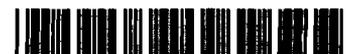


CRS Report for Congress

The Former Soviet Union and U.S. Foreign Assistance in 1992: The Role of Congress

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October 12, 1993



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THE FORMER SOVIET UNION AND U.S. FOREIGN ASSISTANCE IN 1992: THE ROLE OF CONGRESS

SUMMARY

In 1992, Congress played a vital and creative role in what many considered to be the year's most important foreign policy issue -- the question of U.S. assistance to Russia and the other new republics of the former Soviet Union. It approved a series of bills, most prominent of which was the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992. The Freedom Support Act authorized U.S. foreign assistance to the new states and established the policy framework that laid out the criteria for assistance as well as the types of programs and projects to be assisted.

Members of Congress took the lead on this issue by pressuring the Administration to submit a legislative proposal. The House Foreign Affairs Committee even crafted and, on March 24, 1992, introduced its own authorization bill for the region. On April 1, 1992, President Bush announced the Administration's "comprehensive" legislation, the Freedom Support Act.

As Congress debated the Administration bill, attention focused on several key issues. Should the United States assist the former Soviet Union, and, if so, how much money should the country provide? How much freedom should the Administration have to carry out an assistance program for the region? What kind of conditions must the new states meet in order to be eligible for assistance? What specific programs should the U.S. support with its funding?

As the bill moved through committee and floor debate, Congress molded and transformed the Administration bill in critical ways. Unlike the Administration, Congress established specific levels of funding. It placed some restrictions on Administration flexibility. It recommended criteria that countries should follow to be eligible for assistance and established prohibitions on assistance. Finally, Congress listed a range of programs, some of which were recommended, others clear priorities, for adoption by the Administration.

Like most important and controversial legislation, passage of the Freedom Support Act was a process affected by diverse and conflicting interests. The House and Senate took different approaches to the bill. The bipartisan support of congressional leaders was considered crucial to the success of the legislation. Multiple committee jurisdiction was resolved, but not without some friction. Perhaps the most dramatic conflict affecting the legislation was that caused by those who held the bill hostage to the passage of domestic economic legislation.

In the end, Congress produced a policy for the United States to follow in its efforts to influence the former Soviet Union. It supported U.S. efforts to build free markets and democratic systems in the region. And, it insured that it would continue to be involved in the formulation of future policy.

The Freedom Support Act was approved by the Senate on July 2, 1992, by a 76-20 vote. The House approved the bill on August 6, 1992 by a 255-164 vote. The Senate passed the conference report on October 1 and the House followed on October 3. The President signed the Freedom Support Act into law (P.L. 102-511) on October 25.

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NOTE

This report was adapted from an account originally prepared at the request of the House Foreign Affairs Committee as a chapter of the committee's publication, *Congress and Foreign Policy, 1992*. With the committee's permission, the report is made available for general congressional use.

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THE FORMER SOVIET UNION AND U.S. FOREIGN ASSISTANCE IN 1992: THE ROLE OF CONGRESS

INTRODUCTION

When the 102nd Congress reconvened for its second session in January 1992 it faced a very different world than had been the case at the end of the previous session. In December 1991, the Soviet Union had formally ceased to exist, replaced by 12 newly independent states whose political and economic systems were in varying states of confusion and instability.¹ Four of the states still housed nuclear weapons. Many bordered parts of the world that were of strategic interest to the United States. One remained the world's largest nation, possessing enormous wealth in natural and human resources, still potentially a powerful political force and valuable trade partner.

How the United States should respond to these new entities was likely the most important foreign policy question of the year. The foreign aid program afforded Congress an especially strong role in the initiation and formulation of that response. Wielding its authorization and, especially, its appropriation powers in the foreign aid process, Congress has often used the program to influence the direction of U.S. foreign policy. In this case, as it sought to exercise its foreign aid muscle, it found itself at times in conflict with the executive branch and, even at times, in conflict with itself. As always, the general political environment, dominated by the impending Presidential and congressional election, was a factor in the deliberations and posturing.

This report discusses the key role Congress played in formulating an aid program for the former Soviet Union in 1992. Focusing on tensions in the political and legislative system, it delineates congressional achievements -- chief of which was the Freedom Support Act. The legislation that was ultimately produced became the basis on which future debate would be conducted regarding how the United States could continue to influence events in the former Soviet Union and assist its transition to an open market economy and democratic institutions.

¹ The three Baltic states, never recognized by the United States as republics of the Soviet Union, are considered part of central and eastern Europe and are now dealt with separately by the U.S. Government.

CONGRESSIONAL ACHIEVEMENTS IN 1992

Events in the former Soviet Union (FSU) were the prime foreign policy issue for Congress in 1992. Congressional interest in the new states of the former Soviet Union and interest in finding ways to assist their evolution toward democracy and free markets was evident in the wealth of hearings held by numerous committees, the considerable time spent on floor speeches and debate, and, most important, in the amount of legislation submitted and approved.

THE LEGISLATIVE RECORD

In 1992, Congress produced a number of discrete pieces of legislation regarding the former Soviet Union. Most provided assistance.

- The Further Continuing Appropriations for FY 1992 authorized the President to utilize existing Economic Support Fund (ESF) account resources to provide humanitarian and technical assistance aid to the FSU. It also repealed the 1974 Stevenson/Byrd amendment to the Export-Import Bank Act of 1945 restricting export credits to the FSU.²
- Continuing a practice established the previous year, the Department of Defense Authorization for FY 1993 authorized \$400 million to assist in the storage, transport, and destruction of Soviet nuclear and chemical weapons. It also authorized nuclear waste disposal activities, military-to-military contacts, use of retired U.S. soldiers to assist infrastructure needs, Project Peace, and civilian scientist research and development projects.³
- The Department of Defense Appropriations for FY 1993 appropriated funds to carry out most of the activities in the defense authorization bill.⁴
- The Freedom Support Act authorized a broad range of humanitarian, technical assistance, nonproliferation, and other activities for the FSU in FY 1993.⁵
- The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993, appropriated funds for the humanitarian

² H.J. Res. 456, P.L. 102-266, signed into law April 1, 1992.

³ H.R. 5006, P.L. 102-484, signed into law October 23, 1992.

⁴ H.R. 5504, P.L. 102-396, signed into law October 6, 1992.

⁵ S. 2532, P.L. 102-511, signed into law October 24, 1992.

and technical assistance activities authorized in the Freedom Support Act.⁶

- The Commerce, Justice, and State Appropriations for FY 1993 appropriated funds for the U.S. Information Agency (USIA) and State Department programs authorized under the Freedom Support Act.⁷

THE FREEDOM SUPPORT ACT

Of all the aid legislation approved by Congress in 1992 and signed by the President into law, the Freedom Support Act received the most public attention and stimulated the most controversy and debate within Congress.⁸ The Freedom Support Act was a focus of congressional concern, because it was intended by the Administration to be the centerpiece legislation regarding U.S. assistance to the new republics of the region. The Bush Administration hailed it as a comprehensive policy framework for future U.S. relations with the new states. And, in fact, its various parts encapsulated all types of assistance, including those debated concurrently in the context of the defense authorization and appropriations bills. President Bush called this effort to assist the former Soviet Union "the most important foreign policy opportunity of our time".⁹

Congress treated the legislation as a matter of great consequence. Chairman of the House Foreign Affairs Subcommittee on Europe Lee Hamilton called it, "by far the most important foreign policy vote that most members will cast in their careers in the Congress."¹⁰ House Republican Whip Newt Gingrich compared the vote to congressional adoption of the Marshall Plan in 1948 and said the vote "may well be as important a vote as any of us will ever cast."¹¹ Chairman of the Senate Foreign Relations Committee Claiborne Pell called the Act, "the most important piece" of foreign policy legislation dealt with by the Committee during the 102nd Congress.¹²

⁶ H.R. 5368, P.L. 102-391, signed into law October 6, 1992.

⁷ H.R. 5678, P.L. 102-395, signed into law October 6, 1992.

⁸ The Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 or FREEDOM Support Act is more commonly referred to as the Freedom Support Act, and this report will follow that usage.

⁹ Quoted in New York Times, April 10, 1992.

¹⁰ Speaking to the House Rules Committee, August 5, 1992, quoted in the New York Times, August 6, 1992, A10.

¹¹ The New York Times, August 7, 1992, p. A1.

¹² Congressional Record, October 8, 1992, S17764.

The Freedom Support Act represented an important statement by Congress on a number of levels. First, it was a statement of congressional support for an activist foreign policy approach to the region with foreign assistance as the instrument of policy. Some members rejected the idea of providing assistance until the newly independent states had conclusively adopted a market economy and democratic systems; others felt the United States would be better off spending money on U.S. domestic programs during a time of recession; and still others rejected any foreign aid. The majority of Congress, however, agreed that the United States could not sit by and do nothing while the country that had dominated U.S. national security policy for more than four decades was possibly changing in the direction the United States had long sought.

Second, the Freedom Support Act was a vehicle for Congress itself to participate actively and substantively in the formulation of policy vis-a-vis the former Soviet Union. The final version of the Act approved in October was substantially different from the draft proposed by the President in April. At that time, President Bush requested a significant degree of flexibility in determining what programs to fund, the amount of funding, and the conditions of funding. Although it left the President with much discretionary authority, Congress did establish the objectives of U.S. aid, set specific amounts of aid, laid out a list of specific types of programs it would like funded, and set conditions for the new states to follow in order to be eligible for assistance.

Finally, the Act signalled a change in the character of U.S. aid to the region: from a period of ad hoc assistance, characterized by delivery of agricultural commodity credit guarantees and food and medical aid, to a long term development effort, characterized by provision of technical assistance in a variety of sectors and by U.S. private sector investment support.

