have good favorable condition in oil market and it is not very efficient instrument of action.

Another aspect is that international organizations can influence Russia only if they include Russia in their work—in the previous round a representative of the State Department was testifying, and you said to him, what Mr. Bush will tell to Mr. Putin when they meet, if they meet, how they will influence, if Russia will have any possibility to be involved in symbolic organization, what do you propose for Russia. But there is no strategy for Russia at all as to how to live in history with this big country. So, it must be very careful with such notion.

I suppose that within the organization it is much more easier to influence Russia than a situation of isolation. The situation of isolation will grow in Russia, that is all. That will be danger not only to Chechen, to everybody.

Sen. CAMPBELL. Well, there's a difference of opinion here within Congress, as you probably know, about aid to Russia. Some say that we should cut off aid to Russia just because of their human rights record and many other reasons. Others say that it would be worse to cut it off because some of the money is specifically earmarked to dismantling of Soviet nuclear armaments. So, some of the supporters of aid to Russia here in Congress say that it's in our best interest to continue aid under some conditions, but it's an ongoing dialogue that we get into every year, as Mr. Goble knows, and I suppose before we get through this year's appropriations process, that same question will come up again.

Well, let me conclude by thanking all of you for your testimony, and to tell you that we will keep the record open for 15 more days if you have additional comments, and that we may submit some to be answered in writing, and we will share all of your comments and your testimony with the other Commissioners.

With that, thank you for being here. This hearing is adjourned.

(Whereupon, at 11:40 a.m., the hearing was adjourned.)

PREPARED STATEMENT OF
HON. BEN NIGHTHORSE CAMPBELL, CHAIRMAN,
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Good morning and welcome to this hearing of the Commission on Security and Cooperation in Europe, the Helsinki Commission. Before proceeding, I note for the record that this week marks the Commission's 25th anniversary of promoting human rights, democracy and the rule of law. The bipartisan work of the Commission, in partnership with non-governmental organizations at home and abroad, has had an impact on the lives of tens of thousands of individuals denied their fundamental freedoms. Today's hearing of the Helsinki Commission will examine the course of human rights in Russia after a year a half of President Putin's presidency. I visited St. Petersburg, Russia in 1999, to participate in the OSCE Parliamentary Assembly. While there, I had an opportunity to meet with a diverse group of Russian NGOs at the U.S. Consulate. That meeting underscored in my mind the importance of civil society in Russia.

There is no doubt that human rights and the human rights movement in Russia have come a long way since the fall of the Soviet Union almost ten years ago. From an "unfree" Soviet Union, Russia has consistently been rated by Freedom House as "partially free." Our hope is that Russia will overcome the legacy of the past and achieve the freedom the Russian people deserve.

Indications of this downward trend in Russia's human rights record were noted by several experts at a Commission hearing held in May of last year, and regrettably the situation has not improved since.

One of the most disturbing events has been the forceful takeover by individuals connected with the Russian Government of the NTV television network, an independent network that had been critical of the Putin administration. The pattern of harassment against the few independent news outlets is quite clear.

The NTV case and the campaign against Mr. Gusinsky's are not isolated events. According the New York-based Committee to Protect Journalists, "Members of the independent press "are being harassed and persecuted far more than any time since the Soviet era." In an editorial entitled "Russia's Dying Free Press, the Washington Post wrote that "Mr. Putin's campaign already has spread a severe chill through the vibrant press that sprouted and flourished during the 1990s."

Incidentally, with respect to law enforcement and the press in Russia, I don't intend to say that law enforcement in our own country is flawless, but one of the best safeguards against arbitrary acts by law enforcement agencies in this country is, indeed, the existence of a free media. For the second year in a row, the United Nations Human Rights Commission adopted a European Union-sponsored resolution criticizing Russia's actions in Chechnya, specifically calling attention to "widespread violence against civilians and alleged violations of human rights and humanitarian law, in particular forced disappearances, extrajudicial, summary or arbitrary executions, torture, [and] arbitrary detentions, ..."

The discovery of dozens of bodies in a mass grave near the main Russian military base in Chechnya is only the most egregious horror in a long line of horrors being visited upon non-combatants in that region. This does not excuse atrocities committed by Chechen forces, or detract from legitimate concerns about conditions in Chechnya after the first

war. The gravity of the violations in Chechnya demand our attention in light of Russia's international obligations, including her OSCE commitments. During last year's hearing on Russia, we heard testimony about the increasing pressure from the security services against Russian scientists and environmental activists, who were being accused on flimsy charges of "espionage," "revealing state secrets," etc. At least two American citizens have been caught up in this net. Two years ago, President Putin told a Russian newspaper that environmental groups were "in the employ of foreign intelligence agencies." It is now reported that Russia's Academy of Sciences has ordered its scientists to "report to state authorities on their contacts with foreign officials." Russia's Deputy Prime Minister for social policy has denied this report, and we will certainly monitor related developments. If it is true, it will certainly have—at the very least—a chilling effect on academic freedom and the intellectual exchanges.

While it is important to recognize the positive changes that Russia has experienced in the last decade, recent trends are disturbing and give rise for concern. Russia's own human rights commissioner has stated that "Russia's resurgent security forces are threatening to wreck democracy and basic freedoms."

I look forward to hearing from our Administration witness and our experts assembled this morning as we examine the human rights picture in Russia in anticipation of next week's summit meeting between President Bush and his Russian counterpart.

PREPARED STATEMENT OF
HON. CHRISTOPHER H. SMITH, CO-CHAIRMAN,
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Thank you, Mr. Chairman, for calling this important hearing today. This is the first opportunity, since the beginning of this new Administration, the Commission will have to examine current United States policy toward Russia.

Certainly we all understand that Russia has had a difficult political transformation over the past decade after seventy years of communism. No one expects Russia to be a carbon copy of the G–7 countries or other Western nations with their own historical experiences and long established democratic traditions and institutions.

I remember how encouraged many of us were in 1991, when the Soviet delegation at the OSCE Conference in Moscow—and I would note that the co-chairman of that delegation was our distinguished colleague in the Russian Duma, Sergei Kovalev—gave its consensus to the principle that human rights issues were not exclusively the purview of the nation in which the issue was raised. Now, ten years later, in a public statement, the Ministry of Foreign Affairs of the Russian Federation has stated that "the OSCE should not become a mechanism for 'interference' in the internal affairs of participating States of the OSCE...."

While I believe it is reasonable to expect that Russia—now a member of the United Nations, the Organization on Security and Cooperation in Europe, and the Council of Europe—will not turn its back on the progress that has been made in civil liberties and human rights up to now, this statement by the MFA is very disturbing. It reflects an attitude toward human rights and international cooperation that we thought had been relegated to the Cold War archives.

Mr. Chairman, I am especially concerned about the carnage that continues to take place in Chechnya. The death and destruction continues, taking Chechen and Russian lives and making a peaceful solution appear even less possible. The Helsinki Commission has held several hearings on this subject, and I am pleased to see that today we have a guest from Moscow who is very well versed in the events in that region of Russia.

I was very critical of the previous Administration and what I felt was a "green light" given to Moscow to conduct a brutal war against both combatants and non-combatants in Chechnya. I notice that the last State Department Country Reports issued by the previous Administration is quite critical of Russia's conduct in Chechnya. Let me quote from one section:

On February 5 Russian riot police and contract soldiers ... executed at least 60 civilians [in the suburbs of Grozny.] The perpetrators raped some of the victims and extorted money, later setting many houses on fire to destroy evidence. According to Human Rights Watch, authorities suspended their investigation of the incident, and there were no indications that those responsible for similar incidents in late 1999 were apprehended or punished.

I think we all understand that guerrilla warfare can be savage, and there have been documented instances of atrocities committed by Chechen forces. However, Russia military actions in Chechnya suggest less of a military operation against an armed secessionist forces—or an "anti-terrorist operation," as Moscow phrases it—than a war against an entire people who are its own citizens.

I look forward to hearing the current Administration's thoughts on the subject of Chechnya.

I am especially delighted today to see again our friend Dr. Elena Bonner in this 80th year after the birth of the late Dr. Andrei Sakharov. The entire world owes a huge debt of gratitude to both Dr. Sakharov and Dr. Bonner for their selfless struggle in defense of human rights in the Soviet Union and Russia. And I know Mr. Goble will provide us with his characteristic expertise in analyzing the challenges facing the independent press in Russia under the Putin administration.

Finally, Mr. Chairman, I would just touch on one area of human rights where the picture in Russia is decidedly mixed, that of religious liberty. Although things are not nearly as bad as in some other countries of the world, there are continuing attempts by local officials to limit worship activities in some regions of Russia, and anti-Semitic acts and the propagation of "Zionist conspiracy theories" continue to contaminate parts of Russia, although President Putin has personally made high-profile efforts to improve relations with some representatives of the Jewish community in Russia.

Again, thank you, Mr. Chairman, for convening this hearing. I look forward to hearing from our witness, and will have some questions to follow.

PREPARED STATEMENT OF HON. JOSEPH R. PITTS, COMMISSIONER, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. Chairman, thank you for holding this timely hearing on Troubling Trends: Human Rights in Russia. As you and others know, the continued reports coming out of Russia raise great concerns about the continued protection of fundamental human rights for the Russian people. I look forward to hearing from the distinguished witnesses here today regarding their insight into the current trends in Russia and possible positive action to encourage the protection of the basic freedoms of the Russian people.

Various reports suggest that President Putin is attempting to return to previous eras and centralize power in Moscow. This move would most likely pave the way for, not end, more corruption and less freedom for the Russian people. The international concerns over current abuses of religious freedom, the media, and human rights in Chechnya would most likely increase under Putin's "new" power structure.

Recently, I met with a group of Pentecostal Christians who shared stories of the persecution they currently are experiencing in Russia, including what they believe is the religiously motivated murder of a few of their members. And, their churches have been liquated in the Far East of Russia. Muslims in Vologda are facing extreme opposition to the building of their mosque, including reported financial harassment by local officials. Protestants in Vyborg have been blocked by officials from using and restoring a building they purchased in 1998. Officials in Kabardino-Balkaria refuse to register Jehovah's Witness communities despite the Ministry of Justice ruling that the groups should be registered. Religious literature is confiscated from religious groups, congregants are barred from renting or using particular buildings, and other general harassment occurs. Unfortunately, from the reports my office has received, the current trends do not bode well for religious freedom.

Similarly, the trends for freedom in the media do not bode well. Examples abound of media personnel, whether owners, editors or journalists feeling the ire of Russian officials due to print or broadcast media. Many know the case of Vladimir Gusinsky, but other harassment continues against journalists, harassment that can even lead to death. The government's control of the press, led by President Putin, reflects another manifestation of the desire to turn back the tide of democratic reform.

And, in Chechnya, the Russian government tries to cover up the brutal human rights abuses, including rape, mass slaughter, random shooting of civilians and other horrific conduct by the military.

Mr. Chairman, we must continue to shine the spotlight of truth on the human rights violations in Russia. The Russian people deserve to live in freedom and peace, to prosper on the foundation of the great history and heritage they have. By holdings hearings such as this one, we shine the light for the Russian people, so that they too may enjoy true freedom.

PREPARED STATEMENT OF MR. JOHN BEYRLE, SPECIAL ADVISOR TO THE SECRETARY OF STATE FOR THE NEWLY INDEPENDENT STATES, U.S. DEPARTMENT OF STATE

Mr. Chairman, thank you for the invitation to talk with you today about the troubling trends regarding human rights in Russia. Any discussion of human rights in Russia in 2001 must take into account the remarkable changes and achievements the Russian people have benefited from since the start of *glasnost* and *perestroika* in the mid-1980s, but especially since the collapse of Communist rule ten years ago. Freedom of travel and worship, the right to assemble and speak openly without fear of certain arrest and imprisonment, and the growth of independent media and an impressive community of non-governmental organizations—including human rights groups—all constitute a remarkable, one could even say unimaginable change from the strictures that developed over 70 years of totalitarian, authoritarian rule. When viewed against that sad historical legacy, the human rights picture looks quite encouraging indeed. But it also means this laudable record of progress over the past decade must itself become new standard of measure as we consider and state our expectations for further progress in this area, which speaks to the values of liberty and democracy that are so much a part of what the United States stands for in the world. To put it more simply, it is not enough for Russia to be judged simply on how the current human rights situation differs from the communist past. To be true to our desire to support Russia's continued integration into international institutions, we must look at the Russian record in light of international standards and practices. And in this light, I would like to comment on some troubling trends that threaten to undermine the progress I cited at the outset of these remarks. In particular, I would like to focus on the attempt to restore order in Russia today and the impact of this strategy on media freedoms. We must also discuss the crisis in Chechnya because it represents the fundamental dilemma for human rights in Russia today. Finally, I would like to elaborate on our long-term strategy to promote democratic values and civil society in Russia.

