

A desperate Yeltsin seeks help from Bush

by William Jones

An air of nervous desperation hung over the fourth visit of Boris Yeltsin to the United States, his first official state visit as President of an independent Russia. Earlier, coming as a private citizen, and the rival to Soviet President Mikhail Gorbachov, Yeltsin was shunted through back rooms and snubbed by the Bush administration, which was then infatuated with Gorbachov. In his visit last year, as the first elected President of the Russian Federation, he was received at the White House, although many people were still banking on a comeback by the former Soviet leader. When Yeltsin came on June 15-19, to sign a major arms agreement, he was now the object of everyone's attention, seen by many as the last hope for a democratic Russia, as well as the last hope for a Russia willing to submit to International Monetary Fund (IMF) conditionalities.

It was clear that one of the primary goals of the visit was to signal his government's intent to continue the "shock therapy" program, dictated by the IMF. Shortly before leaving Moscow, Yeltsin promoted "shock therapy" economist Yegor Gaidar from deputy prime minister to "acting prime minister," then whisked him away to accompany him to Washington. The move was supposed to reassure the western banking community and the White House. Some doubt had arisen earlier when Yeltsin named Vladimir Shumeiko, a spokesman of the military-industrial complex (which has resisted Gaidar's policy), to be deputy prime minister, a rank equal to Gaidar's, and promoted a number of individuals of similar backgrounds to top posts.

This, combined with delays in carrying out the "shock therapy," had caused some western bankers to fret about whether the Russian government was serious about obeying the IMF. The Yeltsin economic program had been approved by the IMF directors at the end of April when Gaidar pre-

sented it to the IMF Interim Committee here in Washington. This gave the go-ahead for the \$24 billion aid package promised Russia by the Group of Seven—aid which would be distributed through the IMF and only on condition that Russia come to terms with the IMF on an austerity program.

In the face of growing social discontent and a more turbulent political opposition, Yeltsin has not been able to meet all the IMF demands. The planned liberalization of energy prices was put on hold, social services have not been cut as savagely as intended, and privatization of state industry has been stalled. Shumeiko's rise merely underlined the deals Yeltsin has made in order to stay in power. More importantly, on the domestic front, like Gorbachov before him, Yeltsin has still to convince all parties that western aid is forthcoming.

Friction with the IMF

The friction between Russia and the IMF came to the fore one day before Yeltsin's arrival in Washington, at the annual meeting of the Bretton Woods Committee (an outfit set up in 1984 to lobby Congress to continue U.S. funding of the IMF). At this meeting, Yeltsin's Harvard adviser, Jeffrey Sachs, argued that the IMF must reach an accord with Russia soon or the Yeltsin government would be in trouble. IMF Managing Director Michel Camdessus was unmoved by Sachs's pleas and demanded full adherence to the IMF program before aid is dispensed. Part of Yeltsin's mission was to convince President Bush of the need to get the IMF to soften its demands on Russia. In order to secure Bush's support on the economic front, Yeltsin was ready to make dramatic concessions in the area of arms control.

A secondary, but for Yeltsin personally important, part of his trip, was to unseat Mikhail Gorbachov in American public opinion as the Russian "liberator." Shortly before Yeltsin ar-

rived, Gorbachov visited the United States with well-publicized meetings with George Bush, Ronald Reagan, and others. Determined to squelch any renewed Gorbymania, Yeltsin revealed that American POWs from the Korean and Vietnam wars had been held in Russia, one of whom, Yeltsin indicated, might still be alive. Since the POW-MIA issue has been fanned for years with reported sightings of Americans missing in action (MIAs) in Vietnam, Yeltsin's statements fell like a bombshell. The issue had been part of discussions with the former Soviet Union and its President, Mikhail Gorbachov; if what Yeltsin said was true, this meant that Gorbachov had lied. Yeltsin brought the point home in his speech to a joint session of Congress on June 17. "No more lies, ever," said Yeltsin. He did not need to name the liar.