As noted above, the Freedom Support Act was not the only piece of legislation to emerge from the debate on how to assist the former Soviet Union. It was, however, the center of attention and chief focus of the debate. The legislation contained elements of all the other legislation that was approved on this subject in 1992. The debate on it was more extensive and covered the whole range of related issues that concerned Congress.

Two major conflicts characterized the debate on and formulation of the Freedom Support Act. In one, Congress and the Administration frequently rubbed against each other as they both sought to formulate a policy and programs for the region. In the other, elements within Congress representing different points of view contended with each other to achieve their objectives. How a legislative program emerged from these various contending forces is discussed below.

CONGRESS LEADS

Time and again in 1992, Congress took the initiative in formulating a new U.S. policy toward the former Soviet Union. This action occurred largely through development of foreign assistance legislation but also through speeches and hearings that might shape public opinion. It can be argued that the prominent voice wielded by individual members, and then by Congress as a whole, ultimately helped to move what had been a largely inert U.S. Government toward active measures in support of FSU efforts to build democracy and free market economies.

EVENTS PRIOR TO 1992

As 1992 commenced, Congress had already begun to establish itself as a major player on Soviet aid, because many believed the Bush Administration was unwilling to take the lead on the issue. Since late 1990, Administration responses to events in the Soviet Union appeared ad hoc in nature. Although the Bush Administration had adopted the goal of supporting reformist President Mikhail Gorbachev in his "perestroika" program, it did not pronounce any large-scale or comprehensive aid program to demonstrate that support.¹³

The first aid initiative came in December 1990. Responding to an urgent request from Foreign Minister Shevardnadze for food and medical assistance, President Bush offered up to \$1 billion in Commodity Credit Corporation (CCC) agricultural credit guarantees -- U.S. guarantees of short-term three year loans at market rates. The President also made available \$300 million of Eximbank credits for purchase of U.S. goods. Technical assistance grants to improve food distribution and implement economic reforms and \$5 million in disaster relief medical assistance were also offered. Thereafter, until the attempted coup in August 1991, the Administration periodically extended additional medical aid or agricultural credit guarantees.¹⁴

The Bush Administration reacted with some caution following Gorbachev's recovery of power. It resumed release of credits promised before the coup attempt, but did not offer new assistance until November 20, 1991, when it

¹³ For a more comprehensive overview of congressional activity during 1991 with regard to the former Soviet Union, see Jim Nichol, Congress and the Transformation of the Soviet Union. May 14, 1992. CRS Report 92-441.

¹⁴ On February 6, 1991, medical aid was pledged to the Baltic states following military crackdown and bloodshed there in January. On June 12, 1991, in response to Soviet request, another \$1.5 billion in agriculture credit guarantees was offered.

announced a further \$1.25 billion in agricultural credit guarantees and \$165 million in grant food aid.¹⁵

Following the coup attempt, some Members of Congress grew increasingly restive as they watched the Administration do what they believed was much too little to encourage democratic forces in the Soviet Union. On August 27, 1991, House Majority Leader Gephardt repeated a proposal that the United States provide \$3 billion a year in credits and technical assistance in return for economic reforms. On August 28, Chairman of the House Armed Services Committee, Les Aspin, suggested that \$1 billion be drawn from the defense budget for emergency humanitarian assistance. His argument was that with thousands of nuclear weapons still in Soviet hands and dispersed among several republics with independence movements and ethnic conflicts, Soviet political stability had become a critical factor in U.S. national security.

Soon after, Chairman of the Senate Armed Services Committee, Senator Sam Nunn, united with his House counterpart to draft a proposal that would allocate \$1 billion of defense money for the Soviet Union. Part of the funds would go toward the humanitarian uses favored by Representative Aspin, and part would be used as Senator Nunn proposed, to help the Soviets dismantle nuclear weapons and convert their defense industry to civilian uses. The Administration was consulted throughout the discussions but declined to take a position on the initiative.

Despite this agreement by these senior congressional leaders, the proposal as originally constructed was dropped, and it briefly appeared that any assistance would be out of the question. A declining U.S. economy coupled with White House resistance to extending unemployment benefits helped to create this temporary impasse by stimulating public opposition to foreign aid. House Members seemed to sense the public mood first. Although the House approved a foreign aid authorization bill by a large margin in June and it appeared that Congress would enact a bill for the first time since 1985, the conference report on the bill was rejected by the House on October 30, 1991.

In the following week, Democrat Harris Wofford defeated the highly favored Republican candidate, former Attorney General Richard Thornburgh, in a special election for a seat in the U.S. Senate. A theme of Wofford's campaign

¹⁵ Roughly 96% of the \$4.2 billion in U.S. assistance offered between December 1990 and November 20, 1991, had been in the form of export credits or guarantees. This form of assistance was criticized by Senator Leahy as "a stopgap measure and not a long-term policy." Senator Leahy, Chairman of the Foreign Operations Subcommittee and the Agriculture Committee, considered CCC credits as deceptive, "piecemeal foreign aid" and "a disguised foreign aid package" because of the high risk that the loans would not be repaid. He suggested the Administration adopt a more honest approach and come to the American people with a coherent Soviet aid policy. This is one reason he gave for delaying consideration of the foreign aid appropriations bill for FY 1992. Speech in Congressional Record, November 20, 1991, S17097.

had been that it was time to stop taking care of the rest of the world's problems and attend to the economic recession at home. Viewed as a vote against foreign aid, the election elicited a number of congressional proposals to divert foreign aid funds to domestic purposes and inspired Democrats to attack President Bush for spending too much time on foreign affairs.¹⁶

Although this mood argued against any new assistance initiatives, events in the Soviet Union coupled with a renewed push by a bipartisan group of senior Senators brought about a dramatic shift in course. By late November, the Soviet Union appeared headed for dissolution with thousands of nuclear weapons potentially out of control in the impending chaos. For many, U.S. national security was endangered. With a growing sense of urgency, senior Members sought the reincarnation of the Aspin-Nunn proposal, this time as a bipartisan effort confined to helping the Soviet Union dismantle and store its chemical and nuclear weapons. On November 25, 1991, what was now the Nunn-Lugar amendment to H.R. 3807 was adopted by the Senate on an 86-8 vote. It authorized \$500 million for weapons' dismantlement. An amendment sponsored by Senator Boren authorizing \$200 million for use of U.S. military aircraft to provide humanitarian food and medical aid was adopted on an 87-7 vote. The House approved the measure included in the conference report on H.R. 3807 on November 27.¹⁷ In the end, the Appropriations Committee provided \$400 million to support the nuclear effort and \$100 million for the airlift.¹⁸

Reportedly discouraged by the Pennsylvania election, the White House was silent during the entire train of events leading to the Nunn-Lugar amendment and did not endorse the plan. However, on December 12, four days after the creation of the Commonwealth of Independent States, Secretary of State James Baker outlined a series of actions the United States intended to pursue to help safeguard or destroy Soviet nuclear and other weapons, to establish democratic institutions, to stabilize the economic situation, and to overcome dire food and medical shortages. These actions included doubling the amount of medical assistance thus far provided, sending food stocks left from the Gulf War to regions in particular need, augmenting ongoing USIA programs, working with Congress to establish Peace Corps programs in some republics, and launching a \$100 million technical assistance program. Deputy Secretary of State Lawrence Eagleburger was named U.S. Coordinator for U.S. assistance efforts

¹⁶ See Larry Q. Nowels, *Foreign Assistance: International Challenges, Domestic Concerns, Decisions Deferred*. April 17, 1992. CRS Report 92-371 F.

¹⁷ H.R. 3807, the Conventional Forces in Europe Treaty Implementation Act of 1991 was signed into law as P.L. 102-228 on December 12, 1991.

¹⁸ In the Dire Emergency Supplemental Appropriations Bill, H.J. Res. 157 (P.L. 102-229, signed into law on December 12, 1991).

toward the former Soviet Union.¹⁹ To divide the labor and responsibilities involved in undertaking an effort to assist the region, the Administration proposed to host an international conference in January 1992 consisting of all potential donor states and institutions.

The Bush Administration now appeared to be moving toward a more aggressive policy. Nevertheless, in the week following Secretary Baker's address, members of Congress lined up to criticize the administration for "dragging its heels" in response to the disintegration of the Soviet Union. Representative Aspin suggested that the President had lost valuable tools for responding to the crisis in the region by his failure to support the original Aspin-Nunn \$1 billion program that would have provided funds for foodstuffs and medical supplies. Senator Lugar complained about the lack of vigorous action on the nuclear disarmament issue. And Senator Biden, Chairman of the Senate Foreign Relations Subcommittee on European Affairs, complained that the Administration was moving too slowly on all fronts.²⁰

JANUARY - MARCH 1992

The first three months of 1992 continued the scenario established in December. Although the Administration made a number of highly visible moves to provide assistance, it was repeatedly criticized by Members of Congress for not doing enough and not providing a comprehensive policy to frame its actions and provide a rationale for congressional and public support.

On January 22-23, 1992, the Administration convened a conference of the foreign ministers of 47 potential donor governments and representatives of 7 international organizations to discuss coordination of assistance activities for the former Soviet Union. The conference focused on five key areas: food, medicine, energy, shelter, and technical assistance. Working groups were established to develop a plan of action and to decide on next steps to be taken in these priority areas.

In opening the conference, President Bush announced that the United States would provide \$645 million in additional assistance. Most of these funds -- \$620 million -- were requested under the FY 1993 annual international affairs budget which was submitted in January 1992. \$150 million of this sum was expected to come from supplemental spending to be included in either a FY 1992 appropriations bill still not passed by the Senate or a further continuing

¹⁹ He delegated much of this responsibility to Ambassador Richard L. Armitage, the deputy coordinator.

