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## **Clinton Presidential Records Mandatory Declassification Review**

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## YELTSIN AND THE STYLE OF RUSSIAN POLITICS

This note examines the background to Yeltsin's problems with the Russian parliament, and makes some suggestions.

The old Soviet Union was a system of networking *par excellence*. Those who rose to the top were very skilled politicians indeed.

The formal structures of the Soviet Union - the "most democratic Constitution in history", a directly elected Supreme Soviet, a Government with a Prime Minister and the normal complement of Ministers, a network of elected local bodies, and a full panoply of courts - all mimicked the institutions of a modern liberal state. They were all of course a sham.

The real network of power was the Communist Party, its Regional Secretaries, its Central Committee, the Politburo, and - with near dictatorial power - the General Secretary. Its "leading role" was enshrined in Brezhnev's revised constitution. But from the start it rigged every election, approved every appointment in industry as well as the administration, shadowed the Government at each turning. Whatever the formal appearances, nobody in the Soviet Union was ever in any doubt about where the real power lay.

Russia has no tradition of constitutional limits on the power of the executive, or of the rule of law: the Russian Chief of Police said in the 1830s that "Laws are written for underlings, not for their bosses". The central political proposition is that of autocracy ("tempered by assassination", as a 19th century observer remarked). Both the Tsars and the General Secretaries were careful to ensure that none of their advisers could combine to limit their power. They surrounded themselves with cronies - the Tsar's courtiers, Stalin's Georgian mafia, Brezhnev's Ukrainians - and deliberately set out to provoke rivalry amongst their entourage. There was no orderly system of Cabinet, nor even a properly organised secretariat for the autocrat himself. Business was conducted on the basis of personal relationships, intrigue in smoke filled rooms, and - in this century - with the bullet and on the telephone.

During the Communist period the Party structure provided a ready-made basis for networking throughout the country. It served for the conduct of corrupt business as well as politics. The typical Russian political phenomenon - in politics and in business - is the antechamber full of petitioners. It is the atmosphere which surrounded a mediaeval or Middle Eastern monarch. For all his break with the past, Gorbachev's style was merely a comparatively benign version of the way in which previous General Secretaries had run the Soviet Union.

Yeltsin, who is the same age as Gorbachev, grew up in the same tradition. His career differed little from that of any other Party bureaucrat: powerful regional boss, brought to Moscow in mid-career by the whim of the General Secretary, bringing his cronies with him from Sverdlovsk. His political style at that time was old-fashioned: bullying, impetuous, autocratic. To get where he did, he must have used the techniques of Communist networking as

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well as the next man. But his challenge to the Politburo in 1987, and Gorbachev's unprecedented willingness to let him retain a political foothold in Moscow, marked a crucial break with the Russian and Communist political tradition, which has never admitted the concept of a loyal opposition. Bukharin once remarked : "Of course we could have a two party system in Russia: but one party would be in power, and the other in prison". Gorbachev's reluctant willingness to accept that this tradition could change may turn out to be one of his main achievements.

Yeltsin played his role as leader of the "loyal opposition" from 1987 to 1991 with great skill. He was the object of a black propoganda campaign by Gorbachev designed to show that he was an irresponsible and erratic drunk. Not all the accusations were unjustified. But he was successful in distancing himself increasingly from the Party and appealing to Russian patriotic sentiment, while avoiding capture by the forces of virulent chauvinism and anti-Semitism which in Russia are never far below the surface. Ordinary Russians loved him precisely because he got drunk, fell into rivers, and hated the Communists - just like they did.

The problem today is that the decay of the networks provided by the Communist Party state within a state has not yet been matched by the growth of robust new political organisations on a national scale. At one time Gorbachev toyed with the idea of splitting the Communist Party into its liberal and conservative fractions, thus creating the basis of a two party system. The reactionaries within the Party prevented him; while the liberal politicians surrounding him - Shevarnadze, Yakovlev and others - failed to ally themselves effectively with the democrats who had got together into loose political groupings distinguished more by common anti-Communist rhetoric than by practicable common policy programmes.

Yeltsin has found the problem of politicking in the post-Communist world as difficult as Gorbachev did. There are no set structures and none of the organisational discipline formerly imposed by the rigid hierarchies of the Party: only the struggle for dominance between individuals and groups, and between Moscow and the provinces. Ever since Yeltsin came to power at the end of 1991 people have suggested forming a "President's party", or an effective democratic party, which could articulate and push through a coherent policy of reform. During the Congress last December Yeltsin announced that he would now set up such party.