"MANAGED DEMOCRACY"

Just over one year ago, President Putin was elected with a promise to the Russian people of restoring order in the country, and this remains his top priority. The Russian public overwhelmingly supports him in this effort. The Russian government is not seeking "order" simply for its own sake. Its goal is civil and economic development. We, of course, strongly support civil and economic development in Russia. However, we are concerned by some of the means chosen to achieve these ends, which may be inconsistent and perhaps even threaten the progress of the past decade, and which also raise questions about Russia's compliance with international human rights obligations. Russia appears to be pursuing a "managed democracy," in which the boundaries of free speech, dissent, the media, religion, civil society and politics are loosely determined by the executive and maintained through the use of law enforcement and other authorities. The biggest and most recent example of such action is the case of Media-Most and its independent television station, NTV. NTV was an important catalyst for expanding media freedom in Russia because its broadcasts brought criticism of the government and its policies into the homes of people, and, at the same

time, accustomed the Russian government to hearing criticism of itself. The government's takeover of NTV relied on a combination of civil and criminal cases with state-controlled Gazprom as a business surrogate. The Russian government claims that the Media-Most takeover is simply a commercial affair, but through its single-minded pursuit of Media-Most and its head, Vladimir Gusinskiy, the government has demonstrated a broader set of goals that includes the stifling of outspoken critics in a way that has had a chilling effect on how other journalists go about their jobs.

CHECHNYA

The most persistently troubling human rights issue in Russia remains Chechnya. While we recognize Russia's territorial integrity, and right to fight terrorism and armed insurgencies on its soil, continuing and very credible reports of arbitrary arrests, torture, extrajudicial killings on the part of federal forces are deeply disturbing. Especially troubling is lack of serious investigation and accountability for such crimes. The culture of impunity which has developed is not compatible with either respect for human rights or a achieving a peaceful solution to the conflict. More broadly this is a question of values; what kind of long-term relationship can we pursue with a government that wages a brutal and seemingly endless war against its own people on its own territory? Our policy on Chechnya insists on a political settlement of the crisis, an end to ongoing violations of international humanitarian and human rights law, and credible accountability for past violations. We call for unimpeded humanitarian access and assistance, including the return of the OSCE Assistance Group to Chechnya and visits by UN special representatives. Ultimately, the best hope for influencing a change in Moscow's policies away from violence and toward accountability, dialogue, reconciliation and reconstruction, will be the insistence of many voices in the international community as well as inside of Russia. Efforts like the joint United Nations Commission on Human Rights of the past two years and frank discussion of Chechnya in the Russia-EU Summit are part of making this point.

Mr. Chairman, let me touch briefly on the U.S. response to the human rights challenges in today's Russia.

At the government-to-government level, we have and will continue to raise human rights issues with the government of Russia at every opportunity. We will work directly, as well as in concert with EU and others in multilateral institutions including the UN and the OSCE. Underpinning these political and diplomatic efforts, however, is our work at the grassroots level. Supporting the growth of a strong and vibrant independent media is one of our highest priorities in Russia. We are assisting both print and broadcast media throughout Russia by providing them with technical assistance and training to further their economic viability and to enable them to become more effective advocates for journalistic freedom. We are also giving direct assistance such as production grants and training. Training has grown from a focus on fact-based, investigative journalism to more business-oriented training to promote financial independence. Legal assistance for print and broadcast journalists has become a more central feature of our work, including protection against federal and local government libel suits and tax investigations. Finally, we are looking to step up our support for Russia's media watchdog NGOs and media monitors to allow them to track de-

velopments in the regions and draw attention to national and local government attempts to suppress the news. U.S. international broadcasting can play a pivotal role in supporting the development of independent media in Russia and foster stronger ties between U.S. broadcasters and affiliated Russian media outlets. In addition, nearly 45,000 Russians have traveled to the U.S. on our exchange programs. Through these programs, we are exposing the next generation of Russian leaders to democratic values in action. Our openly-competed exchange programs provide an opportunity for any Russian to apply to gain substantive knowledge of how things work in the West, and make contacts with his or her U.S. counterparts that typically endure beyond the exchange. The programs have a strong track record, and we should increase the numbers of exchangees where capacity allows.

Mr. Chairman, next week President Bush will meet with President Putin in Ljubljana, Slovenia, for their first summit. They will be discussing their respective views and vision for our bilateral relationship. Issues of human rights will be an important part of this dialogue, for it is clear that a Russia whose respect for human rights accords with international standards and practices is a Russia with whom we can live and work more comfortably and effectively. A Russia committed to democracy and individual rights is a Russia with which we will have a close and productive relationship, in spite of any disagreement we may have on one or another issue of the day. The significant progress we have seen over the past decade in this area has played an important role in creating a changed dynamic in U.S.-Russian relations that has permitted a much broader and more ambitious agenda to develop between our two countries. If we have a sense that progress on human rights and democratization has stopped or is being reversed, then it can't help but have a serious impact on the relationship as a whole.

MATERIALS SUBMITTED FOR THE RECORD BY DEPARTMENT OF STATE

LETTER TO HON. BEN NIGHTHORSE CAMPBELL, CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FROM MICHAEL C. POLT, ACTING ASSISTANT SECRETARY, LEGISLATIVE AFFAIRS, THE DEPARTMENT OF STATE

United States Department of State
Washington, DC. 20520
January 15, 2002

Dear Mr. Chairman:

In response to your request at the June 5 hearing of the Helsinki Commission I am pleased to provide documents with the Department of State's response to a GAO study on Rule of Law Assistance in what were then called the New Independent States. The Department previously provided these same documents to other congressional committees.

I hope you will find these materials of help. Please do not hesitate to contact us again if we can be of further assistance.

Sincerely,
Michael C. Polt
Acting Assistant Secretary
Legislative Affairs

The Honorable
Ben Nighthorse Campbell, Chairman
Commission on Security and Cooperation in Europe,
United States Senate.

LETTER TO HON. CHRISTOPHER SHAYS, CHAIRMAN, SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES

Dear Mr. Chairman:

This is in response to your letter of May 29 concerning the May 17 hearing, "Rule of Law Assistance Programs: Limited Impact, Limited Sustainability."

Enclosed please find responses to the questions posed in your letter. The documents requested in that letter were provided earlier. We are glad to have the opportunity to discuss further the successes we have already had with our programs and explain in greater detail the management changes we have made in the last several years. Those changes have gone a long way toward addressing the weaknesses identified in the GAO report, and we believe the programs will be even more successful than they have been in the past.

We hope this information is helpful to you. Please do not hesitate to contact us again if we may be of further assistance on this or any other matter.

Sincerely,
Paul V. Kelly
Assistant Secretary
Legislative Affairs

Enclosure:
Question Responses

QUESTIONS FOR THE RECORD
SUBMITTED TO
ASSISTANT SECRETARY OF STATE RAND BEERS
BY CHRISTOPHER SHAYS, CHAIRMAN OF SUBCOMMITTEE
ON NATIONAL SECURITY, VETERANS AFFAIRS, AND
INTERNATIONAL RELATIONS COMMITTEE ON
GOVERNMENT REFORM,
MAY 29, 2001

Examples of *Successes*

Question: What other successes have U.S. programs had, particularly in Russia and Ukraine?

Answer: U.S. assistance programs have had successes throughout the region. In addition to the programs mentioned during the testimony on May 12, we can add the following examples:

- With U.S. assistance, Russian and Ukrainian legal education systems are incorporating practice-based teaching methodologies and clinical operations into their curricula. Assistance providers are currently working with 22 law school clinics in Russia and additional programs were started in five more cities this year. In Ukraine, the law clinic at Donestsk State University Law Faculty has grown from 10 to 120 students handling over 500 cases annually. Emphasis has been placed on providing Russians and Ukrainians with the skills necessary to effectively manage and operate these programs without outside assistance. These programs continue to grow and there is every indication they will be sustained by the participating institutions.
- With U.S. assistance, Russia organized a Bailiffs' Service, with effective procedures for processing and collecting judgments. The Service has helped increase the percentage of judgments successfully enforced in Russia.
- With U.S. assistance, Russia established a Judicial Department which functions as an administrative office for its judiciary. The Department has obtained a threefold increase in budget resources for the courts over the last three years and is a key component of the Russian legal reform process.
- Nine Russian regions implemented jury trials in 1994-1995; we have been working with them since the beginning. President Putin has announced that jury trials—a key element in developing the rule of law—will be expanded nationwide by 2003. Russian alumni of U.S. training programs will serve as trainers and role models as the program expands.
- We have assisted the Russian Duma over the past year in developing a reformed Criminal Procedure Code. The draft code, which passed its second reading June 20, includes revolutionary changes, such as empowering the judiciary, rather than prosecutors, to authorize search, seizure and arrest warrants, introduction of plea bargaining and expansion of jury trials throughout Russia. During the course of today's debate, recent U.S. Government assistance programs on the code were cited by Duma deputies as very helpful.

• We have also worked closely with the Duma to develop money laundering legislation. Once this legislation is passed into law, we intend to work with law enforcement and regulatory personnel to create the capacity to enforce it effectively.

• In Ukraine, U.S. assistance was instrumental in the drafting of a new Criminal Code which will go into effect on September 1, and in implementing a national action plan on enforcement of Intellectual Property Rights.

• U.S. assistance has also been instrumental in the development of a draft Criminal Procedure Code, that includes many safeguards for the protection of individual rights, and comprehensive anti-money laundering legislation. Both are now before the Ukrainian Parliament. The Law on Banks and Banking Activity, enacted in December 2000 and developed with U.S. assistance, contains anti-money laundering provisions now being implemented by the National Bank of Ukraine.

• With U.S. assistance, Ukraine established Environmental Public Advocacy Centers (EPACs) that provide ***pro bono*** counseling services to citizens and NGOs on environmental complaints. These centers have won numerous environmental lawsuits and opened up aspects of the Ukrainian law-making process to the public. A number of these centers have been created in partnership with existing NGOs and an increasing number are becoming self-sufficient.

• U.S.-Ukrainian cooperation on law enforcement matters deepened with the entry into force in 2001 of a Mutual Legal Assistance Treaty and a Treaty for the Avoidance of Double Taxation.

Assessing Host Government Commitment

Question: How and how often does the State Department assess the interest and political will of a host country during program planning and program implementation?

How and how often does the State Department assess a host country's ability to sustain a program monetarily during program planning and implementation?

Answer: Assessment of these issues is an ongoing process.

Embassies in the region are in daily contact with host governments at various levels and, among other things, monitor host government commitment to reform and the status of reform legislation and programs. The presence or absence of the requisite political will and willingness to commit resources factor greatly into embassy identification of projects and the Department's willingness to fund them.

If a host government proves unwilling to support a program (with in-kind contributions, financial and political support, or with requisite legislation), a .project can be delayed, funds can be re-programmed to areas where cooperation is possible, or a

project can be abandoned altogether. As was mentioned during the May 17 testimony, we suspended forensics lab programs in Georgia and Armenia and anti-money laundering programs in Ukraine and Russia pending adequate host government commitment.

As part of the program design, a determination of the "life of project"-normally one to three years — is made. INL usually funds a project incrementally, no matter the planned life of project. We are therefore able to assess the status of the project annually before deciding to add additional funds. If the project does not appear to be meeting its objec-

tives, provision of additional funding can be delayed, or other action can be taken. We agree with the GAO that difficult political and economic conditions in the Newly Independent States have been obstacles to achieving objectives and sustainability. However, as the examples of success cited above demonstrate, real progress has been made.

A good example of the Department's ability to redirect funds if a host country does not live up to its commitments is assistance to Russia on money laundering. After the U.S. provided significant training and technical assistance on money laundering, Russia not only did not have an effective anti-money laundering regime, President Yeltsin had vetoed the anti-money laundering law (1999) . Viewing the veto as a lack of political will to address seriously the issue, the Department of State suspended technical assistance on combating money laundering, allowing only the

Resident Legal Advisor to continue efforts to promote the legislation. Once the legislation is passed, INL will resume training on technical matters, including investigating and prosecuting money laundering. In the interim, INL has worked with U.S. law enforcement agencies to reprogram existing money previously identified for money laundering in order to provide assistance for other priorities which we believe have a greater opportunity for success. These include legal reform, efforts to combat organized crime, and technical assistance on specific investigative and prosecutorial issues.

Management Changes

Question: Provide a detailed description of the steps State and the law enforcement agencies have undertaken to address the management weaknesses identified in the GAO report.

Answer: The weaknesses in program management and implementation identified by the GAO report focus on program design, sustainability, measures of effectiveness and coordination from the 1995-1998 period.