²⁰ "Bush Reaction to Soviets Criticized", Washington Post, December 20, 1991.

resolution.²¹ The funds would largely go toward technical assistance programs. In addition, on February 10, the Administration launched Operation Provide Hope, an airlift of emergency food and medical shipments to the FSU. Sixty five flights by the U.S. Air Force carried some \$28 million in Defense Department surplus food stocks as well as surplus medical supplies to 11 republics and 24 cities.

Despite this policy turnabout that now saw the Bush Administration taking a leadership role in supporting international assistance efforts and in proposing a significant long-term assistance program, critics in Congress complained that the Administration was still too slow in implementing programs using funds appropriated during the previous autumn. Some aid supporters also warned that the White House could expect some resistance to the new proposal in Congress in view of the prevailing public conviction that insufficient attention was being paid to domestic needs. House Majority Leader Gephardt favored the proposal, but only if the President would "finally take the lead in selling it to the American people, explaining to them why it is in their self-interest and helping them to understand that this is not the end but the beginning if we are to seize this great moment."²² Even the international aid conference faced ridicule. "Another fancy seminar on these topics is too little, too late," said Senator Biden.²³

A pivotal moment came when former President Richard Nixon spoke on March 11, focusing on America's role in the newly emerging world order. He criticized the trend toward isolationism that he believed had appeared in both political parties. He called for a substantial program of assistance for Russia from the United States, Europe, and Japan. And he pointedly noted the parallel between Harry Truman and the early origins of the Marshall Plan in 1947 and contemporary events that challenged President Bush in 1992: both faced opposing political party domination of Congress, an anti-foreign aid mood, and an impending election. In the days preceding the speech, Nixon had circulated a memo among foreign affairs experts that more directly attacked the Bush Administration program of assistance as being "a pathetically inadequate response in light of the opportunities and dangers we face in the crisis in the former Soviet Union."²⁴

²¹ The remaining \$25 million was presumably derived from available FY 1992 USAID disaster assistance funds for medical assistance. By February 5, 1992, in his testimony before the Senate Foreign Relations Committee, and in future public statements, Secretary Baker referred to the President's request for \$620 million. No official mention of the original \$645 million proposal was made again.

²² New York Times, January 23, 1992, p. A1, A8. Washington Post, January 23, 1992, p. 1.

²³ Quoted in National Journal, February 22, 1992. p. 450.

²⁴ New York Times, March 10, 1992, p. A1, A10.

Because of the former President's Republican credentials and recognized expertise in foreign affairs, his speech received considerable media attention and stimulated numerous editorials and op ed pieces. However, on the same day as the Nixon speech, key members of Congress had also stepped forward again to express their support for a more aggressive aid program. A bipartisan group led by Senators Nunn and Lugar came out with recommendations that would encourage U.S. private investment and facilitate defense conversion. Democratic members of the Senate Foreign Relations Committee told Ambassador to Russia Robert Strauss that they would support a larger aid program if the Administration would actively lobby Republican members on its behalf.²⁵ The bipartisan nature of congressional support for an aid package was emphasized during the next few weeks. As one Senator pointed out, "We have a rare situation now in the Senate. Leaders of both parties, key Democrats and Republicans on the Armed Services Committee, the Foreign Relations Committee, and the Appropriations Committee, have publicly invited President Bush to ask explicitly for the support that Russia needs to survive and remain stable....Bipartisan support is waiting....Yet, the Presidential leadership is lacking."²⁶

Meanwhile Congress had begun to move forward on its own with legislation providing assistance to the FSU. The House Foreign Affairs Committee, also on March 11, approved draft legislation authorizing assistance to the FSU. Introduced on March 24, H.R. 4547, the Transition to Democracy in the Former Soviet Republics Act of 1992, authorized \$150 million for FY 1992 and \$350 million for FY 1993, matching the President's January aid request for FSU humanitarian and technical assistance.²⁷ Forerunner and probable prototype of the Administration's Freedom Support Act, the bill would amend the foreign assistance act of 1961 making it U.S. policy to facilitate economic and political reform in the FSU through provision of foreign assistance. Like its successor legislation, it laid out basic criteria for allocating aid and established a number of program objectives such as promotion of environmental protection and encouraging demilitarization.

In addition, on March 31, the House approved a further continuing appropriations bill for foreign aid, H.J. Res. 456, by a vote of 275-131. The Senate approved the bill by a vote of 84-16 on April 1 and it was signed into law the same day.²⁸ This bill repealed the Stevenson and Byrd amendments restricting export credits to the FSU and made available FY 1992 humanitarian and technical assistance funds for the region. Although in its January request the Administration had hoped to obtain \$150 million in new appropriations for

²⁵ Congressional Quarterly, March 14, 1992, p. 625-626.

²⁶ Senator Carl Levin, Congressional Record, March 18, 1992, S3803.

²⁷ The January request also consisted of \$100 million in ESF and \$20 million in PL480, Title II funds.

²⁸ P.L. 102-266.

this purpose, Congress only allowed the President to draw from existing Economic Support Fund (ESF) resources. In the end, the Administration reprogrammed the full \$150, thereby diminishing available ESF resources for other countries.

APRIL 1: THE PRESIDENT'S PROPOSAL

Repeatedly criticized throughout the early part of 1992 for not acting aggressively enough to promote an aid program for the former Soviet Union, the Administration began to formulate an initiative, unveiled at a meeting with congressional leaders at the White House and later at a news conference on April 1.²⁹ The package had a number of components.

- The President announced his plan to send to Congress legislation -- the Freedom for Russia and the Emerging Eurasian Democracies and Open Markets Support Act of 1992.
- The President and Administration officials noted a number of other steps, not included in but associated with the legislative proposal. At his news conference, the President pledged an additional \$1.1 billion in agriculture credit guarantees. To support activities authorized in the proposed legislation, the Administration reiterated its FY 1992 and FY 1993 foreign aid request of \$620 million in humanitarian and technical assistance. Unspecified amounts of assistance provided through the Overseas Private Investment Corporation (OPIC), the Export-Import Bank, and other U.S. trade and aid programs were also expected to be provided as a result of the overall policy effort.
- The new aid package was framed within the context of a larger effort by major Western industrial nations (the G-7), the World Bank, and the International Monetary Fund. On April 1, President Bush and

²⁹ According to Senator Lugar, "it was not until about 10 days before the introduction of [the Freedom Support Act] that the Secretary of State made a decision to proceed to begin asking his staff to draw up a bill. It was barely a few days before the Presidential announcement, the President himself tried to make a decision whether to proceed, not in terms of the details of this, or the nuances, but whether even to make an initiative at all." Publicly, administration officials claimed that the Nixon speech and a desire to assist Yeltsin prior to a Congress of People's Deputies meeting were two key factors in the speed and timing of the announcement. However, many believe the Administration hurried to complete its aid package and announce it on April 1, because Democratic presidential candidate Bill Clinton was scheduled to deliver a major foreign policy speech at the Foreign Policy Association in New York on that day, in which he was expected and in fact did call for an increased package of aid for the FSU. Washington Post, April 9, 1992, p. A20; New York Times, April 5, 1992; New York Times, April 9, 1992, p. A1; Senator Lugar at Joint Hearing on Aid to the Former Soviet Union, Committee on Agriculture and Subcommittee on Foreign Operations, Committee on Appropriations, May 6, 1992, p. 32.

German Prime Minister Kohl announced that, in all, donors would provide \$24 billion in assistance to Russia. The United States was expected to contribute roughly \$4.5 billion, or one-fifth of the total -- \$1.5 billion of a \$6 billion ruble stabilization fund, \$1.0 billion of \$4.5 billion in IMF and World Bank loans, and \$2 billion of an \$11 billion contribution in bilateral aid.³⁰

The Freedom Support Act, sent to Congress on April 3 and introduced as S. 2532, was, in the view of Secretary Baker, "a very, very broad and comprehensive piece of legislation....It cuts across the board of many, many activities that we will be able to assist [the new republics] in -- establishing their freedom, maintaining their democracy, converting to the free market, humanitarian assistance, nuclear safety responsibility, dismantling and disarming of nuclear weapons, technical assistance of the micro-economic type, technical assistance of democracy programs, person-to-person programs, America houses, Eurasia foundations, exchanges, stabilization, support for additional stabilization funds up to \$3 billion there in the bill, the elimination of many, many of the old cold war legislative restrictions on having contact with and doing business with the former Soviet Union. So it's a lot bigger than just money, but there is a lot of money involved.....And as much as anything else, it makes a major political statement about our commitment to assist the process of reform and democratization with real money."³¹

What President Bush called "a comprehensive and integrated legislative package" contained several important features, including the following.

- It defined U.S. policy toward the FSU, including the advancement of efforts to integrate the republics into the community of nations, support for economic and political reform through assistance, and the promotion of U.S. trade and investment in the region.
- It provided broad authority to conduct a range of assistance activities and programs.

³⁰ The U.S. contribution of \$2 billion in bilateral aid was expected to be composed of \$1.05 billion in CCC agricultural credit guarantees, \$218 million in humanitarian and food assistance already delivered in 1992, \$171 million in Export-Import Bank loan guarantees, and \$620 million in additional credit, guarantee and insurance commitments from the Eximbank, CCC, and OPIC that would be funded in FY 1993 and disbursed in calendar year 1992. Because the G-7 package was aimed at supporting imports and stabilizing the ruble, only those parts of the President's April 1 proposal that would help relieve these two problems were counted as the U.S. contribution towards the G-7 plan. For this reason -- and because the \$24 billion G-7 package was intended for Russia alone -- not all of the Administration assistance proposals were part of the broader G-7 package.

³¹ Secretary of State James Baker on MacNeil/Lehrer Newshour, April 1, 1992.