After talks between the two Presidents on June 16, they announced an agreement which called for dramatic cuts in both nations' nuclear forces. Yeltsin agreed to eliminate all MIRVed nuclear weapons in the Soviet arsenal, the land-based SS-18s and SS-24s—although some observers note that the production facilities for the SS-18s and SS-24s are in Ukraine, making their replacement somewhat problematic. The United States would reduce the number of MIRVed warheads on its sea-based Trident submarines by 50%, eliminate 50 MX missiles, and cut the number of warheads on the Minuteman III from three to one. The treaty also calls for a reduction of the number of warheads to 3,800-4,250 in a first stage, and then to a limit of 3,000-3,500 warheads by the year 2003, or, if Russia receives further aid from the U.S. to dismantle its weapons, by the year 2000.

This, observers note, would allow the U.S. to keep the 3,500 warheads desired by the Pentagon rather than the 3,000 level that Yeltsin wants to bring the Russians down to. Just before leaving for the United States, Yeltsin had told Russian military leaders that he would not accept U.S. demands that Russia eliminate its land-based multiple-warhead missiles and accused Bush of seeking "a more advantageous position" in the talks. And yet he did eliminate those missiles, even breaching the once sacrosanct "parity" with the United States. If this was the political price Yeltsin paid to get the U.S. behind the needed aid package, he may have some explaining to do when he returns to Moscow.

The new relationship established with Yeltsin was not without benefits to the White House. Although Bush is not as comfortable with the Russian leader as he was with the former Soviet leader, he needs Yeltsin's help to obtain Russian consent to any future U.S. military actions in quelling the various regional crises, which have become a trademark of this new "order." The Charter for American-Russian Partnership and Friendship signed by the two leaders calls for a "series of initiatives to strengthen European conflict prevention, management, and settlement mechanisms and to create a credible Euro-Atlantic peacekeeping capability." Very few details were released as to their discussion on the Balkans, one of the more pressing regional conflicts, in which numerous voices

are being raised calling for armed intervention.

Bush and Yeltsin also initialed: an agreement for curbing the spread of nuclear, chemical, and biological weapons; a bilateral investment treaty to remove obstacles to foreign investment in Russia; and a space cooperation agreement which envisions the possibility of flying Russian cosmonauts aboard a U.S. Space Shuttle mission scheduled for October 1993 and sending U.S. astronauts on an extended flight aboard the Russian Mir space station in 1993. They discussed the possibility of docking the Space Shuttle with the Mir in 1994 or 1995. The two leaders also signed a statement agreeing to study the feasibility of establishing a joint missile warning system, the first steps toward the "global protection system" called for by Yeltsin before his visit to Washington last year.

Another hurdle which Yeltsin hoped to overcome on his trip to Washington was the U.S. Congress. If Russia is to receive any of the aid promised by the G-7, Congress must approve a \$12 billion increase to the U.S. IMF quota, cleverly embedded in the Russian aid package. This increase is not directly linked to Russia, but without it the IMF will soon run short of money to carry out its plans both in Russia and elsewhere. The day before Yeltsin arrived, Sen. Richard Lugar (R-Ind.) indicated that the votes weren't there in the Senate to approve the quota increase. On June 17, Yeltsin gave a dramatic address before a joint session of the U.S. Congress, where he upbraided them for applauding his work in confronting the tanks before the Russian Parliament, and then dragging their feet on the Russian aid package. The speech may just have swung enough votes to pass the quota increase, although the Yeltsin fever could give way to more pragmatic considerations in this volatile election year.

Shortly before Yeltsin's arrival on June 15, Secretary of State James Baker III said that the IMF should not require that Yeltsin "dot all the i's and cross all the t's" in making Russia swallow "shock therapy." On June 19, administration officials indicated that they feared a delay in signing an accord with the IMF would block the flow of economic assistance and destabilize the Yeltsin government. That day, Yegor Gaidar met with IMF director Michel Camdessus. They issued a joint statement saying that they were "in basic agreement on the crucial objectives of an economic strategy devised to restore and sustain growth in the Russian economy on the basis of a market-oriented system."

One administration official admitted that "if Boris Yeltsin can't succeed on economic reform, he will have a hard time staying as leader in Russia." The U.S. actions to shore up Yeltsin underscore the fear that the relationship may not last. Yeltsin, who did so much to discredit his Soviet predecessor on his trip, ironically finds himself in much the same situation as Gorbachov. Having acceded to the demands of the IMF "shock therapy," Yeltsin faces social upheaval at home and increasing scepticism abroad, and turns to the American President for help. Yeltsin may find that his plea to George Bush won't save him any more than it did his fallen predecessor.