The Bureau for International Narcotics and Law Enforcement Affairs (INL) of the Department of State began receiving Freedom Support Act (FSA) funding for Rule of Law programs in the Newly Independent States (NIS) in 1995, when INL's mandate was expanded from counternarcotics to include international crime. Between 1995 and 2000, INL moved from funding the activities of three law enforcement agencies to working with more than twenty-five, in the NIS and worldwide. In that time, the amount of FSA funding INL received doubled from $13 million in 1995 to $26 million in 1999.

In response to this tremendous growth, INL has developed more thorough interagency coordination mechanisms to monitor assistance funds. For example, last spring, INL convened an interagency meeting with law enforcement agencies during which the funding pipeline was discussed. We then launched a series of meetings with individual agencies to identify, reprogram and otherwise account for the outstanding funding. Additionally, INL strengthened the agencies' reporting requirements. INL now requires after action reports and complete budget reports on all programs, with interim reporting for longer-term advisory programs. Through time and experience, INL has improved its dia-

logue and coordination with the law enforcement agencies. The improvements have built trust and transparency in the budget and programming processes.

INL also developed a database to track training courses and other assistance programmed with the law enforcement agencies, as well as new and better spreadsheets and databases to track the financial side, clearly identifying by agency and funding source what has been obligated and expended. Staffing has been increased, with clear mandates for program management.

INL has also reorganized to address the growing program management demands. Staffing has been increased, with clear mandates for program management. INL now employs a cadre of regional program officers with responsibility for monitoring programs by country as well as a team of subject experts (such as in the fields of money laundering, anti-corruption and trafficking in persons) . INL's training division has begun a series of assessment trips to key countries to review outcomes of training and to review project implementation. INL's country program officers have also made more frequent visits to the NIS region to evaluate INL's overall country program and review the political/criminal enforcement environment in which assistance is provided.

Not only has INL grown organizationally, it has implemented new procedures to ensure that programs are designed by those with the most current knowledge of the region and take into account local conditions and priorities. In March, INL asked all posts that have significant and sustained narcotics and crime control programs, as well as posts in countries where there is a significant narcotics or crime threat to U.S. interests, regardless of the current level of assistance, to prepare law enforcement assistance coordination plans that look out over the next three years. The objective is to take a more comprehensive and balanced view about what needs to be done to develop more reliable international drug and crime control partners. Posts were encouraged to ensure that their training, technical assistance, and public diplomacy efforts were directed at rule of law, improving judicial institutions and promoting anti-corruption practices.

This request for a crime and narcotics strategy meshes with INL's new project-based approach to assistance, which Mr. Prahar detailed in his testimony. To summarize, this new approach moves away from off-the shelf courses toward developing and implementing country-specific, comprehensive, multi-year, multidisciplinary, interagency law enforcement projects. This approach is embassy-driven; project ideas are developed by embassy law enforcement working groups and communicated to Washington for fine-tuning and funding. Sustainability and measures of effectiveness are integral parts of the project design. This new approach, developed prior to the GAO report, addresses many of the concerns the GAO raised, which INL had already independently identified and is correcting.

The final component of INL's steps to address weaknesses as identified by the GAO is the move to negotiate Letters of Agreement (LOAs) with NIS governments for INL projects. Again, Mr. Prahar addressed the LOAs in his testimony. To reiterate, the LOA serves three primary purposes. As a bilaterally document, it secures host-government commitment to receive and use the assistance provided for mutually agreed priorities and demonstrates host-government commitment. Addition-

ally, the LOA outlines specific goals and objectives for each project. Finally, the LOA provides performance measures and evaluation mechanisms.

Conditions for Assistance

Question: What preconditions are placed on host countries in order to receive assistance? What are the consequences if a host country does not meet a precondition of the LOA and are these consequences detailed in the LOA? If it is determined the best course of action is to abrogate a program, what are the procedures .for doing so and who makes the decision?

Answer: The first filter through which a country must pass to receive assistance is the Freedom Support Act (FSA) and other legislation passed by Congress. Once the Department has certified that by law a country and/or government may receive law enforcement assistance, the Department asks the Embassy for their views on whether law enforcement assistance is worth pursuing in the host country. In order to receive law enforcement assistance, host country agencies must demonstrate a willingness to work with their U.S. law enforcement counterparts. The Department depends largely on Embassy inputs for determining the feasibility or appropriateness of our assistance programs, and setting benchmarks for success.

The next precondition is the Letter of Agreement (LOA) signed between the host government and U.S. Government. The LOA contains several important preconditions for assistance: e.g., protection of human rights, narcotics certification for recipients of training, an agreement to retain people who have received training for at least two years, and monitoring and evaluation provisions. If a government does not wish to sign an LOA, it will not receive assistance. Of course, assistance can still be provided to and through non-governmental entities in the absence of an LOA with the host government.

If, over the course of the agreement, a situation arises demanding new priorities, or additional resources for already identified priorities, an LOA can be amended. If a situation is determined to have deteriorated to a point affecting our bilateral relationship (or requiring termination of our assistance programs altogether), the LOA can be terminated. The decision to annul an LOA would be made through joint consultations among INL, the regional office of the State Department and the Embassy.

LETTER TO HON. CHRISTOPHER SHAYS, CHAIRMAN, SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES

QUESTIONS FOR THE RECORD SUBMITTED BY CONGRESSMAN CHRISTOPHER SHAYS

Dear Mr. Chairman:

This is in response to your letter of July 5 concerning additional questions from Mr. Kucinich from the Subcommittee regarding the May 17 hearing, "Rule of Law Assistance Programs: Limited Impact, Limited Sustainability." On behalf of the Department of State, I apologize for the delay in our response to your initial questions. I hope that the Committee finds that these responses, in addition to our previous answers and the forthcoming results of our document search, provide a complete picture of our views on the GAO report. Enclosed please find responses to the questions posed in your July 5 letter.

Please do not hesitate to contact us again if we may be of further assistance on this or any other matter.

Sincerely,
Paul V. Kelly
Assistant Secretary
Legislative Affairs

Enclosures:.
1. Correspondence Returned
2. Responses to July 5 letter

QUESTIONS FOR THE RECORD SUBMITTED BY CONGRESSMAN CHRISTOPHER SHAYS, CHAIRMAN, SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS, COMMITTEE ON GOVERNMENT REFORM, JULY 5, 2001

Question: What in your view, could the GAO evaluation have benefitted from? What should have been reviewed that was not? How might that have affected their finished product?

Answer: The State Department notes two key omissions in the GAO review. First, the GAO evaluation would have benefitted from an examination of the community policing grants funded by the Bureau for International Narcotics and Law Enforcement Affairs (INL) during the 1997-1999 time frame. In FY 1997, INL obligated $6,381,715 to community policing' and other grants for Russia and the NIS. This funding clearly represents an important component of the Department's rule of law programs. INL has long used grant programs to broaden the scope of issues covered by moving beyond the strict interests and abilities of federal law enforcement agencies. There are a number of NGOs and universities active in Russia and the NIS, promoting rule of law, and combating trafficking and domestic violence. These grantees take a multidisciplinary approach to addressing law enforcement concerns, bringing all interested parties in a community together to address law enforcement issues based on the U.S. model. The grantees bring their U.S. experience and resources to bear including the link between law enforcement and "humanitarian" concerns (protection of victims and prevention/education programs) . The grants allow the Department to focus on key regions which have expressed a willingness to undertake reform, devote more long—term concentrated attention to a specific field or area (such as community policing or combating trafficking in women), and build on the strengths of community-based, local law enforcement in the U.S.

Secondly, the report fails to examine the long-term exchanges and partnership activities administered initially by USIA and now by the Bureau of Educational and Cultural Affairs at the Department of State. In FY-99 and FY-00, the U.S.C. spent $4.2 million on these activities, which bring young students, professionals, and faculty members to the U.S. to study law and legal education in depth. University partnerships pair U.S. and NIS law schools to promote curriculum development and reform. The GAO team acknowledges that they did not meet with Public Affairs Officers in the countries they visited. While we understand that given the broad scope of the review the GAO could not include every activity, we believe this is a significant omission.

Question: What in the GAO report do you think is the most valuable suggestion for how to improve the delivery, impact,. and sustainability of the programs administered by your agency?

Answer: The State Department agreed with most of the GAO's conclusions and recommendations highlighting the need to: 1) focus programs on longer—term sustainability, and 2) identify and measure impact more concretely. To this end, as has been noted before, the Department had already begun to redesign rule of law programming. INL specifi-

cally had reached the same conclusions and by August 2000 (prior to the GAO's report) moved to implement programs that were focused on long-term, sustainable, host-government supported institutional development and capacity building. We have highlighted the reforms both in our testimony and in our response to Mr. Shays's original questions.

Finally, INL has refined its approach to programming, moving from the catalogued list of off—the—shelf training courses to developing long-term, country—specific, comprehensive, multidisciplinary, interagency projects that are agreed to by the host-government through Letters of Agreement. We are confident that this new approach, developed based on five years of experience in providing assistance to the NIS, will provide for more. effective program management and more effective programs.

**STATEMENT OF DANIEL ROSENBLUM,
DEPUTY COORDINATOR OF U.S. ASSISTANCE TO
THE NEW INDEPENDENT STATES,
BEFORE THE HOUSE COMMITTEE ON GOVERNMENT REFORM,
SUBCOMMITTEE ON NATIONAL SECURITY,
VETERANS AFFAIRS AND INTERNATIONAL RELATIONS,
MAY 17, 2001**

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to speak with you today about U.S. Government assistance programs to promote rule of law in the New Independent States (NIS) of the former Soviet Union. The establishment of legal systems and governing institutions anchored in the rule of law is a prerequisite if the NIS countries are going to make a successful transition to democracy and market-based economies. Therefore, rule of law programs are an essential component of our overall assistance effort, which is aimed at facilitating this transition. We welcome the GAO review, and have been pleased to work with Steve Lord, Jim Michels and the GAO team.

I am here representing Ambassador William Taylor, the Coordinator of U.S. Assistance to the NIS, who is traveling overseas today. The position of NIS Assistance Coordinator was created in 1992 by Congress in order to ensure program and policy coordination among U.S. Government agencies involved in providing assistance to the NIS. Our office allocates the funds appropriated each year under the FREEDOM Support Act, which represent the majority of funds being spent on rule of law programs in the NIS. We are responsible for ensuring proper management, implementation, and oversight by the agencies who implement these programs, and because we track the whole spectrum of assistance activities in the NIS, we often serve as a source of information for our embassies, the public, and of course, the Congress.

The major implementing agencies for rule of law programs in the NIS are represented on this panel with me today, and they are the real experts. Before turning to my colleagues, however, I'd like to make a few comments on three major issues from the "big picture" vantage point of the NIS Assistance Coordinator's office.

First, I'd like to emphasize that our NIS rule of law assistance programs exist to support U.S. foreign policy goals, and are intended to promote U.S. national interests. Each implementing agency will emphasize in their own comments the considerable benefit of these programs to U.S. interests. I will simply emphasize that in addition to the long-term benefits that would result from stronger rule of law in the NIS, there are substantial short-term benefits as well. In the long-term of course, if these countries succeed in establishing democratic societies based on the rule of law, they are more likely to adopt external policies that we like, and to become reliable trading partners, and good places for U.S. investment. In the meantime, however, these programs are helping develop relationships between law enforcement counterparts in the U.S. and NIS, leading to cooperation in international crime cases and enhancing the ability of our law enforcement agencies to enforce U.S. laws.

Second, the Subcommittee has asked about existing mechanisms for establishing U.S. Government rule of law objectives. When it comes to setting priorities and coordinating activities, we believe it is appropriate for our embassies to take the lead, since they are closely in touch with the needs of the country in question, and can best assess changes

in the political environment that might call for changes in strategy. Each NIS mission now has a Law Enforcement Working Group, typically chaired by the Deputy Chief of Mission and including representatives of law enforcement agencies that have full-time representatives in country, as well as political and economic specialists. Washington agencies wishing to conduct training must get approval from the embassy to ensure that the training or equipment falls within the embassy's Mission Program Plan, and that the host country is prepared to receive the training or equipment and use it productively. At the same time, here in Washington, the INL Bureau in the State Department, working with the Departments of Justice and Treasury, serves as a central clearinghouse for all law enforcement training activities. Close coordination between State, Justice, and Treasury strongly promotes the identification and implementation of law enforcement-related objectives. Finally, the Coordinator's office attempts to connect the law enforcement-related objectives of these law enforcement activities with the full range of rule of law programs carried out by USAID and others.