Nothing has yet come of it, for reasons which run deep. First, and most important, the lack of a democratic tradition means that Russians have no experience of setting up parties rather than conspiracies. The democratic experiment before the First World War failed partly because the democratic parties spent most of their time quarrelling with oneanother: the democratic groupings in the Supreme Soviet are doing the same. Second, many Russians rationalise this failure on the grounds that Russia has had too much Party government in the last seventy years, and that any attempt to create an effective new party will therefore be deeply unpopular.

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The essence of the constitutional struggle in Russia at present is rather different: it is whether the future political system should be "Presidential" or "Parliamentary". There is an analogy with the struggle between King and Parliament in England in the 17th century: it was only after this issue had been settled in favour of Parliament that modern political parties began to emerge in Britain. The same could be true in Russia.

In this contest, Yeltsin has not been ineffective. Like Gorbachev he certainly spends a good deal of time - perhaps too much - meeting people influential in current Russian politics. Operating through the "President's men" in the Supreme Soviet he has at least held his own with his main opponent, the Parliamentary speaker Khasbulatov. He remains vulnerable to biased and random advice from his cronies. He has recently sacked some of the most unpopular. But he still cannot rely on a coherent and effective body of support within the Supreme Soviet, and his popular appeal is inevitably diminishing as life in Russia gets harder. His position may not be much restored even if the people support Presidential government in the referendum in April, and even if the Parliamentary elections in 1995 sweep out the Communist old guard who were elected in 1990.

#### **What can we do to help?**

What follows is based on the assumption that it is in the West's interest that Russia should not descend into chaos, or reconstitute itself under an authoritarian and potentially aggressive regime.

Genuine political and economic progress in Russia depend on fundamental changes in the political culture. But significant qualitative change is already occurring: the people are now almost universally literate, they live in cities instead of villages, and they are in contact with the outside world through travel, television, radio, and the press. There is a great difference between the Soviet Union in Khrushchev's time and Russia today. Despite the difficulties Russia now faces, all this provides some ground for hope that Russia may indeed be at the beginning of an historic process of modernisation and that a reversion to old patterns of authoritarianism - the nightmare of liberal Russians - will be averted.

There is not all that much that foreigners can do to promote institutional change directly, and not much we can do to teach Yeltsin about political infighting in Moscow. The Russians are if anything getting too much advice. The ultra nationalists claim that the reformers are selling out to the West, which is simply exploiting Russia's present weakness for its own ends. There is the risk of a backlash.

But that does not mean we have to stand idly by. Western political mechanisms cannot of course be applied directly even in a changing Russian reality. But good and tactfully managed schemes are already in place: to give the ablest younger Russians - the rising politicians as well as journalists, academics, and people from the infant world of Russian commerce and finance - the opportunity to work and study in the West; to provide technical

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assistance and training programmes in Russia itself; and to offer discreet advice on Parliamentary and political management. One such scheme - on the reorganisation of central government machinery - draws on expertise from several European countries and had the backing of Yeltsin's Chief of Staff, Yuri Petrov, who has unfortunately recently been sacked. Another modest scheme is successfully helping the Russians to set up a nationwide employment service: vital when economic reform inevitably brings unemployment in its wake. Such schemes need to be multiplied, not only in Moscow but in the provinces as well.

The West must also continue to support the economic reform. This involves not only the provision of humanitarian aid (a short term alleviation of the hardship which reform brings), financial assistance, and debt relief. It also requires policy advice which takes full account of the Russian reality. Some of the advice which has been provided hitherto, by the IMF and others, has been dangerously superficial in its concentration on macroeconomic issues and its failure to grapple with the hideous difficulty of dismantling the Soviet Union's rustbowl defence industry. This accounted for a substantial proportion of the Soviet economy. An orderly scheme of restructuring, offering the hope of alternative employment to the millions of skilled and unskilled people who work in the sector, is a political as well as an economic imperative. The failure by Gaidar and his Western advisers to propose a convincing scheme helped to give the reactionaries their chance at the recent Congress. Western governments, who find it hard enough to dismantle their own rustbowl industries, should be well able to appreciate the underlying politics.

More broadly, we need to help the reformers in Russia demonstrate to their reactionary critics that cooperation with the West is not turning Russia into a mere satellite. It is very important that we should treat Russia as a great, if not a super, power; that we should ensure that Russia is seen to be fully involved in the international decisionmaking process on the great issues such as Bosnia and Iraq; and that the Russian leadership - particularly Yeltsin, Foreign Minister Kozyrev, and Defence Minister Grachev - should be seen by their own people to be treated as full equals by their Western counterparts. Gorbachev was greatly damaged in his last year in power by the popular perception in Russia that he had become a mendicant of the West.