- It authorized an estimated \$12 billion increase in the U.S. quota in the IMF that had been recommended by the IMF in June 1990 in order to meet the anticipated needs of Eastern Europe. It was expected now to give the IMF sufficient funds to enable it to provide assistance to the new republics.
- It supported U.S. participation in currency stabilization funds proposed by the G-7 for Russia and other FSU states, allowing a commitment of up to \$3 billion for this purpose.
- It eliminated legislative restrictions affecting the FSU's eligibility for aid and trade.
- It sought greater flexibility in certain agricultural assistance programs, expanding the criteria on which eligibility for loan guarantees was based.
- It expanded the range of activities that could be undertaken utilizing Nunn-Lugar defense budget funds to include defense conversion, nuclear reactor safety, and nonproliferation efforts.

Ironically, despite all the calls for a formal aid program, the Administration could have pursued most of its assistance programs without congressional approval of the Freedom Support Act. Many of the technical assistance activities that were authorized under the Act were, in fact, already being formulated and implemented; most proposed activities fit within existing authority granted by the Foreign Assistance Act of 1961. An authorization and appropriation for the \$3 billion for currency stabilization funds was not required, because the funds were already available through the IMF's "General Arrangements to Borrow" (GAB) in which the United States was a participant. In addition, many of the Cold War restrictions that would be eliminated by the Act could simply be waived by the President. The main feature of the Freedom Support Act that did require congressional approval was the IMF quota increase that was not intended to go in its entirety to the FSU.³² Because of the size of this request, the quota increase became one of the most disputatious aspects of the debate on passage of the Act. In the final analysis, therefore, the legislative proposal was more an effort to establish congressional and public support for an assistance program than a condition for further action.

The Freedom Support Act was a means for rallying Congress and public opinion around U.S. support for an important foreign policy agenda. However, in the view of many, congressional support was equally necessary to the Administration for domestic political reasons in order to protect the President from the stigma of being alone in supporting foreign aid. Nevertheless,

³² The quota increase capitalized the IMF. The funds were completely untargeted with no guarantee at all that any of it would go to the FSU. In fact, funding for the FSU was added as a justification well after the size of the quota increase was set and the process of obtaining congressional approval begun.

Members of Congress repeatedly made it clear that it would take Presidential leadership to push the legislation through Congress, Democrats being equally reluctant to take the political risk for approving foreign aid. After the President announced the proposal at a press conference, he mentioned it in a number of speeches, and sent his foreign policy advisers to testify on Capitol Hill. But during the first months, he continued to be reluctant to make it a high profile campaign issue. By mid-June, however, as the legislation appeared increasingly endangered, the President told the Cable News Network that he would do "whatever it takes" to persuade Congress to cast a "tough vote" on the issue.³³

In the end, it is likely that Presidential leadership -- expressed most effectively through intensive lobbying by Secretary of State Baker -- was only one of several factors that made the difference. Equally important were the visit to Congress of Russian President Boris Yeltsin and the belief of many Members, especially in the House and Senate leadership of both parties, that support for the assistance to the region was the right thing to do. These factors are discussed below.

³³ Washington Post, June 17, 1992, A31. Nevertheless, by June 24, Representative David Obey, Chairman of the House Foreign Operations Subcommittee said that he had seen no evidence of Presidential persuasion yet. New York Times, June 24. President Bush did send a letter to Members of Congress on August 3 asking them to support the act. Reprinted in Congressional Record, Aug 4, 1992, H7368.

CONGRESS RESPONDS

Although the Administration originally hoped to see the Freedom Support Act approved by Congress before the visit of Russian President Boris Yeltsin in mid-June, it took until early October -- six months -- for the bill to work its way through Congress. During that time, the bill was criticized, massaged, and altered, and often foundered on its way to passage.

Early reactions to the President's aid proposal were generally positive. The House and Senate leadership from both parties were supportive. Representative William S. Broomfield, the ranking minority member of the House Foreign Affairs Committee, supported the plan immediately.³⁴ Senator Robert Dole, the Senate Minority Leader, characterized the proposal as "sound and responsible, and forward-looking", and emphasized the need for Congress to rise above posturing and partisanship during an election year.³⁵

On the majority side, Chairman of the Senate Foreign Relations Committee Pell welcomed the proposal. "Many of us in Congress have been prodding the Administration to take a greater leadership role on this issue. I believe that we in Congress have a duty to follow through on our challenge and work with the Administration on this issue."³⁶ Some majority views were less enthusiastic. Chairman of the Senate Foreign Operations Subcommittee Patrick Leahy noted, "The President has taken a positive step today. It is not a great step. It is not a grand step. It is not a Marshall Plan. It is far from it, but it is a positive first step."³⁷

The legislation faced criticism and outright opposition from the beginning, mostly from those who believed the country should spend its money on the United States first. The most prominent of these critics was House Majority Whip David Bonior who promised to block the proposal unless the Administration agreed to back Democratic plans for extension of unemployment benefits and job creation.³⁸ Senator Christopher Dodd also raised what became known as the linkage issue, noting that he "would guess that public support for this is not very high, because people are disappointed that we're not doing

³⁴ Congressional Record, April 2, 1992, E954.

³⁵ Congressional Record, April 1, 1992, S4630.

³⁶ Congressional Record, April 1, 1992, S4569.

³⁷ Congressional Record, April 1, 1992, S4576.

³⁸ "Bonior Links Jobs Plan to Russian Aid Proposal", Washington Post, April 3, 1992.

enough on the domestic agenda."³⁹ The impact of this issue is discussed in further detail below.

A second set of concerns became more apparent as authorization committees began to focus on the content of the President's proposed legislation. Senator Leahy noted, "You know the plan...so far has been short on specifics....I'm concerned that the plan for the former Soviet Union republics is a Rube Goldberg hodgepodge of current and new money, technical and humanitarian assistance, and massive loan guarantees. It's a complex two-year aid package that's lumped together without theme, theory, or consistency. It appears thrown together by foreign aid bureaucrats under intense pressure to come up with a grab-bag of programs that add up to an impressive number."⁴⁰ Members made it clear that the legislation would be extensively altered prior to congressional approval. Senator Robert Kasten, ranking minority member of the Senate Foreign Operations Subcommittee, suggested that the legislation was in "danger of falling off the tracks at almost every stage....this legislation is in deep trouble. I think it is unlikely that it will be agreed to by both the House and the Senate and signed into law by the administration unless there are some major, major changes that take place."⁴¹

Although the Senate Foreign Relations Committee approved an amended version of the President's bill (S. 2532) on May 13 by a 15-4 vote, and the House Foreign Affairs Committee adopted its own version (H.R. 4547) on June 10 by a voice vote, many believed the aid package was in trouble.⁴² Senator Joseph Biden said, "Right now, the aid package for the former Soviet Union is stalled, because there is little momentum in the Senate, outright opposition in the House and a tepid effort by the President."⁴³ This was partly due to the election year, and partly due to the Los Angeles riots that began on April 29 and made the linkage issue more pronounced.

A breakthrough came with the visit of President Yeltsin. The Russian leader's speech to a joint session of Congress on June 17 galvanized Members in support of the Act. Some called for an immediate vote; everyone apparently thought the speech helped the case for assistance. Senator Dole said that while enough votes had been available for passage, the speech gained additional ones. "Many more than half the [Senate] Republicans" would vote for it, he predicted,

³⁹ U.S. Senate, Committee on Foreign Relations, Legislation Authorizing Assistance to the Former Soviet Union, S. 2532, Hearing, April 9, 1992, p. 34.

⁴⁰ Joint Hearing, May 6, 1992, p. 2.

⁴¹ Joint Hearing, May 6, 1992, p. 36. Senator Kasten attributed the problem of passage to the mistrust between the administration and Congress, and particularly between Republicans and Democrats over the linkage issue.

⁴² Other committees with jurisdiction are discussed below.

⁴³ The New York Times, p. 1. June 5, 1992.

and it would pass by 80 or more votes.⁴⁴ The Senate approved the bill on July 2, 1992, by a 76-20 vote.

Because of the difficulty in achieving sufficient bipartisan support, it was not until August 6 that the House acted on the legislation, approving the bill by a 255-164 vote. The House and Senate conference finally met on September 24, resolved the few differences between the two bills and reported a final version. The Senate passed the conference report on October 1, and the House followed on October 3. The President signed the Freedom Support Act into law on October 25 (P.L. 102-511).

CONGRESS CHANGES THE ADMINISTRATION BILL

From the start, there was ample reason to expect Congress to attempt to put its own stamp on the President's legislation. As noted earlier, Congress traditionally played a significant, many executive officials would say intrusive, role in the writing of foreign assistance legislation. It had already taken the lead in formulating previous U.S. assistance initiatives toward the former Soviet Union, and, only three weeks before the President's announcement, the House Foreign Affairs Committee had developed its own legislation authorizing assistance to the FSU. Furthermore, critics noted there had been little attempt to involve Congress in the formulation of the Freedom Support Act that was introduced by Senators Pell and Jesse Helms in the Senate on April 3 on behalf of the Administration. Senator Kent Conrad characterized the extent of Administration discussion with Congress on the initiative as "drive-by consultation".⁴⁵

To some extent, there was an effort to avoid changes to the President's legislation for fear that it would disappear in a deluge of amendments, especially "killer" amendments that might be unacceptable to the Administration. The House was more successful at this than the Senate. The Foreign Affairs Committee adopted its own version of the bill, combining many features of the President's bill with those of its earlier effort, H.R. 4547, that was marked up by the Committee in March. This new version of H.R. 4547 was approved at full committee level by voice vote with few amendments, none "killers". Because a flood of amendments to H.R. 4547 had been anticipated when it reached the House floor, the rule under which the bill was considered (H.Res. 545) did not allow amendments other than the text of H.R. 5750, a revised version of H.R. 4547 introduced by Chairman Fascell for the Committee on August 3, that was adopted as a substitute.⁴⁶

⁴⁴ Washington Post, June 18, A36.