In the cases of Russia and Ukraine, the role of host governments in establishing program priorities has been formalized through the work of bilateral law enforcement working groups. The U.S.-Russia law enforcement group, for example, has jointly agreed that money laundering and financial crimes, corruption, legal sector reform, and mutual legal assistance are the top priorities for U.S. assistance. These groups are co-chaired by the Departments of State and Justice and include representatives of the other agencies represented here today. These bilateral working groups foster regular contact between counterparts and provide a formal opportunity for the U.S. to make the case for reform. An indirect but important side benefit of these bilateral groups is that they compel interagency cooperation and coordination on the Russian and Ukrainian sides, which is otherwise sorely lacking.

Third and finally, I think it is important to recognize that the U.S. Government's strategy has evolved since we first began to address rule of law in the NIS in 1994. We now have a deeper appreciation of what is effective.

We have learned to apply the principle that "aid follows reform." That is, once a government has indicated a serious interest in reforming its legal system, then and only then should we provide carefully targeted assistance in those areas where reform seems most likely to succeed. Where a persistent lack of political will on the part of central authorities has stymied reform, we curtail assistance accordingly. Efforts to combat money laundering in Russia provide a good example of where we pulled back and redirected our assistance to reflect realities on the ground. We offered the Russians assistance in drafting the necessary legislation but any further assistance is conditional upon their passing it. In Ukraine, USAID's rule of law program has been reduced to virtually zero, pending passage of a basic Law on the Judiciary, which will establish a new system of courts and define judicial independence.

On the other hand, where we find an open door—where there are government institutions and civil society groups willing to overhaul policies and institutions—we push on it. For example, two years ago, when the Government of Georgia agreed to develop a national strategy to combat corruption and pledged to take the steps necessary to put the plan into action, the Department Justice sent an Assistant U.S. Attorney with years of anti-corruption experience in the U.S. to work side-

by-side with the government and local NGOs. President Shevardnadze recently established a new Anti-Corruption Council to carry out the recommendations of the national strategy.

Second, while our rule of law programs have always worked with civil society as well as governments, we have increasingly come to appreciate the need for a comprehensive approach that recognizes a role for both "top-down" and "bottom-up" reform. Rule of law will never be firmly established in the NIS countries until it is demanded and expected by the citizens of those countries. The post-Soviet period has shown conclusively that if NIS citizens wait for rule of law to be "granted" to them by their governments, they will be waiting a long time. Consequently, "bottom-up" reform has assumed an increasingly important place in our overall strategy.

For this reason, we believe the GAO study could have benefited from a more thorough review of the many grassroots efforts supported by the U.S. Government, such as community policing, legal partnerships, and programs to combat domestic violence. These activities generally take place outside of Moscow, Kyiv, and other capital cities. An excellent example is the legal partnership between the State of Vermont and Russia's Karelia region. The brainchild of a Vermont Supreme Court Justice, the project has resulted in improved access to legal services for ordinary Russian citizens.

As we noted in our comments on the GAO report, we also regret the GAO was unable to meet with alumni of U.S. Government exchange programs and examine the results of this important component of our overall assistance package. Our follow-up research shows that these exchanges have a major impact on the participants, by giving them firsthand exposure to how a society based on rule of law functions. Over the long-term, many of these exchange alumni will become leaders in their respective countries, and this is bound to have an impact on the prospects for rule of law becoming established in the NIS.

In the end, of course, it is not up to the United States to establish rule of law in the NIS countries. We can simply encourage them to make the necessary changes and provide necessary expertise when they demonstrate the necessary political will. Meanwhile, we can use a variety of approaches to help build a constituency for rule of law reform. Above all, we need to keep our assistance strategy flexible enough to allow us to respond to changing conditions.

Mr. Chairman, we appreciate the GAO's recommendations and will follow up to ensure that rule of law programs are well-integrated into our overall assistance efforts and continue to support important U.S. national interests. We will also encourage implementing agencies to conduct additional external evaluations of law enforcement and rule of law assistance. We look forward to continuing this dialogue with Congress as we refine our programs in FY 2002 and beyond.

**STATEMENT OF PETER PRAHAR,
DEPUTY DIRECTOR, OFFICE OF ASIAN, AFRICAN AND EUROPEAN/NIS PROGRAMS BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS,
BEFORE THE NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS SUBCOMMITTEE OF THE HOUSE COMMITTEE ON GOVERNMENT REFORM
MAY 17, 2001**

**RULE OF LAW ASSISTANCE PROGRAMS:
LIMITED IMPACT, LIMITED SUSTAINABILITY**

Mr. Chairman, and distinguished members of the Committee—thank you for the opportunity to talk about the direction of our rule of law programs in the Newly Independent States (NIS). Today, I will present to you the Bureau for International Narcotics and Law Enforcement Affairs (INL) response to the GAO report and am happy to report the initiatives INL has already undertaken, prior to the draft GAO report. We believe the fundamental restructuring of INL's assistance programs in the NIS and, for that matter, worldwide address many of the legitimate criticisms in the GAO report.

First, let me stress that we agree with the GAO that difficult and sometimes worsening political and economic conditions in Russia, Ukraine, Georgia, and Armenia are obstacles to effective implementation of rule of law programs during this period. We think, however, that we have seen some real progress.

We also agree with the GAO that INL-managed assistance in the 1995–1998 period fell short in the areas of sustainability and monitoring. Based on lessons learned in the NIS and elsewhere, however, we have taken a hard look at how we do business there and, as a result, have substantially modified our approach. We have become skeptical, in particular, of the value of stand-alone training courses for host country law enforcement officials. Our experience has been that such courses are often not country-specific and may draw heavily on interesting but not necessarily universally applicable U.S. experiences and practices. Some students had only a limited opportunity to interact with the instructors, and sometimes there was no follow-up. Our assistance to the NIS until recently was built upon such training programs. We agree with the GAO that, while good work has been done, this approach has not built institutions.

Accordingly, in August 2000, INL initiated a fundamental restructuring of our assistance program worldwide. FY2001 is the first year of this new approach and although we cannot yet show you results on the ground, we are confident that our revised approach will address the concerns raised by the GAO and our own reviews.

Our new approach has two key elements. First, it is project-based. By this we mean we are developing and implementing multi-year, multidisciplinary, interagency law enforcement projects in the NIS and worldwide in lieu of offering training courses in isolation. Sustainability and measures of effectiveness are integral parts of the project design. For example, a comprehensive border security project might include the US Customs Service, DEA, and other federal agencies working together to combat drug trafficking, customs violations, commercial smuggling, and fraud. Such a project might include not only training but technical assistance with short-term advisors to consult with the host nation on

developing new laws and regulations as needed, or an exchange of experts to discuss best practices. The project might also address illegal immigration and trafficking in persons, and work with non-governmental organizations (NGOs) to facilitate protection of trafficking victims. Additionally, such a project might provide certain infrastructure needs, such as computers or communications equipment. Finally, a project such as this in a country like Russia, which receives assistance from multiple U.S. sources, would be vetted through a U.S. interagency process to ensure coordination with non-proliferation programs and other efforts.

Second, in INL's new approach, initial decision-making is decentralized. The Chief of Mission for each country requesting INL-managed assistance -not INL or a Washington-based law enforcement agency - has the initial responsibility for requesting and determining the priority of his or her training requirements, in conjunction with the law enforcement agency representatives at post. We believe the law enforcement working group, comprised of representatives of all law enforcement agencies at post under the Chief of Mission, should initially identify and prioritize country specific issues. Of course, INL, DOJ and Treasury based law enforcement agencies are prepared to assist overseas missions in developing such proposals. Many projects may well require technical expertise beyond that typically found at some of our overseas missions. In this manner, the Chief of Mission can assure that the assistance programs directly address the objectives in the post's Mission Performance Plan, the key planning document for each mission.

Let me describe our project-based approach in more detail. We know full well that our projects cannot succeed and that our assistance will be wasted absent host government commitment and will. INL has long required Letters of Agreement (LOAs) with countries receiving INL-managed assistance under the Foreign Assistance Act. These LOAs represent host country engagement in and commitment to the bilateral relationship that is necessary for a successful program. This budget cycle, we have asked the US missions in the NIS, too, to develop, negotiate and sign LOAs with the governments in the NIS region. A LOA clearly describes the law enforcement programs we have agreed to cooperate on, sets forth what is expected of both governments with regard to the programs, and describes the measures that will be used to evaluate the success of the programs. Standard provisions in the LOA require, for example, that equipment, supplies and materials be accounted for periodically and that personnel receiving training under the agreement remain in relevant positions for at least two years thereafter. One of the standard provisions contains language that has been developed in consultation with the Congress to reflect our shared desire to highlight the issue of human rights when providing law enforcement assistance. There are other protections for the USG in the LOAs, too, such as agreement to allow duty-free entry of commodities and supplies and the privileges and immunities of personnel entering the country under the agreement. We believe it is absolutely critical and only good management to have these rules spelled out and agreed to in writing. LOAs have been a powerful management and internal control tool in Latin America, Africa, Asia and the Middle East. They will be a powerful tool in the NIS region as well.

While we are in agreement with the recommendations of the GAO Report, let me draw your attention to one comment (on page 38) that may be somewhat misleading. The GAO report notes that about $33 million in INL-managed funding for fiscal years 1995 through 2000 had been obligated for law enforcement training and other assistance that has not yet been provided. It may leave the misimpression that these funds are sitting idle. In fact, about $9 million of that was only recently provided the law enforcement agencies (the end of FY 2000), who are in the process of putting together useful projects approved by the post law enforcement working group. Additionally, I wish to assure the committee that we at INL have been working with the law enforcement agencies for the past year and a half to ensure that the $33 million in undelivered courses and technical assistance in the "pipeline" is fully integrated into comprehensive, sustainable projects. In Russia, for example, no FY 2001 funding will be needed specifically for training. It is our intention to use funding provided in prior fiscal years for the necessary training, and current fiscal year funding for technical assistance, advisory programs, and procurement. It may take some time to draw down this "pipeline," but I wish to assure the committee that it will be well spent. I am pleased to say that we are receiving excellent cooperation from the law enforcement agencies in accomplishing this.

I would also like to draw your attention to one other point in the report. Aside from efforts to reform the assistance provided through federal agencies, the report failed to note the extensive work with NGOs that INL has undertaken. In the last five years, INL has funded over $6 million in community-policing, domestic violence, and anti-trafficking grants with NGOs and universities, working especially with Russian and Ukrainian counterparts. In Russia in particular these grantees often work outside of Moscow, throughout the regions, engendering cooperation and transparency between police and their communities and thereby promoting rule of law. We are proud of these programs and believe they are effective in contributing to the creation of a rule of law culture in Russia.

In conclusion, I would like to stress the importance of assistance programs and their relevance to national security. My law enforcement colleagues can address the specific crime threat to the U.S. from these countries, and will highlight the role that assistance programs play in developing competent and reliable foreign counterparts. It is thanks in part to the assistance from INL-managed programs that our U.S. law enforcement colleagues can operate successfully against transnational crime threats to the United States. In a nutshell: If we do not implement programs to develop effective institutions, U.S. law enforcement agencies will have no one with whom to cooperate. Thank you.

MATERIALS SUBMITTED BY MR. JOHN BEYRLE

EXCERPT FROM APPENDIX II: COMMENTS FROM THE DEPARTMENT OF STATE OF THE GAO REPORT, "FORMER SOVIET UNION: U.S. RULE OF LAW ASSISTANCE HAS HAD LIMITED IMPACT AND SUSTAINABILITY"

United States Department of State
Chief Financial Officer
Washington, D.C. 20520-7427
March 16, 2001

Dear Ms. Westin:

We appreciate the opportunity to review your draft report, "FORMER SOVIET UNION: U.S. Rule of Law Assistance Has Had Limited Impact and Sustainability," GAO–01–354, GAO Job Code 711540.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Lorraine Predharn Keir, Director, Democratic Initiatives, Office of the Coordinator for U.S. Assistance to the NIS, who can be reached on (202) 647–4337.

Sincerely,

Mary J. Eisenhart
Acting

Enclosure:
As stated.

cc: OIG – Ms. Cook
GAO/IAT – Mr. Ford
State/S/NIS/C – Ms. Keir

Ms. Susan S. Westin,
Managing Director,
International Affairs and Trade,
U.S. General Accounting Office.

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

"FORMER SOVIET UNION: U.S. RULE OF LAW ASSISTANCE HAS HAD LIMITED IMPACT AND SUSTAINABILITY"
GAO-01-354, GAO JOB CODE 711540

The State Department appreciates the opportunity to comment on this draft GAO report. The GAO is correct in identifying the difficult and sometimes worsening political and economic conditions in Russia, Ukraine, Georgia and Armenia as obstacles to effective implementation of Rule of Law (ROL) programs during this period. Assisting these countries in developing ROL institutions, practices and cultures will clearly be more difficult and take more time than imagined when the U.S. and other international donors first embarked on this endeavor. We believe that we and the recipient countries now have a deeper appreciation of what will be required and the strategies that will most likely lead to success.