London, 12 January 1993

Sir Rodric Quentin Braithwaite

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British Embassy  
Washington

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21 September 1993

3100 Massachusetts Avenue N.W.  
Washington D.C. 20008-3600

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*From The Ambassador*

The Honorable  
Anthony Lake  
Assistant to the President for  
National Security Affairs  
Room 1/WW  
The White House  
1600 Pennsylvania Avenue NW  
Washington D. C. 20500

Dear Tony,

I have been asked by the Prime Minister to pass to the President the enclosed message on the GATT.

Douglas Hurd

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MESSAGE DATED 21 SEPTEMBER 1993

FROM THE PRIME MINISTER

TO PRESIDENT CLINTON

Dear Bill,

It was useful to have the chance of a word about GATT when you telephoned from Air Force One the other day. This comes from a DC-10 between Tokyo and Kuala Lumpur!

As I was leaving Tokyo this morning, I heard the outcome of the "Jumbo" Council meeting in Brussels at which Douglas Hurd and Gillian Shepherd represented us. It clearly took them a lot of hard pounding, late into the night, to get an acceptable result and make sure that Blair House was not re-opened. It was undoubtedly helpful that you had personally dissuaded a number of European Community heads from going down that road.

Douglas will be able to explain the background more fully to Warren Christopher in their meetings this week in Washington. We are still on track for a conclusion within the 15 December deadline, provided that we stick to the lines which you and I agreed to be essential. Nothing I have heard

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in Japan, and nothing I have seen about the state of the world's economy, causes me to doubt the crucial importance of succeeding, however difficult the end game will be for different countries and constituencies.

The key points to emerge in the Brussels conclusions are that there is no mention of re-opening the Blair House Agreement : the European Community has renewed its commitment to completion by mid-December; the Community's negotiators - Leon Brittan and his colleagues in the European Commission - have not been given a different mandate or fettered; the way is clear for the renewal of the multilateral negotiating process which Peter Sutherland is driving forward in Geneva and to which Leon Brittan is anxious to give new impetus.

But, while we have evidently avoided a fundamental show-down with the French on this occasion, we certainly cannot take their eventual agreement for granted. Edouard Balladur will have genuine political difficulties in carrying his government through to final agreement. The most powerful figure in his own party, Jacques Chirac, veers towards protectionism, and talks of the "desertification of France". The President of the National Assembly, Seguin, is France's leading anti-European. There is a huge head of political steam there. Balladur will remain under enormous pressure to

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do whatever he can to appease the farmers and the larger number of other French people who passionately support the farmers. There seems to be little effective counterweight from the French interests which stand to benefit from an agreement.

I understand that the next step is for Leon Brittan to meet Mickey Kantor again on 27 September to explore ways in which, while preserving Blair House, we can help France to climb down, though it will be far from easy. Just as you were not bluffing when you warned the Community against re-opening Blair House, I am sure that the French are serious in saying that they need something more than mere cosmetics if they are to carry the necessary degree of political support. Indeed, one has only to look at the situation in France to see how difficult it will be for the French Government to climb down, though they did pull back substantially at the Jumbo Council from the more extreme positions they had adopted in advance.

I had a most interesting few days in Tokyo. Hosokawa is out of a different mould, and the political environment has changed considerably even since we were there in July. Hosokawa is clearly still feeling his way on international questions, which is no surprise after only six weeks. But he

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is absolutely determined to press ahead with political reform as his highest priority, and in a slightly more cautious way is moving on the economic front. He could not have been more friendly, and is deliberately adopting a more informal style. I talked to him at length about GATT. It is a priority for the Japanese Government, and I got a clear sense that at the eleventh hour they will do what they have to on rice. He and his colleagues stresses their attachment, as an exporting nation, to free trade as well as their intention to continue opening up the Japanese market.

I think we have now reached the point where all the Geneva participants can reasonably be asked to put their remaining offers on the table and press ahead for the widest possible settlement by mid-December. I shall bend my efforts to this end. I am sure that you will do the same.

Yours sincerely,

John

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Washington

13 October 1993

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*From The Ambassador*

The Honorable  
Anthony Lake  
Assistant to the President for  
National Security Affairs  
Room 1/WW  
The White House  
1600 Pennsylvania Avenue NW  
Washington D. C. 20500

*Dear Tony,*

I have been asked to pass to you the enclosed message from the Prime Minister to the President about COCOM.

*Yours war,*

*Robin*

Robin Renwick

cc : The Hon. Warren Christopher  
Secretary of State

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MESSAGE DATED 12 OCTOBER FROM THE PRIME MINISTER  
TO PRESIDENT CLINTON

BEGINS

Thank you for your message of 9 September about the phasing out of COCOM and about the need for tighter international controls on arms exports and on exports of sensitive technology.