⁴⁵ Joint Hearing, May 6, 1992, p. 41.

⁴⁶ The substitute bill, H.R. 5750, differed from the Committee-reported version of H.R. 4547 in three important ways. It replaced the original humanitarian and technical assistance authorization of \$584.7 million for FY

In the Senate, on the other hand, the bill was amended substantively both at committee level and on the floor. At mark-up the President's version was replaced with original committee language offered by Senators Pell and Helms that maintained most of the basic authorities requested by the Administration. Fourteen amendments to this version were adopted at the mark-up, and one was rejected. On the Senate floor, the bill was extensively amended with 78 amendments offered, only four of which were rejected.⁴⁷

The final conference version of the Freedom Support Act did carry over most of the essential features of the President's bill, but the congressional imprint was very strong. Congress put limitations on executive authority sought by the President, it placed political and other conditions to govern the allocation of funds, and it recommended multiple programs that were, in effect, congressional priorities for the use of funds.

1992 and FY 1993 with an authorization of \$417 million for FY 1993 alone. This figure matched the FY 1993 appropriation recommended in H.R. 5368, the House-approved foreign operations appropriations bill for FY 1993. Second, in addition to authorizing a \$12 billion IMF quota increase, it appropriated this amount. And finally, like the Senate version of the bill, it eliminated language that would have permitted greater flexibility in determining the creditworthiness of agricultural aid recipients.

The House-passed bill differed from the administration bill in several ways. For example, it authorized appropriation of specific amounts to carry out the bilateral aid program and allowed use of security assistance funds for nonproliferation and disarmament activities. It authorized an appropriation for a Democracy Corps. It placed most of the bilateral activities in the framework of the Foreign Assistance Act of 1961, the legislation which guides the foreign aid program in the rest of the world. It also included detailed language on nonproliferation and disarmament and on space trade and cooperation. It contained a prohibition on assistance to Azerbaijan. It eliminated the flexible interpretation of creditworthiness provisions regarding agricultural credit guarantees. Perhaps most notably, it both authorized and appropriated funds for the IMF quota increase.

⁴⁷ The Senate-passed bill differed from the administration bill in several ways. For example, it authorized specific amounts of assistance for Eastern Europe as well as for the FSU. It eliminated the flexible interpretation of creditworthiness provisions regarding agricultural credit guarantees. It added several points to the list of eligibility criteria, including FSU cooperation in locating American POWs and failure to take action on the international environment. It prohibited assistance to Russia after one year if steps were not taken to withdraw troops from the Baltics and to Azerbaijan if steps were not taken to end the blockade of Nagorno-Karabakh. Perhaps most notably, the Senate bill added language recommending and sometimes earmarking funds for a large number of new bilateral assistance project activities, including several types of educational exchanges.

The legislative debate that began in April ran along two intertwined tracks. The first was a broad discussion of issues such as whether the United States should provide assistance to the former Soviet Union, how much money it should provide, and where the money should go. The second focused on the specifics of the proposed legislation and its proposed amendment by Congress. The main elements of this debate are discussed below. Intersecting these tracks through much of the debate were the issue of linkage to domestic economic needs and the approaching fall election. The role of these factors is reviewed in the subsequent section.

Should the United States Assist the FSU?

The broadest of issues, whether the United States should play a role in assisting the former Soviet Union, was rarely a central point of the debate. Those who were most vocal about the bill were supporters of assistance. Their concerns were the details of the legislation and the program of U.S. assistance.

Those who spoke out in opposition to assistance fell into three, often overlapping, categories. One set opposed foreign aid in principle, although even many of these would make an exception for humanitarian assistance. Some of these argued that the Soviet Union and its predecessors remained untrustworthy and a threat to the United States. Others argued that only the private sector and private investment could help the FSU. Still others argued that the FSU was capable of paying its own way and that U.S. aid might therefore be provided in the form of loans, if collateral in the form of natural resources was offered. Not all the usual opponents of foreign aid opposed aid to the FSU. Some of those who usually opposed foreign aid for developing countries supported assistance to the FSU on national security and trade grounds.

A second set of opponents expressed their displeasure with particular features of the proposed legislation. They tried, usually unsuccessfully, to eliminate or alter those features, and voted against the final legislation. The IMF quota contribution was a particular target of this group, although bilateral aid may have been acceptable. Others sought more strict economic and political conditionality prior to providing assistance.

A third set of vocal opponents were those who linked Administration support for domestic economic assistance to support for the Freedom Support Act. Many of these claimed not to oppose aid to the FSU as long as aid was provided for U.S. domestic purposes.

How Much Money?

The biggest point of contention for Congress was how much the program would cost, both because foreign aid was generally viewed as unpopular with the American people and because of political pressures to spend the money on U.S. domestic programs. If the legislation was perceived as providing a very large aid program, its chances of passage would be sharply reduced.

The first problem Members identified was to ascertain what the Administration was requesting. There was no dollar amount in the bill; the Administration's legislation authorized to be appropriated for FY 1992 and FY 1993 "such sums as may be necessary" to carry out the Act. Senator Kasten noted, this open-ended authorization was likely to encourage mistrust between the legislative branch and the Administration.⁴⁸ More than a month after the proposal was announced, the Administration was criticized for not yet giving a clear answer to this question. After Administration officials testified at one hearing, Senator Leahy noted that, "if somebody asked me back home in Vermont this weekend how much is it going to cost, I'm still not sure I know."⁴⁹ Senator Conrad added, "But the bottom line is, I have absolutely no idea what is the United States doing in terms of a number. How much aid are we providing?"⁵⁰

Some Members noted that the Administration's response to this line of questioning did not encourage their confidence. In the initial news conference introducing the bill, both the President and Secretary Baker seemed unsure of the details of the program. Officials attempted to make it appear that the cost was negligible, even cost-free. Secretary Baker informed the House Foreign Affairs Committee that the legislation was, "not a foreign aid bill....it does not mandate the expenditure of one dime, but it authorizes us to do...a lot of things...."⁵¹ Ambassador Richard Armitage, Deputy to the Coordinator of U.S. Assistance to the New Independent States, told the Senate that there were no new appropriations in the package.⁵² Representative Bonior noted that the President wanted to say it was a big plan to satisfy the Kissingers and Nixons, but also wanted to say it was a small plan to assuage the American people who were still racked by recession. "President Bush is trying to blur the issue of how much his plan will cost the American taxpayers", he said.⁵³

The congressional response to this obfuscation was to authorize specific sums for humanitarian and technical assistance and other costs associated with the bill. The House Foreign Affairs Committee took the first steps in this regard, reporting a bill authorizing \$584.7 million (including the \$150 million

⁴⁸ Joint Hearing, May 6, 1992, p.35-36.

⁴⁹ Joint Hearing, May 6, 1992, p.30.

⁵⁰ Joint Hearing, May 6, 1992, p.39.

⁵¹ House, Committee on Foreign Affairs, *The Future of U.S. Foreign Policy in the Post-Cold War Era*, Hearings, April 30, 1992, p. 471-472.

⁵² Joint Hearing, May 6, 1992, p. 28. This is technically correct as the Freedom Support Act was an authorization bill. The President's bill would authorize the appropriation of \$12 billion for the IMF quota increase. A follow-on appropriation bill would be necessary to appropriate the funds.

⁵³ Representative David Bonior, *Congressional Record*, April 8, 1992, H2473.

that had been the President's FY 1992 request) for humanitarian and technical assistance and additional amounts for USIA and State Department activities. By the time the substitute bill was debated on the House floor, the figure was changed to \$417 million (the FY 1992 amount having been eliminated because the appropriation had already been approved). Initially the Senate bill did not include specific dollar amounts. Senator Pell, however, faced complaints that the lack of a number constituted an open-ended authorization. Consequently, he introduced an amendment on the floor that replaced the "such sums as may be necessary" language with an authorization of \$620 million (including \$150 million for FY 1992).⁶⁴ The final conference version of the Act authorized \$410 million for humanitarian and technical assistance for FY 1993, \$25 million for new State Department and USIA diplomatic posts, \$70.8 million for cultural and educational exchanges, and \$100 million of security assistance funds for nonproliferation and disarmament activities.⁶⁵

The IMF quota increase, the one specific authorization in all versions of the bill including the Administration's, provoked considerable controversy. Congress was asked to approve a rise in the U.S. contribution to the IMF equivalent to 8.6 billion Special Drawing Rights (SDRs) -- expected to amount to over \$12 billion when deposited in the IMF account following enactment and a subsequent appropriation. The \$12 billion figure drew much attention during the debate on the bill because of its size. The smaller humanitarian and technical assistance requests were already included in the foreign aid budget for FY 1993. The \$12 billion request would be additional.⁶⁶

Moreover, the IMF quota's connection to the effort to assist the FSU was only indirect. The quota increase was agreed to by IMF members in 1990, prior to the breakup of the former Soviet Union and with the anticipated loan requirements of Eastern Europe in mind. The authorization language had been included in the foreign aid authorization bill conference report, rejected by the House the previous October. Because there were no other dollar amount authorizations, some argued that the Freedom Support Act was simply a vehicle for the IMF quota increase and largely unrelated to the FSU.

As the \$12 billion quota increase drew fire from some Members, the Administration argued repeatedly that, although a large sum, it would incur no new outlays. This was because the contribution, in budgetary terms, represented an exchange of assets. Although it would require an appropriation, it would not affect the budget deficit. In defense of the increase, the Administration stressed the role of the IMF in the multilateral aid package devised by the G-7 for Russia. "Most importantly, the Act authorizes the IMF

⁶⁴ Congressional Record, June 29, 1992, S9112.

⁶⁵ An additional \$400 million for nonproliferation and disarmament was authorized in the Department of Defense bill, H.R. 5006.