We have seen some progress. Slowly, the states are enacting anti-corruption and anti-crime legislation. The incidence of some types of crime has moderated, particularly in Russia. Further progress depends upon the willingness and ability of the NIS to pass fundamental legislation to form the basis of a rule-of-law society; increase transparency and competition in the economy; strengthen implementation and enforcement mechanisms; and establish regulatory and oversight mechanisms that allow for efficient investigation and prosecution of crime and corruption.

We offer the following observations about the reports premise and conclusions.

While the report identifies several key factors that contribute to the impact and sustainability of rule of law programs in the NIS, it measures the effectiveness of U.S. Government (USG) efforts by an extraordinarily high standard—a fishy functioning and well-funded rule of law system. It is worth noting that eight years is a short time frame in which to transform 12 different societies that have never experienced the rule of law. The amount of money the USG has spent is also a drop in the bucket compared to the considerable needs and could not, even under the best of circumstances, have brought about the rule of law so quickly.

The report appears to stress equally three conditions identified as contributing to a lack of progress: lack of a political consensus on reform, weak economic conditions that limit government funding, and program management shortcomings. While each factor is valid, we would weight most heavily the lack of political will evidenced by NIS governments to give up the control necessary to govern under the rule of law. Where elected leaders have shown the necessary commitment, reforms have progressed more quickly than in neighboring countries where elected leaders continue to manipulate the law enforcement and judicial systems to suppress opposition. The issue of available resources in many cases is also directly linked to government willingness to commit resources—with recent economic growth, a few NIS countries have the means to pay for some of these reforms but simply choose not to.

As noted in the report, based on lessons learned in the 1995-1998 period, the Department of States Bureau of International Narcotics and Law Enforcement Affairs (State/INL) has developed and begun implementing comprehensive, multidisciplinary, interagency law enforcement projects in lieu of simply offering training courses in isolation. Sustain-

ability and measures of effectiveness have been integral parts of the project design process. We are confident that this new project-based approach is consistent with GAO recommendations, and will result in more effective and sustainable programs.

We would also like to underscore that State/INL is working with U.S. law enforcement agencies to resolve the issue referred to in the GAO report (page 29) regarding the $33 million in courses and technical assistance either undelivered or as yet unexpensed by recipient agencies. Those courses not yet delivered will, of course, be fully integrated into INL's comprehensive projects. Under INL leadership, law enforcement agencies have also taken steps to redirect funds previously programmed for training and equipment to meet current needs identified as priorities by the embassy— for example corruption, a new forensics lab and prison reform in Georgia. S/NIS/C plans to work closely with INL to monitor the disbursement of these funds and to try to speed up the billing time from recipient agencies once courses are completed. We understand that Washington often does not receive a full accounting of training-related expenditures until a year after the training has taken place. State/INL encourages the GAO to include in its recommendations that the U.S. law enforcement agencies should cooperate with State/INL in its ongoing effort to reschedule and/or reprogram undelivered assistance to complement the newly designed projects. (*See comment 1.*)

The report fails to examine the long-term exchanges and partnership activities administered initially by USIA and now by the Bureau of Educational and Cultural Affairs at the Department of State. In FY-99 and FY-00, the USG spent $4.2 million on these activities, which bring young students, professionals, and faculty members to the U.S. to study law and legal education in depth. University partnerships pair U.S. and NIS law schools to promote curriculum development and reform. The GAO team acknowledges that they did not meet with Public Affairs Officers in the countries they visited. While we understand that given the broad scope of the review the GAO could not include every activity, we believe this is a significant omission. (*See comment 2.*)

The report paints a bleak picture of an NGO sector entirely dependent on western funding. In fact, many NGOs were founded without USG funding and continue to operate on a shoestring—frequently out of a room in someone's apartment, with dedicated volunteer labor. In Russia alone there are 65,000 NGOs; USAID has provided support to only 15 percent of them. The other 85 percent operate without USG assistance. As economies in the region improve we are hopeful that businesses will contribute more extensively to the NGO sector. This is already happening to a small extent in Russia, and if the Russian government changes the tax code to include incentives for businesses to donate to non-profit entities, we predict the trend will expand further still. Again, the key factor is policy choices and political decisions to be made by NIS govemments, something over which we have no direct control. (*See comment 3.*)

The report chides the USG for not putting in place effective monitoring and evaluation systems, yet it also cites conclusions of several USG-funded studies. We recognize that some implementers have evaluated their efforts more often than others have and plan to encourage all recipients of FSA funds to undertake more systematic and thorough evaluations.

Finally, we would note an important lesson learned in implementing rule-of-law and law-enforcement programs: the need for better coordination in the field. U.S. embassies in the NIS have now established working groups to coordinate law enforcement efforts, usually chaired by the DCM and composed of representatives of all agencies working in the field. These law enforcement working groups now set the priorities for training, equipment and technical assistance, and request resources from the Department to implement these goals. We believe that field-directed management of these programs is the best approach to insuring that the work of different agencies all contributes to mission goals and that host governments have a single local point of contact with which to work.

MINUTES OF RUSSIA RELIGIOUS ROUNDTABLE
MAY 10, 2001, SUBMITTED BY JOHN BEYRLE

Principles:
The Honorable Senator Gordon Smith
Paula J. Dobriansky, Under Secretary of State for Global Affairs
John Beyrle, Acting Special Adviser to the Secretary for the New Independent States
Michael Parmly, Acting Assistant Secretary for Democracy, Human Rights and Labor
Dan Fried, Senior Director for Europe and Eurasia, National Security Council

Introduction:

John Beyrle
Roundtable continues commitment within new Administration to the promotion of religious freedom.
Announcement of Russia's certification under Smith Amendment contained in the Foreign Operations bill .
All but one organization have been re-registered at the Federal level.
Ministry of Justice statistics say 90 percent of local organizations have re-registered regionally. Most of remainder are defunct.
Concerned about involvement of GOR in religious communities, activities.
Important for missionary activity to be conducted under appropriate visa to avoid contributing to difficulties for all foreign religious workers.

Paula Dobriansky
Administration has taken note of USCIRF publication on religious freedom: Russia has an uncertain future.

Mike Parmly
Central government, with some exceptions, seems to understand religious freedom.

Dan Fried
Values are important to Bush Administration.
There is a complicated relationship with Russia: cooperation vs. pressure.
Conflicting signals from Federal government.

Senator Gordon Smith
The Smith Amendment will be again included in Foreign Operations bill.
Senator Smith will circulate another letter on our views of anti-Semitism in Russia
Russia wants to be part of West, it should act the part.

2. Views of Religious Groups:

Registration:
Confirmation that situation in Russia not nearly as bad as expected after the Dec. 31, 2000 deadline for re-registration. Concur with data presented.
Some groups are choosing not to re-register.
Groups led by non-Russians unable to register.
Some groups unable to build places of worship or get permits to gather, etc.
Some local organizations are not registered in the regions because of 15-year rule.
Re-registered organizations feel insecure in their legal status; they fear having their registration revoked.

Harassment:
Some groups feel threatened, want to be government sanctioned.
Some organizations have won court cases against harassment or bans by GOR.
Operating in Russia is a labored process, groups harassed through red-tape process.
Additional harassment by FSB, Customs, Militia reported; Militia is now reported to be careful of blatant harassment.

USG should make the point to Russian Government that disagreements within a religious community should be settled by that community.

Improvement:
Impact of U.S. activism is felt on the ground in Russia.
One group commented that situation in Russia is vastly improved vis-a-vis Soviet times.
There are still some concerns about influence of extremist elements, including outsiders such as David Duke, in Russia.

3. Questions for Discussion:

Q: *What regions should the US Government pay special attention to?*
Moscow is a real problem for some groups.

Q: *What do you feel are the implications of the newly formed "Presidential Council on Cooperation with Religious Groups?" What are your views on the composition of this council?*
It is used in the nexus of national security policy — foreign religious organizations are a threat.
Ministry of Justice representative on the council was replaced by a FSB operative.
FSB refusing to register organizations in Moscow with foreign links.
Intelligence rooting out ôaliensö fits in with a sense of "order" based on strong Statist overtone with emphasis on xenophobia.
Apparent treatment of religious organizations in Russia can be divided into three classes because of the re-registration process. The "A-list": those who have re-registered and are sanctioned (2000 groups). "B list": not re-registered, but not harassed: default sanction (1000 groups). "C list": Not registered and not sanctioned.

Q: *What were the results of the Nizhni Novgorod Conference on "Cults":*
Conference organized by the Russian Orthodox Church to identify and get rid of groups they consider to be "totalitarian cults."
No official Russian Government participation.
Ideas were an export from a European governments, especially the French and German movement against "totalitarian cults" and sects in general.
Conference produced a list of "cults."

Q: *How can we empower people in oppressed groups/societies?*
Hold equivalent (of this) roundtables in Russia. Harassed groups in Russia should organize as well.
These meetings are valuable simply in the fact that the Russians know they take place.
In the regions, people have no knowledge of international human rights standards. Need a series of conferences to broaden knowledge.
Encourage NGO's and Russian Government to cooperate, have conferences.
If there is a trend in Europe towards intolerance, help Russians draft anti-discrimination laws.
Slavic legal center is translating international texts into Russian/Slavic languages. They could use more money.
Although there is "anti-imperialist sentiment" in Russia re: U.S. monies, we need to be upfront about our beliefs and the reasons for our involvement.
Russia doesn't have enough lawyers. Legal education is crucial.
International religious advocacy documents and links put on Embassy Moscow website.
Post the Russian-language version of the Department of State publication ôHuman Rights and Youö by Fred Quinn on website.

4. Next Meeting
There was a consensus that it would be useful to have roundtables that cover other countries in the former Soviet Union, besides Russia.
Will be scheduled in 4 to 6 months.

PREPARED SUBMISSION OF DR. ELENA BONNER, CHAIR, ANDREI SAKHAROV FOUNDATION

The period of Russian history, which began in September 1999 with the tragic explosions of apartment buildings in Moscow and Volgodonsk, can properly be called the Putin era, the successor to the Yeltsin era. This new era has been characterized by several distinctly troubling tendencies fundamentally affecting the Russian nation.

1. VIOLATIONS OF THE CONSTITUTION BY THE PRESIDENT AND STATE OFFICIALS

First of all, there is the creation of a union of Russia and Belarus, with the prospect of combining them into a single state. This can be lawfully accomplished only if it is preceded by popular referendums confirming the desire of the two peoples to unite, followed by the introduction of appropriate amendments into the two Constitutions. Second, there is the virtual liquidation of the Federal Council, depriving it of the functions assigned to it by the Constitution and turning it into an advisory organ. This destroys the federal structure of Russia, which de facto is turned into a unitary state. The division of Russia into seven regions, although formally not a violation of the Constitution, reinforces the emasculation of the upper chamber, giving the president additional levers to pressure local authorities and to centralize state power. Such fundamental changes in state structure reduce society's possibilities for influencing the government and impair the rights of voters. Besides, this kind of reorganization ("strengthening the vertical chain of authority" as Russian officials call it) has led to a colossal growth of the bureaucracy and to exorbitant expense for its maintenance which cause further grief to citizens and taxpayers. High-ranking officers of the army and security services have left their former posts and infiltrated central and regional government bodies, and they continue to do so. The dependence of procurators and judges on the central and local executive organs has grown. A number of laws adopted by the Duma and presidential decrees clearly illustrate the retreat from the democratic principles of government and humane values proclaimed during the previous era. The following examples are far from exhaustive and vary in importance. There is the law on political parties, which deprives significant groups of voters of the opportunity to elect persons to the legislative bodies who will represent their particular interests and which also allows the president to secure a parliament even more compliant than the present one. There is the doctrine of information security. There is the interruption of the work of the Presidential Pardons Commission, introduced by President Yeltsin. There is the introduction of military training for high school students, the allocation of money from the budget for so-called "education in patriotism," and the creation with the help of the presidential administration of a pro-Putin organization of young people. At the same time we see a steady increase in the number of runaway children, in drug use by young people, and in child prostitution. Today there are more homeless children in Russia than there were in 1921 after our Civil War. And 18,000 children are serving sentences in reformatories. The tragic fate affecting many children is the result of mass impoverishment. According to official statistics, more than a third of the population lives below the poverty level. There is the recurring spymania and the recently revealed circular of the Russian Academy of Sciences obliging scientists and scholars to report (once again!) to their

bosses their contacts with Western colleagues and any plans to publish abroad or receive grants from foreign sources. Truly, "what goes around, comes around."