I agree with you that the time has come to bring an end to COCOM. It served us well during the Cold War. But COCOM's complex procedures are no longer necessary for managing our trade with Russia, or the other former Communist countries. I think we can all agree that decisions on sensitive exports to these countries should be a matter for national discretion, as they are for the rest of the world.

You are right that great caution has to be exercised with those states which present a threat to international stability, such as Iran, Iraq, Libya and North Korea. The United Kingdom already operates extremely restrictive policies to all these destinations, as regards both weapons and dual-use goods. We recently tightened our controls on Iran still further. But we would be happy to join in international discussions to ensure that all the major suppliers apply equally tough standards.

Like you, I believe that, as COCOM is phased out, new arrangements are needed to harmonise controls on dual-use goods exported by western countries. These should ensure a

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continuing common basis for our national controls and allow them to be applied, when necessary, elsewhere in the world. I also agree that any new arrangements should be designed to enlist the cooperation of the former Warsaw Pact countries. But I hope that whatever new arrangements we set up avoid any more bureaucratic burdens on our business community. The last thing our exporters need is to fill in more forms.

On the related issue of arms transfers, I think we should try to build up transparency both on a global basis (involving the recipients as well as the suppliers): and through arrangements limited to the principal arms exporters. I remain committed to building up the UN register - which I have strongly supported since the outset.

I am sympathetic to the idea of a new forum for the principal exporters. But we have to target our efforts carefully. Western suppliers generally act responsibly over arms transfers. It is the policies of other suppliers such as Russia, China, Ukraine, Poland and Slovakia which give us real cause for concern. Our aim should be to find a forum which includes them from the start.

I see some practical difficulties in using a successor body to COCOM as this new forum. The present COCOM membership includes some countries which are likely in principle to be against almost all major arms transfers - to the possible detriment of both your and our responsible arm transfer policies.

A possible solution would be to set up parallel procedures, within the overall framework of the new arrangements, for dealing with the differing requirements of

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trade in dual-use goods on the one hand and transfers of arms on the other. In this structure consultations on arms transfers could be limited to the principal Western and Eastern suppliers and focus on the kind of major weapons systems that are covered by the UN register.

I think an arrangement of this kind would meet our common objectives in this area and I look forward to continuing to work with you to achieve an effective international system.

ENDS

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10 DOWNING STREET  
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THE PRIME MINISTER

4 January 1995

We are all beginning to look forward to the Halifax Summit in June. Our sherpas meet later this month to begin preparations. They will be considering, in particular, how to take forward the review of the world's financial and other institutions which we commissioned in Naples.

We have been thinking further about this review, and we will be contributing our ideas shortly. But as you take over the chair for the 1995 summit, I would like to draw your attention to one specific issue.

At Naples, we discussed international financial markets, and expressed a desire for greater market stability. I share that desire. Turbulent financial markets undermine confidence, and damage the prospects for economic growth. But I hope we can all agree, from the outset, that the way to achieve greater financial market stability is above all to secure economic stability in each of our countries. That means following sensible economic policies, which keep inflation low, and which maintain sound public finances. We are already committed to such policies.

There have been calls for Governments to try to influence the currency markets through intervention, or to hold back financial flows by exchange controls or new forms of taxation on financial transactions. In my view, such measures would be both ineffective and damaging, as experience over the past 20 years demonstrates. Global private financial flows have increased

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enormously, so that total stock of foreign exchange reserves held by our seven countries now represents well under half the value of turnover each day in the currency markets. In these circumstances, intervention is increasingly ineffective.

Exchange controls or new taxes would be equally ill-conceived. Countries have been scaling back controls in recent years - we abolished them entirely in the UK 15 years ago, having concluded that such controls damaged the economy, and that increasingly they did not work. The much greater sophistication and global nature of today's financial markets means that virtually any attempt to block or tax particular flows would simply divert them elsewhere. The existence of controls in the 1970s was a major reason why the Euromarkets grew so rapidly.

Moreover, the free international flow of investment, like free trade, brings significant economic gains, and I believe that to reintroduce direct controls of this sort would be damaging, not only to our economies, but also to others. We all want to see the reconstruction of Eastern Europe and the Former Soviet Union, and the further expansion of Asian and Latin American countries. These developments will require large amounts of investment which, already, we have seen that open world capital markets are providing. We should continue to encourage that: greater world prosperity will help our economies, and will buttress political and social stability, to everyone's benefit.

I know personally - as do most of the others in the G7 - how damaging and disruptive exchange market turbulence can be. I have therefore thought hard about ideas put forward for direct action to control it. I do not dismiss them lightly. But I am convinced they are a false solution, and that we would be misleading ourselves if we thought we could help matters by embarking down that road.

I am sending copies of this letter to other G7 colleagues.

Your Ever,  
Jean

The Rt. Hon. Jean Chrétien PC QC MP