⁶⁶ Congress, however, had agreed in 1990 that the IMF quota would not count against the budget caps for the year it was approved.

quota increase, a step that the Congress absolutely must take to support this multilateral effort," declared Secretary Baker.⁵⁷

Reluctance to support the \$12 billion quota increase became evident in the course of the legislative debate. Aid supporters in the House hoped to include the IMF appropriation in its version of the Freedom Support Act, thereby avoiding a second difficult vote on the appropriation. The House Foreign Operations Subcommittee bill, H.R. 5368, did not include the appropriation. At its mark-up on June 12, Representative Obey indicated he would have no objection to an amendment directly attaching the IMF appropriation onto the Freedom Support Act. But, during Senate debate on the Freedom Support Act, Senator Leahy insisted that the proper place for the IMF appropriation was in the appropriations bill, and he obtained the agreement of Senator Pell that any appropriation language offered by the House would not be allowed into the conference report of the Freedom Support Act.⁵⁸ When the House subsequently took up the authorization bill, it did attach the IMF appropriation. Then the Senate Appropriations Committee included the IMF increase in its version of the foreign aid appropriations bill. Where to put the increase language was, perhaps, the last important decision made regarding FSU aid legislation during 1992. Finally, the appropriation was left out of the conference report of the Freedom Support Act which authorized the appropriation, and was included in the appropriations bill, H.R. 5368, which passed the House and Senate on October 5 and was signed into law (P.L. 102-391) on October 6.

A third issue related to the costs of the aid package was the creditworthiness of the former Soviet Union. Many Members argued that the amount of funds that Congress was asked to approve under the Act and associated appropriation bills was actually far greater than the Administration would lead them to believe. This was partly a reaction to the confusion created by the shifting figures and explanations provided by the Administration in the course of the debate. But it was also rooted in a concern that Russia might not be able to repay its debts and that the export loans and guarantees offered in conjunction with the proposed aid program might more honestly be labeled grants.

Opponents of the legislation attempted to show that the \$12 billion contribution for the IMF quota increase might actually incur significant outlays, despite Administration suggestions to the contrary. The ranking minority

⁵⁷ House, Committee on Foreign Affairs, Future of U.S. Foreign Policy in the Post-Cold War Era, Hearings, April 30, 1992, p. 451. The second largest figure in the Freedom Support Act was somewhat less controversial. This was the "up to \$3 billion" that could be used for currency stabilization funds. These funds would be taken from an already existing resource within the IMF, and, therefore, required neither an authorization nor appropriation. The bill language only provided a congressional endorsement for use of this money.

⁵⁸ Congressional Record, July 2, 1992, S9715.

member of the Senate Foreign Relations Committee, Senator Jesse Helms, argued that a default by the FSU of the tens of billions in loans it was expected to receive from the IMF would deplete U.S.-contributed gold and financial resources. During committee mark-up of the act, he offered an amendment instructing U.S. executive directors of the international financial institutions (IFIs) to vote against any lending to the FSU unless repayment was secured by revenues earned from export of natural resources such as oil. This "collateral" requirement was rejected by a vote of 15 to 3 after lengthy debate.⁶⁹ Similar language, introduced in an amendment by Senator Arlen Specter, during floor debate on the bill, was rejected by a vote of 75 to 21.⁶⁰

Concerns regarding FSU creditworthiness induced both the House and Senate to reject the Administration's effort to relax creditworthiness criteria applied to the FSU for grain and other agricultural commodity purchases. The Administration's version of the Act would have allowed the Secretary of Agriculture to take other factors -- the extent to which the FSU carries out reforms, for example -- into account besides simple ability to repay when determining whether to provide loan guarantees.⁶¹ The Congressional Budget Office (CBO) suggested this might lead to provision of aid even if creditworthiness was questionable. Because that might mean increased budgetary outlays that could bump up against the budget ceiling for agriculture spending, a point of order might have been raised against the bill. During Senate floor debate, Senator Leahy introduced an amendment eliminating this provision; it was approved by a vote of 93-2.⁶² In the House, H.R. 5750, the revised version of the Foreign Affairs Committee bill that was debated on the floor, dropped the provision.

Executive Flexibility and Open-Ended Authority

The traditional debate between executive and legislative branches regarding Presidential prerogatives was provoked again by the Freedom Support Act. As noted above, Members of Congress interpreted the Administration version as seeking "an open-ended line of credit on the Treasury to fund foreign aid" by its authorization of "such sums as may be necessary" in order to carry out the aid program.⁶³ Equally disturbing to some Members was the Administration language that seemed to provide open ended program authority.

⁶⁹ See U.S. Senate, Report to Accompany S. 2532, Senate report 102-292, June 2, 1992, p. 32-34.

⁶⁰ Congressional Record, July 2, 1992, S9716-9718.

⁶¹ Section 18(d)(3) of the original version of S. 2532.

⁶² Congressional Record, July 1, 1992, p. S9402-9407.

⁶³ Senator Patrick Leahy, Congressional Record, July 1, 1992, S9403.

Senator Biden raised this concern with Secretary Baker during the Senate Foreign Relations Committee hearings on April 9. He noted two waiver authorities in the bill. In the first (section 14d), he said, "...you request a kind of blanket waiver authority that will allow you to override any provision of law that would restrict the eligibility of CIS states, quote, for any program benefit or other treatment, close quote. When you think about it, that is a pretty broad waiver." The second (section 7(c)(6)), he said, was "equally sweeping". This was the language that said, "assistance may be provided, and authorities may be exercised for the purposes of this act, notwithstanding any other provision of law....". For Senator Biden, "this is a little too much to ask for, flexibility is one thing, but blanket waivers, to ignore an entire body of United States law I think may be excessive".⁶⁴

It was the "notwithstanding" language that attracted the most criticism by Members. In Senator Leahy's view, the Act "gave the President total discretion over the entire aid program to use it any way he sees fit. All normal congressional checks and balances -- the sort that are commonplace in any minor or major piece of legislation -- were gone."⁶⁵ The "notwithstanding" waiver, he suggested, would override restrictions in existing law regarding human rights, nuclear proliferation, narcotics cooperation and terrorism. "Why in heaven's name would a majority of Congress want to waive all those restrictions?", he asked Ambassador Armitage.⁶⁶ "My concern...is that the administration is asking for a foreign policy blank check to do what it wishes. Now, that is the kind of discretion that administrations asked for in the pre-Vietnam era. Congress hasn't given such a blank check in years, and it is not going to now."⁶⁷

In the Administration's view, waivers were intended to get rid of statutory restrictions preventing or restraining business with the FSU.⁶⁸ As in the Support for Eastern Europe Democracy Act of 1989 (SEED), which contained some waiver language, the Administration wanted to move swiftly to implement programs in the region. In response to concerns regarding a diminished role for Congress, Ambassador Armitage suggested that if waivers were misused, Congress could hold the President accountable.⁶⁹

⁶⁴ Senate, Committee on Foreign Relations, Hearing, April 9, p. 16.

⁶⁵ Congressional Record, July 1, 1992, S9403.

⁶⁶ Joint hearing, May 6, 1992, p.30.

⁶⁷ Joint hearing, May 6, 1992, p.2.

⁶⁸ Secretary Baker, Senate Foreign Relations Committee, Hearing, April 9, 1992, p.17.

⁶⁹ Joint hearing, May 6, 1992, p.30.

Congressional thoughts on how to respond to the executive branch desire for maximum flexibility varied. Although some Members, including Senators Biden, Dodd, and Leahy, were critical, legislation reported by the Senate and House Committees ended up providing considerable leeway to the President, if not as much as the President sought.⁷⁰ The Foreign Relations Committee was concerned that the "notwithstanding" waiver authority could be used to "circumvent the normal budgetary controls and procedures" of the government, and its bill limited this authority by exempting specific budget-related acts from possible waiver. On the floor, an amendment by Senator Glenn was agreed to limiting the "notwithstanding" language further by exempting from any waiver those conditions laid down earlier in the bill that make the FSU ineligible for assistance if the President determines human rights, terrorism, and arms control violations exist.⁷¹

The Foreign Affairs Committee also reinstated reprogramming notification requirements in its version of the Act. It did not, however, exempt budget-related acts from the "notwithstanding" clause but did limit duration of the clause to FY 1993. While the Committee accepted the Administration argument that flexibility is useful at the early stages of a program, it expected the waiver right to be used "judiciously and sparingly".⁷² The final version of the Freedom Support Act maintained all the House and Senate restrictions on waiver authority.

Conditionality

A further and more explicit set of restrictions on executive flexibility, conditionality has been an important and popular way for Congress to influence foreign policy. Early in the debate, Representative Hamilton noted that strong conditionality must be in the bill in order to head off amendments on the floor, citing experience from the year before when numerous restrictions on aid to the then Soviet Union were offered, some successfully, to the House version of the foreign aid authorization bill.⁷³

⁷⁰ Senator Biden suggested at the committee hearing that he might be happy to provide a one-year waiver of section 14(d). Regarding the "notwithstanding" waiver, however, he was more cautious, desiring a clearer sense of what the administration had in mind before agreeing. Senate, Committee on Foreign Relations, Hearing, April 9, 1992, p. 16.

Just prior to voting against the bill at the Foreign Relations Committee mark-up on May 13, Senator Dodd severely criticized the broad discretionary authority the legislation provided the administration.

⁷¹ Congressional Record, July 2, 1992, S9702-9706.

⁷² House of Representatives, Committee on Foreign Affairs, Report 102-569, Part I, p. 18.

⁷³ House, Foreign Affairs Committee, The Future of U.S. Foreign Policy in the Post-Cold War Era, Hearings, April 30, 1992, p. 469.