2. THE USE OF FINANCIAL AND LEGAL PRESSURE TO CURB THE INDEPENDENT MEDIA —TELEVISION, RADIO, AND THE PRESS

We still haven't seen the end of the crushing of the Independent Television Company (NTV) as well as Media-Most's press holdings. This will be followed, judging from actions of the Procurator's Office, by the destruction of TV Channel 6 and the Echo of Moscow radio station. The situation is even more catastrophic in the provinces, where, in addition to the financial and legal pressures leading to the closing of local newspapers, radio and television, there are frequent reports of threats to, beatings of and sometimes even murders of independent journalists. Furthermore, I do not know of a single case when investigation of such crimes has resulted in the conviction of the perpetrators. Recent examples of the persecution of independent journalists was the trial in Belgograd of Olga Kitova and the scheduling of a second trial of Grigory Pasko. In short, the proclamation in the Universal Declaration of Human Rights that everyone has the right to "receive and impart information and ideas through any media" is being violated in Russia today.

3. THE CHECHEN WAR

In Chechnya, mass violations of the rights of the civilian population—looting, "cleansing" of villages, torture, imprisonment in pits, extrajudicial executions, including shooting of children—are continuing. The military authorities are trying to cut off access to information about Chechnya and to interfere in every possible way with the work of the Red Cross, Amnesty International, the Memorial Society, and other humanitarian organizations. Investigations of mass crimes against civilians are sabotaged. Independent investigators are not permitted access to the investigations of mass burial sites. According to official statistics, more than 3,000 Russian soldiers have died in the second Chechen war. No one knows how many civilians have perished. There are no statistics on civilian deaths. These should include not just those killed directly during military operations, but those who have died from cold and disease as well as the majority of those who have been detained during "cleansing" actions and then have vanished without a trace. In time the bodies of some "disappeared" persons have turned up in the mass graves of the executed. The situation of Chechen refugees is going from bad to worse. According to the numbers recently published by the State Commission on Statistics, there are 77,000 refugees in Russia, mostly migrants from Kazakhstan and the other Central Asian Republics. Chechens are not included in that figure. This is the result of a technicality—only a person arriving from a foreign country is considered to be a refugee. In this way tens of thousands of Chechens, who fled bombing, shelling, and other horrors of the war, who have lost their homes, their possessions, and often family and friends, are not counted as refugees and are thereby deprived of the right to choose their place of residence within Russia and the right to international assistance and defense. The temporary camps for displaced persons in Ingushetia are filled beyond capacity. People survive in them only thanks to the assistance of international humanitarian organizations. Russian government representatives, instead of helping these organizations, do everything

possible to hinder their work and to compel the return of the exhausted, half-starved, often diseased people to Chechnya. But no one can guarantee that they will be safe there. The Chechens fear—with good reason—that they will be left without shelter, food or humanitarian assistance. They fear robbery, violence, and the continual "cleansing" actions, during which practically all adult and adolescent males are detained. The genocide of the Chechen nation is continuing. On May 25, 2001, the Russian National Committee to End the War and Make Peace in the Chechen Republic received a letter from Aslan Maskhadov, President of Chechnya, in which he has again confirmed that he is ready to engage in peace negotiations without preconditions. I ask that this letter be included in the record together with my testimony.

OPEN APPEAL OF THE PRESIDENT OF THE CHECHEN REPUBLIC ICHKERIA TO THE RUSSIAN NATIONAL COMMITTEE TO END THE WAR AND MAKE PEACE IN THE CHECHEN REPUBLIC

First of all, I would like to thank the world renowned human rights advocates who signed the appeal of "The Russian National Committee to End the War and Make Peace in the Chechen Republic" for their courage, for their firm civic stand, and for their humane and civilized perspective on the situation in Chechnya. I would like once again to call to the attention of President Putin, the people of Russia and the world at large that no one has gained and no one can gain from this war and from our many years of conflict. People on both sides are dying, and instead of constructive development, we see only havoc and destruction. Enormous material resources have been allocated, supposedly for rebuilding, but they have disappeared no one knows where, and whatever was rebuilt after the first war is being destroyed once again. We are caught in a vicious circle which we cannot and must not ignore. I am convinced that we can resolve our differences in the interests of our peoples if only both leaders have a sincere desire to do so and are willing to listen to each other with open minds. This war has benefited neither Russians nor Chechens and only aggravates our mutual relations which were complicated enough already. I assure you that we Chechens derive no pleasure from this war. We are fighting not for the first time to save our nation from genocide, from the barbaric "scorched earth" strategy which has been employed by Russia against the Chechen people for 300 years. I was chosen by the Chechen people to be President of the Republic by means of a legitimate election monitored by Russian as well as international observers. Neither I nor the true sons of the fatherland who have joined me in our struggle against aggression, against the monstrous and repeated violence suffered by the Chechen people, are bandits or terrorists. The very accusation is blasphemous and cynical. I ask and insist that the choice of my people be respected, that they be given the right to decide for themselves who will be their leader and what will be the character of their state and government. From the very beginning of the current war I have repeatedly stated that we are taking the wrong road to settle our mutual relations. We have already tried this road and nothing good has come of it. Revenge, hatred, punitive measures do not lead anywhere. It is impossible to resolve international or interethnic conflicts in this way. History has demonstrated this on more than one occasion. This road brings grief, suffering, and great hardship to all the peoples involved and provokes still more mutual resentment and hatred. I offered to sit down at the negotiating

table even during the full-scale war which Russia has been waging against my people, falsely depicting it as a "counterterrorist operation." I suggested that we decide all contested issues in a civilized manner and declared myself ready, given appropriate evidence, to conduct a joint struggle to suppress the terrorism, drugs and banditry infesting the Chechen Republic and other regions as well. As President of the Republic, I needed then and need now to engage in dialogue with the Russian leadership. I am quite sure that Boris Yeltsin sees many issues of our mutual relations in a different light today than he did when he was President of Russia. Much could have been done otherwise, but the scales are tilted again toward the use of force because continued chaos and lawlessness make it easier for certain people to acquire property, to grow rich, to rise in rank and office. History and geography oblige us to accept compromises in our mutual relations and the bloody outcome of our past interactions is the best evidence that we have been on the wrong track. Until now, however strange it may seem, no one has tried to base their dealings with the Chechens on a good neighbor policy, on the principles of mutual respect and recognition of our lawful claim to this land. I know my people and I am confident that Russia would gain a reliable and loyal neighbor if it instituted equitable relations with us. But so far, no one has tried to settle all the outstanding issues on the basis of a good neighbor policy. Instead, Russian generals and politicians have indulged in wishful thinking, they have twisted facts and wildly distorted reality, giving these a nationalistic, great power spin, and thereby provoking both the first and second Russian-Chechen wars. After the first war, our Republic lay in ruins, our people were impoverished. We tried to repair our relations with Russia. I know this and Boris Yeltsin knows this. But instead of assistance and support we were subjected to the full range of the Russian special services' subversive operations. That was not the kind of help we should have had. Now we need a new approach. When the first war began, the presidents were Boris Yeltsin and Jokhar Dudaev. Now they are Vladimir Putin and Aslan Maskhadov. The consequences of these two wars are not at all what the past and current presidents anticipated. We need a fresh approach. I cannot accept the present state of affairs which only aggravates the conflict and hatred between our peoples. That is not my way. For the sake of my people's future, despite everything that has happened, I sincerely believe that the Chechen and Russian peoples will have to reach an accommodation. I officially declare that I am ready to sit down at the negotiating table with the Russian leaders and to engage in a dialogue about peace without prior conditions. Whatever the outcome of these talks, I am convinced that the future of our peoples depends on mutual respect and understanding. If we don't succeed in achieving this, others will do so in the future. And whoever they may be, they will go down in history as wise statesmen and leaders.

Repectfully,
Aslan Maskhadov
President of the Chechen Republic Ichkeria

The appeal of the Russian National Committee to End the War and Make Peace in the Chechen Republic called upon Presidents Putin and Maskhadov to proclaim a cease-fire and open peace negotiations. Persons signing the appeal included: Ruslan Aushev, President of Ingushetia; Sergei Kovalev, Boris Nadezhdin, Yuli Rybakov, and Sergei Yushenkov,

deputies of the Russian State Duma; Victor Astafiev, Andrei Bitov, Victor Erofeyev, Felix Svetov, Alexander Tkachenko and Arkady Vaksberg, members of the Russian PEN center; and Elena Bonner, Oleg Orlov, Lev Ponomarev, and Yuri Samodurov, representatives of the Russian human rights community.

**PREPARED SUBMISSION OF PAUL GOBLE,
DIRECTOR OF COMMUNICATIONS,
RADIO FREE EUROPE AND RADIO LIBERTY**

THE DREAM OF NAPOLEON

A Soviet-era anecdote has resurfaced in recent weeks in Moscow. According to the story, Napoleon returns from the dead and attends a Soviet May Day parade in Red Square. As he watches the heavily armed troops, tanks, and missiles go by, a big smile appears on his face. A Soviet citizen notes this and says "Emperor, obviously you are thinking that if you had had such weapons, you would have won at Waterloo." "No," Napoleon replies. "I'm thinking that if I had had a newspaper like your Pravda, no one would ever have known that I lost." That story has suggested itself because of moves by the Russian government under President Vladimir Putin to gain unchallenged control of the electronic media most Russians now rely on, to reverse one of the greatest gains the Russian people have made since the fall of communism, and to set the stage for a creeping authoritarianism that threatens all the other freedoms which cannot thrive without freedom of the press. In the year since Vladimir Putin became president of the Russian Federation, hopes both there and in the West that Russia would continue to move in the direction of democracy and free markets have been largely dashed both by what he has done and what those in his country appear increasingly prepared to accept. Nowhere has that retreat from the progress of the Yeltsin years been greater than in the area of press freedom. President Putin has shown himself unwilling to tolerate any criticism of himself or his government, and he has moved both to intimidate journalists and take control of the most important media outlets. But his ability to do so reflects two other disturbing realities: The Russian media were never as free as many in the West had thought, and the Russian people were not as interested in or supportive of media freedom as many in the West had expected. When Putin came to power by Yeltsin's sleight of hand at the beginning of 2000, the Russian media were already in difficult straits. Privatization had not lead to media freedom. Instead, in the absence of a population with enough money to purchase newspapers and of an advertising sector capable of supporting media outlets, both electronic and print media had fallen into the hands of the oligarchs, most of whom were former Soviet officials who viewed the press as a weapon in the struggle for power rather than as a means of communicating information to the population at large. And because the oligarchs had acquired their property largely through illegal collusion with the state and because these properties were typically monopolies or oligopolies both before and after privatization, these "new Russians" as they have come to be called continue to be dependent on the state and therefore can be manipulated by it. Those who try to resist in any way—Boris Berezovsky and Vladimir Gusinsky are the most obvious—find themselves subject to the full power of the state and have been pushed out of the media scene. As a result, the Russian government now controls virtually all the electronic media from which most Russians get their news. This situation was both compounded and made possible by developments in the journalistic community itself. After enjoying unprec-

* The views expressed here are Mr. Goble's own.

edented respect and remuneration during the period of "glasnost" under Soviet President Mikhail Gorbachev, journalists fell on hard times during the 1990s. Their status tumbled along with their salaries, and by the later part of that decade, they were earning an average of around $50 a month. In that situation, they frequently sold their stories to the highest bidder, a situation that has become so nearly universal that an entire new jargon has emerged in the Russian language to describe it. Because this practice is so widespread, it has further reduced their credibility and the support they had enjoyed from their audiences and readerships earlier. And that in turn has only led ever more of the best and the brightest to look to other careers than journalism, a vicious circle from which Russia shows no signs of escaping anytime soon. Putin came to power in this context. Unlike Boris Yeltsin who generally backed media freedom despite everything else, Putin, a former KGB lieutenant colonel and communist, had little reason to like the press even if he could still claim that he was interested in market reforms. Within two weeks of taking office as acting president, Putin showed his true media colors, not only appearing to be behind the arrest of RFE/RL correspondent Andrei Babitsky for his reporting in Chechnya but also presiding over a comic opera "transfer" of Babitsky to "Chechen rebels" and telling interviewers that Babitsky and those of his ilk were "more dangerous" than Chechen gunmen. Some people at the time blamed all this on Putin's newness to office, his supposed inexperience with the media. But the events of the last year have proven them wrong. Putin has taken a series of actions, all of which show him to be an enemy of the free media. Among the most egregious:

Putin and his government have presided over a country that international journalist organizations now say is the third most dangerous place on earth for people in the media. During 2000, several journalists were killed in Russia and their attackers remain at large. Far more were beaten up or threatened by thugs who appear to have close ties to the regime.

Putin and his government have promulgated an information security doctrine that puts the state in charge of all media activities, calls for restrictions on Internet access, and creates a new Kremlin bureaucracy to oversee the right thinking of the population through the press.

Putin and his government have hounded the two most important owners of independent media into exile and potential bankruptcy, forcing both Boris Berezovsky and Vladimir Gusinsky to yield most if not all of their media positions.

Putin and his government have restored Soviet-era symbols and actions, including the creation of a patriotic propaganda campaign system and of a Kremlin-financed propaganda apparatus. He has also overseen the return of the Soviet practice of denying paper to newspapers that print something he doesn't like and of denying electric power to radio and television outlets that carry stories he finds offensive.

Putin and his government have used their powers to reward those owners, editors, and journalists who cooperate and to punish those who don't by giving or denying access not only to cover the Chechen war but also to cover events in Moscow itself.

This list could easily be extended, but the point is clear. Unlike Yeltsin and unlike the leaders of democratic countries, Putin does not want a free press. Instead of viewing it as an integral part of a civil society, Putin sees it as an annoyance, as something to be silenced or bent to his

will. Many of Putin's defenders argue that no leader likes to be criticized. That is certainly true. Indeed, none of us likes criticism. But leaders who believe in democracy accept that criticism is part of the system, More to the point, they understand that in the words of Thomas Jefferson, without a free press, there will not long be a free congress. And that is precisely the point: Putin's attacks on the press both frontal and more underhanded are not an end in themselves. They are part of his attack on Russia's chance to move from an authoritarian past to a democratic future. Putin has made it clear again and again that he is in favor of reviving the Russian state, of rebuilding what he calls "the vertical power" as part of a process of restoring the majesty of Russia. No one can argue that rebuilding the power of the state is wrong: under Yeltsin, the Russian state had disintegrated to the point that many people were saying that it had become a failed state in many ways like Somalia. More to the point, no one can argue that Russians buffeted by the difficulties of the post-Soviet decade would respond other than positively to such a call. But—and here is the problem—there are many ways to rebuild the state in Russia or anywhere else. Putin has chosen to do it by attacking what is always the foundation of a free society—the free press—and he has done it with a remarkable degree of support from Russians as a whole. According to the results of a poll taken in November 2000, 49 percent of Russians—nearly one in every two—believe that the reimposition of censorship would be a good thing for the government to do. Four months later, that number rose to 57 percent. Both statistics are far higher than only a few years ago, and together they constitute a dangerous trend. Moreover, this shift in Russian attitudes has been paralleled by a shift in Western ones, with the latter increasingly believing that if Russia becomes a free market economy all other issues will be taken resolved as well. There appear to be three reasons for this entirely unexpected development. First, many Russians are simply deferring to Putin and his anti-media campaign. It is easy to go along with the new leader, especially one who has managed to advertise himself as more vigorous and effective than his predecessor. Indeed, many people appear to think that supporting the media is a kind of anti-Kremlin measure that they do not want to be a part of. Second, the quality of the media has deteriorated both because of underlying market forces and because of the actions of Putin himself. At a time when many Russians are still suffering from the transition from communism, they have not only less money but less reason to look to the media for anything other than entertainment. They are thus less likely than before to want to defend the media or care about the fate of broadcast or print news. Moreover, the Russian media now enjoys significantly less support from and respect by its Western counterparts, a trend that also appears headed toward becoming a vicious circle as well. And third, many Russians, accustomed to the cheerleading of the press in Soviet times and appalled by the conditions that the Russian media now report, are less and less concerned that the media tell the truth. A recent poll suggested that many Russians now believe that the government not only has a right but an obligation to distort coverage on certain topics, not just prevent coverage but actively to manage it. In every society, people understand that there are things no government can or should allow to be openly discussed —such as how to manufacture a nuclear weapon—but that is something very different than supporting open distortion of coverage of ongoing events. In this environment, there

are nonetheless a few positive developments. Some newspapers, a few radio stations, and an occasional television broadcast do perform according to the highest standards of international journalism. Moreover, an advertising sector is reemerging after the ravages of the economic collapse of August 1998. And some journalists and editors appear to be increasingly concerned about their image and their responsibilities. But such developments are being overwhelmed by Putin's campaign and especially by the population's apparent indifference. A decade ago, the media could rally people to its side and mobilize people to march in its defense. That achievement helped end communism and start Russia's troubled transition toward democracy. But now the media in Russia do not have that power. Worse, they do not appear likely to regain it anytime soon. As a result, few listeners and readers are likely to do much to protest if Putin continues his crackdown against the press, something Putin knows well but that many in the West have so far failed to understand. And that makes it incumbent on us in the West to speak out lest the dream of Napoleon once more come true in Russia.

**PREPARED SUBMISSION OF DR. EMIL PAIN,
GALINA STAROVOITOVA FELLOW ON HUMAN RIGHTS AND CONFLICT RESOLUTION,
KENNAN INSTITUTE AT THE WOODROW WILSON CENTER**

ON RUSSIA'S MILITARY CAMPAIGN IN THE CHECHEN REPUBLIC

Russia's two military campaigns in the Chechen Republic in 1994-1996 and the present one that began in 1999 are tragedies for both the Chechen people and the whole of Russia. In his time President Yeltsin called the war in Chechnya "his biggest mistake." Unfortunately the new Russian leadership is repeating and worsening it. It has been trapped by some illusions or inadequate information on the situation in Chechnya. The Russian army has no chance of victory in this war. It has already dragged on more than a year, and according to official statistics the monthly losses of the Russian troops are greater than in the first campaign. It is likely that the losses among the civilians are higher as well.

Even in a purely military sense, there is little probability of a victory for Moscow, but this is especially true regarding the utopian idea of winning an "economic victory" in Chechnya. It means turning the Chechen population to the Russian side through the economic restoration of Chechnya. How is it possible to restore industry in Chechnya if more than 80 percent of it was concentrated in peaceful times in Grozny, which is now completely destroyed? Even by official Russian statistics one third of all rebels are concentrated in this city and it is namely here that Russian troops constantly suffer the most losses.

The army cannot be located for long in a hostile occupied territory. It will begin to demoralize. Demoralization of 100 thousand Russian troops in Chechnya is already displaying itself. With every month of the war a larger part of the home country population becomes dissatisfied with it. And sociological opinion polls show that this change is taking place. If in the beginning of 2001 more than 60 percent of respondents supported the continuation of the war until final victory, in May less than 40 percent still did. The longer the war goes on, the more the government demonstrates its weakness, which in turn weakens the governing of the country as a whole. Sooner or later the Russian leadership will have to enter into negotiations with the leaders of the Chechen resistance, but the continuation of the war worsens the conditions for such negotiations.

Continuation of military operations leads to a greater involvement of civilians in the fighting. The casualties grow and the savagery of both sides grows as well. In this type of conflict it is incorrect to talk of the guilt of only one side. One cannot demonize Russia and idealize the Chechen rebels. Among them are people who bear a great part of the responsibility for this war; there are people among them that are without question properly called international terrorists. But that is the problem: the longer the war lasts, the greater is the influence of radicals in the rebel camp.

The Russian leadership still has a chance to begin a dialogue with the moderate forces in the Chechen armed resistance grouped around President Maskhadov.

The continuation of military operations and the growth of violations of the rules of war will unavoidably increase the attention of the international community and international institutions to the "Chechen problem". In my opinion international organizations must, above all else, help the Russian government understand that continual reliance on force to solve the Chechen problem is self-defeating. The examples of Azerbaijan, Georgia, Moldova, Israel and many other countries that have similar problems may not be ideal, but they do show that even in places where the political solution to ethnic conflict has not been reached, the cessation of military operations is still necessary to achieve a political solution to the problem of self determination of peoples.

International organizations can influence Russia only if it is included in their work. Any attempts of political isolation of Russia are counterproductive.

A useful initiative from international organizations to solve the Chechen problem will be the creation of international expert groups, that will of course include Russian and Chechen experts, to develop mutually acceptable formulas for escaping the present conflict.

Thank you, Mr. Chairman.

SUBMISSION OF BORIS JORDAN, GENERAL DIRECTOR, NTV

Thank you for inviting me to participate in the Helsinki Commission's hearings on the state of human rights in Russia, and particularly the events surrounding the change in management of the Russian television network NTV. I am especially grateful for this opportunity because I believe that NTV is one of the most important components of Russia's independent media, and its rehabilitation is essential to maintaining and improving the quality of human rights in Russia. Since assuming control of NTV in April, I have endeavored to rebuild it into a truly independent and professional news and entertainment company. However, to be truly independent, NTV must be permanently unchained from both the editorial and financial influence of the Russian state.

I cannot accomplish that unless NTV is also freed of the stigma cast upon it by Vladimir Gusinsky in the months since he lost control of the company. It is essential for the Commission to recognize that NTV has been and remains the victim of Mr. Gusinsky's practice of trading favorable media coverage for investment monies. The record is clear that Mr. Gusinsky, in league with Russian state financial institutions, crippled NTV with debts that it could not hope to repay. Moreover, as the press has reported, Mr. Gusinsky was able to accumulate these massive debts precisely because he was willing to trade favorable press coverage for state funds and loan guarantees. Therefore, to the extent that the freedom of expression in Russia is diminished or imperiled by the current condition of NTV, the Commission must understand that Mr. Gusinsky and his colleagues are responsible for this state of affairs.

I am intent on establishing NTV's independence both by putting it on a sound financial footing and by ensuring the freedom of its editorial voice. If I may, I would like to explain to the Commission how NTV came to its current condition, what efforts the new NTV board of directors is undertaking to improve NTV's standing, and how these efforts are critical to the maintenance of free expression in Russia.

MR. GUSINSKY TRADED FAVORABLE PRESS COVERAGE FOR STATE-SPONSORED LOANS

Mr. Gusinsky would have the world believe that he is being persecuted for building an independent and critical media voice. That is an utter falsehood. It is widely known that Mr. Gusinsky built his media empire up by trading media influence for Kremlin support, and in turn parlaying his Kremlin support into investments. This practice reached its peak during Mr. Yeltsin's 1996 presidential campaign, a fact that Mr. Gusinsky himself admits. Last summer, Mr. Gusinsky said that Media MOST became a major media power following the 1996 elections, when the Kremlin gave him a license for daytime broadcasting as a reward for his services in helping get Mr. Yeltsin re-elected. Mr. Gusinsky's deputy, Igor Malashenko, who today campaigns in defense of Media MOST, was at that time Mr. Yeltsin's campaign manager while he was also serving as the General Director of NTV. There can be no more direct evidence of Mr. Gusinsky's willing lack of editorial independence. As Mr. Gusinsky himself said, "I was part of the team that in 1996 gave birth to this system. Believe me, today I have to a large extent re-assessed this process. If I could enter the same water twice, we would have behaved the same during the 1996 elections as we behaved in 1999 and 2000. But unfortunately, time flows only one way."

(Andrei Zolotov, Jr., "Gusinsky: Kremlin Tried To Bribe Me," *St. Petersburg Times*, #573, June 2,2000.) Mr. Gusinsky has also acknowledged that he used his organization to attack Mr. Yeltsin when Mr. Gusinsky did not receive political favors that he felt were his due after the presidential election. NTV's Chief Editor at the time, Mr. Kiselyov, has also admitted that NTV was placed in the service of particular political interests when it served Mr. Gusinsky's agenda. Therefore, although NTV may have at certain times criticized the government under Mr. Gusinsky's leadership, it is ridiculous for anyone to suggest that such criticism was the act of an independent and objective media outlet. When Mr. Gusinsky has been candid, even he has admitted that this was not the case.

Given that Mr. Gusinsky owed his very broadcasting license to his efforts in service of Mr. Yeltsin, it is particularly galling for NTV to now suffer his current media campaign, wherein NTV is depicted as the once free vassal of a newly repressive Russian state. Mr. Gusinsky would have everyone ignore the fact that he operated NTV as a mercenary of the State and other paying interests. Indeed, since my appointment, I have been approached by numerous Russian entities that have requested that I ensure that NTV does not broadcast negative information or that we broadcast positive information regarding their businesses in return for personal payments of millions of dollars. I have rejected such offers. However, I have received confirmation from both inside and outside NTV that such offers were routinely accepted by the previous management. As far as I can tell, up to $50 million per year in revenues came from such "black advertising" or payments by politicians and business executives in exchange for positive or non-critical coverage. This is the legacy left by Mr. Gusinsky that NTV's new management must overcome. It is therefore my sincere hope that the irony of Mr. Gusinsky's rhetoric is not lost on the Commission.