Congressional conditions inserted in the Freedom Support Act possessed several levels of stringency. At one level were criteria that the President was required to simply take into account in determining the degree of economic assistance. The Administration imposed some of these criteria on itself, having introduced the Act with language that would require the President to weigh the extent to which the new states had taken steps toward establishment of democratic systems, respect for human rights, economic reform based on market principles, respect for international law obligations, and adherence to responsible security policies, including non-proliferation efforts. To these five points, Congress eventually added another six: cooperation in peaceful resolution of ethnic and regional conflicts, constructive action to protect international environment, denying support for international terrorism, termination of support for the Communist regime in Cuba, assumption of responsibility for paying private debt incurred by the Soviet Union, and cooperation in uncovering evidence of American POWs.⁷⁴

The last point threatened to derail the whole debate when in mid-June President Yeltsin revealed that Americans had been held as POWs in Russia. Senator John McCain responded by saying Congress would have no choice but to suspend aid efforts until every American held captive in Russia is brought home.⁷⁵ The Yeltsin visit to Congress mitigated these concerns, and it was placed in the legislation as simply one criterion for assistance.

In addition to the assistance criteria, Members added specific conditions under which a state would be deemed ineligible for further assistance. Several of these were controversial and caused the Administration some concern. At the Senate mark-up, Senator Biden offered an anti-proliferation amendment that would make Russia ineligible for assistance if it consummated sale of long-range rocket engine technology to India. This was approved by the Committee on a 19-0 vote. The Administration, represented by Ambassador Armitage, would have preferred not to have the restriction, but limited its response because the legislation allowed the President to waive the requirement. The final act maintained a version of this condition.

A more controversial provision, added on the Senate floor, concerned removal of Russian troops from the Baltic states. On June 16, 32 Senators of both parties had written President Bush urging him to raise the issue of a timely withdrawal from the Baltics with President Yeltsin. "We consider a Russian demonstration of good will on troop withdrawal to be vital to the success of democracy and freedom in the Baltic States and Russia and a

⁷⁴ Title V of the Act contains its own set of conditions for eligibility for nonproliferation and disarmament programs: that a state is making a substantial investment in dismantling or destroying weapons, forgoing military modernization programs, forgoing use of old weapons components in new nuclear weapons, and is facilitating U.S. verification of weapons destruction.

⁷⁵ Congressional Record, June 16, 1992, S8219.

precondition to U.S. assistance in Russia."⁷⁶ Although the Senate rejected an effort to tie current aid to a Baltic withdrawal (by a vote of 35-60), a compromise amendment allowed a one year grace period to Russia to remove its troops (approved by a 92-2 vote). The Foreign Affairs Committee and House-approved bills urged a withdrawal, but did not tie assistance. In the end, the Freedom Support Act made Russian failure to make significant progress on the removal of troops a condition of eligibility that could be waived by the President.

The issue, however, appeared again on September 23 when Chairman Robert Byrd of the Senate Appropriations Committee introduced an amendment to the aid appropriations bill that prohibited U.S. assistance, except for humanitarian aid, until Russia pulled its troops out of the Baltics or a timetable was agreed on. This stringent language was strongly opposed by the Administration. The President wrote Congress on October 2 that the amendment "would result in a cutoff of U.S. assistance" and noted that the issue was already addressed in the Freedom Support Act. At the House-Senate conference on the appropriation bill, Senator Byrd threatened a filibuster unless his amendment was kept, and refused a lobbying phone call from Ambassador Strauss in Moscow. Finally, a compromise was reached, after private discussions between Senators Byrd and Leahy and Representative Obey, that would provide only half the assistance intended for Russia unless the President certified by June 1993 that "substantial progress" had been made toward a timetable for withdrawal or substantial withdrawal had occurred.⁷⁷

The most stringent condition for assistance adopted by Congress in the Freedom Support Act allowed no waiver by the President. It banned aid to Azerbaijan unless it took steps to end its blockade and other uses of force against Nagorno Karabakh and Armenia. Senator John Kerry made the original proposal during Foreign Relations Committee mark-up (adopted by a 14-4 vote) and later altered it on the floor. The House Foreign Affairs Committee adopted similar language at its mark-up (offered by Representatives Owens, Toricelli, and Broomfield). Although the Administration argued against the amendment when it was offered in the Senate -- Ambassador Armitage later described it as "quite a struggle" -- it later worked to soften the language and seemed to resign itself to its adoption by Congress.

Where Should the Money Go?

The one issue on which the largest number of Members weighed in with their views concerned which programs and activities to support. Whether the intent was to establish a program leading more effectively and efficiently to the goals of democracy and free-markets, to benefit U.S. business or, in some cases, their own districts, or to boost programs reflecting pet interests, Members frequently expressed their own set of priorities of where the money might best

⁷⁶ Letter sponsored by Senator Larry Pressler, Congressional Record, June 18, 1992, S8458.

⁷⁷ Congressional Quarterly, October 10, 1992, p. 3177-78.

be spent. The result was a strong impact on the shape and substance of the aid program in the former Soviet Union.

The Administration bill merely sketched the broad categories of assistance that might be provided and noted the names of specific programs, like the Special American Business Internship Training Program (SABIT), the "America Houses" concept, and a "Eurasia Foundation", as indications of the types of activities that might be undertaken. No specific programs were established.

There were nine different priorities outlined in the Administration bill. For some Members, like Senator Bob Kerrey, these were too many. In response to his suggestion that the list be cut "down to size", Ambassador Armitage noted that, although the Administration was in agreement with this view, other Members had their own specific interests, "and sometimes, the price for doing business for us is to include on the list some things that maybe you or I would not in a vacuum, have on the list."⁷⁸

Even prior to the introduction of the Freedom Support Act, members had introduced bills that contained their own priorities of aid programs for the FSU. Many of these were turned into amendments offered in committee and on the floor. The Senate adopted the most "program" amendments. The Committee bill kept these to a minimum; on the floor, however, numerous amendments emphasized one activity or another. These amendments allowed the use of technical assistance to the agriculture sector for food processing facilities, support for policy reform for health and environmental protection laws, and educational assistance for printing of educational materials. The President was encouraged to support funding of capital projects. Assistance was promoted for such other activities as reform of the banking system, family planning and maternal health services, drug education, and promotion of efficient intermodal transport systems. Several adopted amendments supported the use of aid to promote nuclear reactor safety.

The Senate amended the bill to include a number of people-to-people exchanges. \$75 million was authorized to support an amendment originally sponsored by Senator Bill Bradley providing exchanges of secondary, college, and graduate students, professors, business interns, and government officials. An "International Local Government Exchange Act", sponsored by Senator Wellstone, provided for exchanges of local government personnel. \$10 million and \$12 million were authorized, respectively, to set up five U.S. and three FSU Agribusiness Centers to facilitate exchanges among agribusiness practitioners. To act as a liaison for these and other exchange programs, the bill authorized \$5 million to establish American Centers in the FSU.

Noting the example of the Senate bill, House leaders were concerned that similar amendments would engorge their version of the bill, and they made

⁷⁸ Joint Hearing, May 6, 1992, p.43-46. The Senator stated that his own priorities were energy and oil, productive private agriculture, and use of the U.S. private sector working with the Russian private sector.

every effort to keep the bill "clean". Nevertheless, during committee mark-up, two major "program" amendments were added.⁷⁹ Language offered by Chairman Fascell was adopted establishing a non-proliferation and disarmament fund to promote destruction and dismantlement of weapons. It set up science and technology centers and allowed assistance to be used for defense conversion purposes.⁸⁰ The committee also adopted an amendment offered by Representative Hyde recommending establishment of a Democracy Corps that would place teams of Americans in the smaller cities to promote democratic development. Because the House debated the bill under a closed rule, without amendment, no further "program" priorities were added.

The Freedom Support Act, as approved by Congress, greatly condensed the Senate "program" amendments, turning many specific programs back into general categories of activities that were recommended for Presidential consideration. The conference report contained 13 generic categories of such programs. In addition, it emphasized and detailed certain specific programs, including establishment of American Business Centers, the Democracy Corps, the Non-Proliferation and Disarmament Fund activities noted above, and various earmarked educational exchanges. The result was a bill that allowed considerable executive flexibility, but also demarcated congressional priorities and interests that could be altered and expanded over time.

CONGRESS VERSUS CONGRESS: THE INTERNAL DEBATE

The Freedom Support Act was not simply the product of tensions and competition between the Administration and Congress. An opposition of views within Congress played a key role in development and passage of the bill as well. There were differences between the House and Senate, between the leadership and members, among committees, between Democrats and Republicans under the influence of an impending Presidential election, and between those, regardless of party, who supported quick passage of the bill and those who used the bill to leverage support for domestic spending measures. Some aspects of the internal debate that shaped the final Act are discussed below.

House versus Senate

As with most legislation, the House and Senate versions were different, and required resolution in conference. These differences, as noted above, included the numbers of specific programs authorized and the prohibition regarding withdrawal of Russian troops from the Baltics.

⁷⁹ The Committee rejected one effort to include a program of educational exchanges along lines similar to the Bradley amendment in the Senate.

⁸⁰ This paralleled language in the Defense Authorization bill and was reportedly added because Chairman Fascell had not participated in formulating the Defense Authorization language.