MR. GUSINSKY LEFT NTV INSOLVENT

I first met with representatives of NTV's two other principal shareholders, Gazprom Media and Capital Group, in March of this year to discuss NTV's critical financial situation. Gazprom Media is the media holding company established by Russia's dominant natural gas company, Gazprom. Capital Group is a highly regarded American private investment fund. At that point, Gazprom Media and Capital Group together owned slightly over 50 percent of NTV's shares. Mr. Gusinsky's Media MOST holding company owned the remainder. At the time of that meeting, NTV was insolvent. Because of my business and financial background, I was asked to lead NTV under a new Western-style management group and to arrange for a necessary infusion of new capital. On April 3,2001, NTV's shareholders elected a new board of directors and appointed me as NTV's General Director.

As you may know, I am also involved with the Sputnik Group, one of Russia's largest private equity funds. I have been a part of the Russian business and investing community for nearly ten years, and I have participated in some of its most important developments. I was a founder of Renaissance Capital, which is one of the first and most prominent Russian investment banks. I built Renaissance Capital into Russia's first full-service financial institution, serving a diverse base of international and Russian blue chip clients. I first came to Russia with CS First Boston and before that I worked on Wall Street for Kidder Peabody

& Co. I am also an American citizen, born and raised on Long Island and educated at New York University. It is this unique combination of training and experience—in both Russia and the United States—that I bring to the current effort to rehabilitate NTV.

Eleven days after the new board was elected and I was appointed as General Director, we were able to gain access to financial information relating to NTV and Media MOST, including drafts of NTV's unsigned audit statements for 1999 and 2000 prepared by PricewaterhouseCoopers. Mr. Gusinsky never completed or presented these statements to NTV's shareholders. 'When I received these draft audits, it was immediately clear that NTV was not, in accounting terms, a "going concern." Over the last four years, NTV accumulated a loss of approximately $62 million. In addition, the company has been in arrears in its broadcasting fees, rents, and many suppliers, subcontractors and employees had gone unpaid for months. All told, at the time of the change in control, Mr. Gusinsky had burdened NTV with more than $100 million in debt.

Ironically, despite borrowing so much money, NTV was under-investing in content purchases in 2000: specifically, the number of acquired movies dropped by more than 50 percent in 2000, compared to 1999; overdue payables to Russian content suppliers—some of which have not been paid for more than a year—exceed $2 million; overdue payables to international content suppliers amount to another $1.4 million; and only $3.2 million of the planned $5.1 million was spent in the first quarter of 2000 for new content.

Further, NTV was never run as a viable business. Mr. Gusinsky did not practice proper budgeting or financial planning, and what financial plans did exist for 2001 provided for negative cash flow; i.e., there was no plan to pay for the expenses coming due this year. Despite this obvious disconnect between revenues and debt, expenses, salaries and perquisites at NTV were unreasonably lavish. For instance, twenty NTV journalists were paid salaries in excess of $300,000 per year, and some of NTV's money was loaned to its employees. As a matter of business realities, NTV should never have had such high overheads and debts. Likewise, the figures released this month by Media MOST to the Financial Tints show substantial overheads from Mr. Gusinsky's parent company, including up to $20 million per year in salaries for a head office of around 600 employees, as well as airplane leasing costs of $11 million and legal and audit fees of $5 million in 2000. (See Andrew Jack, "Gazprom Stuggles With A Media Legacy," *Financial Times*, June 5, 2001.)

These business decisions were made with no regard to the realities of the Russian media market. Therefore, it should come as no surprise that under Mr. Gusinsky's leadership NTV registered a profit in only one quarter since in was founded in 1993. Since 1997, Mr. Gusinsky has amassed $1.6 billion of debt, virtually none of which was ever repaid in cash; Mr. Gusinsky instead preferred to swap his debts for questionably valued pieces of his companies. To date, the Media MOST group has converted $571 million of its debt into equity. It has also written off $168 million in exchange for government securities. However, that still leaves more than $857 million in borrowings outstanding on Media MOST's balance sheet. As a simple matter of finances, this massive indebtedness is the reason that Gazprom and Capital Group found it

necessary to appoint new management at NTV. It was clear from Mr. Gusinsky's past practices that he will never pay his debts, including the $261 million coming due to Gazprom in July.

Nor should the Commission be left with the impression that Mr. Gusinsky only left large lenders such as Gazprom in the lurch. In reality, Mr. Gusinsky also left NTV with debts to many small independent television producers and other journalists, thereby damaging their livelihoods as well as NTV. During Gusinsky's tenure, NTV failed to pay numerous program suppliers, and even many of its own employees.. Mr. Gusinsky's unprofessional and ethically questionable practices were therefore a scourge on much of the Russian media market.

NTV's insolvency is clearly the result of an intentional scheme by Mr. Gusinsky to saddle all of the Media MOST companies with more debts than they could possibly repay. The basic and irrefutable facts of the Russian television industry show the deliberate folly of Mr. Gusinsky's excessive borrowing. The annual Russian commercial advertising market in electronic media does not exceed approximately $350—$400 million per year. NTV's legitimate advertising revenues before the management change were less than $100 million per year. Clearly that is not large enough to serve as the basis to pay the debts that Mr. Gusinsky so indiscriminately heaped upon NTV and his other companies, debts which arguably exceed the entire value of the Russian television industry.

In sum, it is Mr. Gusinsky who bears the blame for compromising the independence of NTV. Mr. Gusinsky left NTV extremely vulnerable by his assumption of colossal debts coupled with his inability and unwillingness to repay them. The predicament that Mr. Gusinsky created for NTV is extremely serious. Article 99 of the Russian Civil Code states that if the net assets of a joint-stock company are lower than the minimum amount of charter capital required bylaw, the company must be liquidated. Mr. Gusinsky left NTV without the necessary capital, and the threat to its existence as an organization financially independent of the State is therefore imminent unless we can secure additional funding on an urgent basis.

THE CHANGE IN MANAGEMENT AT NTV WAS LAWFUL AND PEACEFUL

There have been serious misrepresentations in the media about the way the change in management at NTV occurred. Some have wrongfully characterized it as a forceful takeover at the urging of the Russian government. I want the record to be clear that the new NTV board of directors assumed control of the station peacefully, lawfully and by the will of NTV's shareholders. These are the facts: Following the April 3rd shareholders' meeting, former NTV general director Evgeniy Kiselyov and a few of his close associates launched a protest and declared that they would block me and my team from entering NTV headquarters. When my attorneys conveyed my request for access to NTV's records, Mr. Kiselyov denied the request and asked my attorneys to leave the premises. These same persons disrupted normal NTV programming and uttered a number of obscenities on the air. Just as in the United States, these unprofessional acts violated the station's federal .broadcasting license. These same persons then cancelled commercials in breach of NTV's agreements with its advertisers, which resulted in a material loss of advertising revenue for the company. When I learned,

around midnight on April 13th, that these protestors were removing television equipment belonging to NTV, along with the news department's archives, I directed my Deputy General Director to prevent the theft and to protect the station, but also to avoid confrontation. My Deputy, together with a few attorneys, personal assistants, and ten unarmed private security personnel peacefully entered NTV's premises that night. Upon entering NTV, they discovered that Mr. Kiselyov and his associates had illegally diverted NTV's broadcast signal to TNT, another television station owned by Mr. Gusinsky's group.

Contrary to media reports which have tended to repeat early and inaccurate accounts, force was never used and no government officials or security forces were involved. My Deputy General Director and his assistants were admitted by NTV security guards after they were shown various legal documents which verified our right to enter the premises, including orders signed by me under the official seal of NTV. In other words, NTV was voluntarily turned over to its new management in recognition of the legal authority of the new board to assume control of the station. I cannot stress heavily enough that the change in management at NTV took place peacefully and at all times in compliance with the law. I can confidently say that such a change of control, as the result of a legitimate vote of the majority of NTV's shareholders, would have passed muster if it had taken place in the United States.

NTV IS ESSENTIAL TO THE MAINTENANCE AND IMPROVEMENT OF HUMAN RIGHTS IN RUSSIA

Despite Mr. Gusinsky's legacies of debt and influence peddling, I believe that NTV can be rehabilitated to realize its true potential as an independent voice. I know that the Helsinki Commission is particularly concerned with the death and destruction that continues to occur in Chechnya. NTV's reporting of the Chechnya crisis has been an essential part of the Russian human rights equation. By bringing to light the abuses occurring there, I think it is fair to say that NTV has served as an engine for human rights reform.

What has been getting lost in the current media battle over NTV, however, is the fact that NTV's reporting on the Chechnya crisis continues the professional investigation and analysis that characterized NTV's coverage before the change in control. In fact, the team of NTV reporters covering Chechnya remains the same. As I have said all along, I only ask that the world judge NTV by its actions, and not by rumors or speculation. I encourage you and the Commission to review the enclosed articles which trace NTV's recent reporting on various issues within Russia, including its continued reporting of the events occurring in Chechnya. I think you will find that NTV's reporting continues to be objective, professional and, most importantly, critical.

I AM TAKING THE MOST EFFECTIVE STEPS POSSIBLE TO ENSURE NTV'S EDITORIAL INDEPENDENCE

Perhaps one of the most concrete illustrations of NTV's commitment to editorial independence is the fact that on April 25, 2001, NTV's own journalists elected Tatiana Mitkova as NTV's Chief News Editor. Ms. Mitkova is an award-winning journalist who is held in the highest regard for her reporting and news analyses, and she has the true credentials of an independent journalist. In 1991, she was fired from her position as a producer and correspondent for Soviet State Television after

she refused to read a government-influenced statement sanitizing the storming of a television tower in Vilnius, Lithuania by Soviet forces, during which more than a dozen protesters were killed. That same year, Ms. Mitkova won an award for "outstanding professionalism" by the Committee to Protect Journalists, and in 1994 she was awarded a medal by the President of Lithuania in recognition of her actions during the attack. Her acceptance of the editorial helm of NTV should be a cause for confidence that NTV is taking the most meaningful steps possible toward creating an editorially independent and professional media outlet.

The Commission should also know that not a single NTV journalist has been fired, including the journalists who reported stories critical of President Putin for the Russian government's actions in Chechnya. Moreover, less than one-third of the members of NTV's news department have resigned since April 3rd. In fact, eight members of the news staff have officially returned and more are expected to return in the near future.

Above all, I want the Commission to understand that I am thoroughly committed to establishing NTV's editorial independence. As I have informed NTV's shareholders, I shall immediately resign if there is any attempt to influence NTV's editorial independence or journalistic freedom. I cannot think of any way to make my intention more clear.

I am working to ensure NTV's financial independence.

Ultimately, NTV has little chance of surviving as an independent editorial voice unless a viable business model is put into place. That is exactly what I intend to do. My agenda is to improve NTV's profitability and build it into Russia's leading independent media company. Perhaps the most effective means by which I can ensure NTV's editorial independence is by establishing its economic independence. My mandate is to run NTV as a business, to make its operations profitable and to attract strategic foreign investment to enable NTV to become a world-class network.

Accordingly, we have embarked on an ambitious yet sensible program to establish NTV's independence. We have begun the task of carrying out a proper audit of the company, the first in two years. That audit has been published under Russian Statutory Accounting Principles, and is now being completed in accordance with U.S. Generally Accepted Accounting Principles. We are also creating a budget with a detailed balance sheet and cash flow statements, another essential feature of a professional organization which will be new to NTV. We are also streamlining operations and reducing out-of-control costs. But the Commission needs to appreciate just how far NTV must go to overcome Mr. Gusinsky's fleecing of his own companies. My first task was to pay hundreds of thousands of dollars in outstanding employee salaries and debts to program producers. My second will be to raise more that $20 million to cover the outstanding costs of our foreign bureaus. NTV was left entirely without resources, and therefore needs to be able to bring itself current before it can move forward.

Unfortunately, even today Mr. Gusinsky plots to strip NTV's resources away from it through various court actions in Russia.

I hope that this statement sheds light on those parts of this dispute that have not received sufficient attention. I also encourage you to address any questions you may have to me and my colleagues at NTV. You will find NTV's new management to be much more forthcoming and open than its previous handlers.

This is a U.S. Government publication produced by the **Commission on Security and Cooperation in Europe (CSCE).**

★★★

This publication is intended to inform interested individuals and organizations about developments within and among the participating States of the Organization for Security and Cooperation in Europe (OSCE).

★★★

★★★

Visit our site on the World Wide Web at

http://www.csce.gov

The Commission's web site, http://www.csce.gov, provides instant access to the agency's latest press releases and reports on recent hearings and briefings in addition to an electronic subscription service. Using the Commission's subscription page, readers with e-mail may choose to receive press releases, notices, reports and other documents on issues in which they are most interested. Please subscribe today.