The actions of one body were observed by and influenced actions of the other body. The Senate was expected to take up the bill first, and some Senators were reportedly concerned that their vote for the aid package would have little meaning and only hurt them if the bill failed in the House where arguments favoring domestic spending over foreign aid were particularly strong. Meanwhile, some in the House viewed Senate action on the bill with concern. Attempting to discourage his colleagues from replicating the adding of amendments by the other chamber, Chairman Hamilton suggested that the Senate experience might be "instructive" for members of the House. In his view, several of the Senate amendments were "overlapping, contradictory, and would create layer upon layer of new bureaucracy." He argued that a bill, clean of encumbering amendments, would allow the House to "be in the driver's seat when the time comes to shape better legislation" in conference with the Senate.⁸¹

Leadership versus Members

One interesting feature of the whole debate on the Freedom Support Act was the strong support provided the bill by leadership of both bodies and both parties. The rank and file, especially those facing the fall election, were somewhat less enthusiastic about voting in favor of foreign aid. Since 1985, the only major foreign aid authorization to survive both houses of Congress was the 1989 SEED Act providing assistance to Eastern Europe. When both House and Senate finally approved an aid authorization in 1991, the conference report was defeated in the House, victim of the anti-foreign aid mood that swept Congress during the autumn. Given this history, many Members reportedly believed that bipartisan leadership support of the Act was a requirement for passage. Members of each party were reluctant to support aid only to find the other party had backed off; neither party wanted to bear the responsibility alone of providing funds for the FSU that could be spent at home.⁸²

The leadership was credited with successfully steering the bill through the House in the face of considerable opposition from rank and file Members. When, for example, the Rules Committee met to take up the bill, it faced Members "hanging off the rafters" with proposed amendments. Republican leader Robert Michel and Majority leader Richard Gephardt were said to have played a critical role in holding off this effort and gaining approval of a closed rule.

Committee versus Committee

Because the Freedom Support Act, in its effort to be a "comprehensive" package, covered so many issues and types of assistance, it fell under the jurisdiction of multiple committees in both Houses. This presented a potential challenge to the leadership because multiple jurisdiction could greatly slow down passage and might open up the bill to "killer" amendments. At first, Senate

⁸¹ Congressional Record, August 6, 1992, H7594.

⁸² New York Times, July 10, 1992.

leaders considered appointment of a bipartisan task force that would lessen chances of jurisdictional fights.⁸³ In a letter to committee chairmen, Chairman Pell of the Senate Foreign Relations Committee, the committee with primary jurisdiction, suggested three options for consideration of the bill: each portion could be considered by the committee of jurisdiction and then submitted to Foreign Relations for amendment; the whole bill could be considered by Foreign Relations, taking the advice of the other committees; or it could be left as is. "It is going to be a difficult problem to disentangle the different portions," Senator Pell said.⁸⁴ Noting that at least six committees had jurisdiction in the Senate, Senator Lugar thought it possible that Senate leaders Mitchell and Dole might have to draft a leadership package to facilitate passage.⁸⁵

In the end, the bill reported by the Foreign Relations Committee was "the product of a closely coordinated effort among the relevant committees."⁸⁶ In order to move most "expeditiously", the committee, with Administration support, marked up the entire bill.⁸⁷ The committee deleted specific sections of the Administration bill at the request of the Finance and Intelligence Committees prior to reporting the bill and allowed the Armed Services, Agriculture, and Banking Committees to offer amendments to the bill in the course of floor debate.

The Senate procedure worked smoothly. For example, at the request of members of the Appropriations Committee, an amendment was offered by Foreign Relations Committee leaders removing the "such sums as may be necessary" language in order to take care of concerns regarding the Appropriations Committee role in the aid process.⁸⁸ As discussed earlier, the Chairman of the Agriculture Committee offered an amendment that prevented the Administration from loosening creditworthiness requirements for provision of certain CCC agricultural commodity loan guarantees.⁸⁹ Committee

⁸³ Congressional Quarterly, March 28, 1992, p.813.

⁸⁴ Senate Foreign Relations Committee, Hearing, April 9, 1992, p.21.

⁸⁵ Joint hearing, May 6, 1992, p.33.

⁸⁶ Senator Pell, Congressional Record, June 29, 1992, S9112.

⁸⁷ Although the Committee had offered to delete portions of the bill under other committees' jurisdiction and allow them to offer amendments on the floor, the administration made it clear that they would refuse to comment on the Foreign Relations bill unless they could see the entire package. Therefore, most major sections remained in the bill prior to amendment on the floor. Senator Pell, Congressional Record, July 1, 1992, S9407.

⁸⁸ Congressional Record, July 1, 1992, S9398.

⁸⁹ Congressional Record, July 1, 1992, S9402-9411.

amendments, negotiated in advance with the Administration and the Foreign Relations Committee, were adopted easily.

In the House, on the other hand, committee prerogatives were handled somewhat differently. After being reported out of the Foreign Affairs Committee, the bill was referred sequentially to the Committees on Armed Services; Agriculture; Banking, Finance and Urban Affairs; and Science, Space and Technology. Armed Services and Agriculture reported out the bill with amendments. The substitute amendment to the bill that was debated on the floor, H.R. 5750, reflected the changes suggested by most committees of jurisdiction, but not all. The Banking Committee had reported out provisions under its jurisdiction -- most important, those regarding the IMF quota increase -- in its own bill, H.R. 3428, the International Development, Trade, and Finance Act of 1992. However, in its substitute bill, the Foreign Affairs Committee chose to ignore the Banking Committee's language elaborating environmental and other guidelines for use of the IMF funds. Although the rule under which the bill was debated allowed the Banking Committee some time to offer its views, no amendments were permitted that would give the Committee an opportunity to change the bill. Representative Mary Rose Oakar, Chair of the Subcommittee on International Development, Finance, Trade and Monetary Policy, protested that the committee had "exclusive jurisdiction", called the decision "unfair", and opposed the bill.⁹⁰

Foreign Aid versus Domestic Concerns

Perhaps the most dramatic divergence of views existed within the House of Representatives where supporters of the bill, self-described foreign policy pragmatists, were pitted against an alliance, largely composed of conservatives -- mostly Republicans -- and liberals -- mostly Democrats -- who opposed foreign assistance to the FSU. Many opposed foreign aid in principle and traditionally voted against any aid bill. Others were sensitive to the impending election and sought cover from constituent views hostile to foreign assistance. But a substantial number opposed this particular foreign aid package only as long as the Administration refused to support passage of legislation that would provide assistance for domestic programs. It was this latter group, consisting mostly of Democrats, that threatened to derail the Freedom Support Act.

Opponents of aid and those who sought to use it as a lever for getting a domestic aid program staked out their positions early in the debate. One day after President Bush introduced his aid package, a frequently vocal opponent of foreign aid, Representative James Traficant, argued that \$24 billion [the G-7 package] should go to the states and cities. "Charity starts at home", he said.⁹¹

⁹⁰ Congressional Record, August 6, 1992, H7601.

⁹¹ Congressional Record, April 2, 1992, H2273. Representative John Duncan also expressed this view, H2261.

Because traditional opponents of aid were usually insufficient in number to defeat foreign aid bills, more unsettling for the Administration and congressional supporters of the Freedom Support Act was the position of members led by House Majority Whip Bonior, the only leader in either party who threatened to oppose the package. "It's fine to embrace a new world order for the ex-Soviet states. But not by turning a cold shoulder to jobs for the United States," he said on April 2.⁹² After meeting with Secretary Baker, Representative Bonior noted, "Before we can consider aid to Russia, jobs for Americans must come first....I am determined that this House should not support the Administration's plan for additional assistance to the former Soviet republics until the President first addresses the issue of jobs and economic growth for America -- specifically an extension of unemployment benefits and an accelerated jobs program for Americans."⁹³ By May 5, a letter circulated by Representatives Bonior and Wise had obtained signatures of 103 House Democrats who told the President that they would oppose aid unless he supported reform or extension of unemployment compensation and creation of a \$10 billion public works program to modernize U.S. infrastructure.

Linkage was considered a serious threat by many supporters of assistance. Representative Hamilton spoke out strongly against the linkage effort at the April 30 Foreign Affairs Committee hearing with Secretary Baker. "Both [domestic and FSU assistance] are important to the country. But to link them will certainly complicate an already difficult path to passage of the legislation which you have presented to us today, and might even jeopardize passage of it."⁹⁴

Not formally endorsed by House and Senate leaders, the Bonior position linking foreign and domestic aid nevertheless became a rule for many Democrats in the House. This position seemed to be strengthened in no small measure by the influence of the approaching fall elections. By early June, when the bill appeared stalled in Congress, Representative Jim Leach noted the real possibility that it would not be approved, "This is [a] Congressional responsibility, and Congress has not acted. They have not acted because of a four-letter word: 'fear' -- fear that they won't get re-elected."⁹⁵

Both Democrats and Republicans sought to deflect negative ramifications from their vote in favor of the bill, not only by passing domestic aid legislation but also by demanding active Presidential leadership in pushing for the aid

⁹² Washington Post, April 3, 1992.

⁹³ Representative Bonior's written statement in response to Secretary James Baker's testimony before the House Foreign Affairs Committee, released by his office on April 30, 1992, Reuters.

⁹⁴ House, Foreign Affairs Committee, The Future of U.S. Foreign Policy in the Post-Cold War Era, Hearings, April 30, 1992, p. 461.

⁹⁵ New York Times, June 5, 1992, p.A5.

package. Presidential leadership in support of the bill was cover for some, but not others. When Secretary Baker declared that there was no higher priority than the aid plan, Representative Bonior attacked the Administration for having its priorities wrong.⁹⁶

The desire to protect themselves from constituent complaints encouraged Members to emphasize the advantage to the United States in providing assistance to the FSU and draw up amendments that would strengthen this point.⁹⁷ During floor debate, many Members noted the billions of dollars in defense budget savings gained by the United States through a peaceful and democratic Russia and pointed out long-term advantages to U.S. business in trade and investment opportunities that would result. Many spoke of direct benefits derived from the aid package itself, including establishment of American business centers to assist U.S. exporters and investors, the use of U.S. universities for training, and procurement of U.S. goods and services for assistance programs.

Although only a third of the Senate faced re-election in 1992, Senators were not immune to the linkage argument.⁹⁸ During Senate debate, Senators Donald Riegle and Howard Metzenbaum offered an amendment to authorize U.S. health, youth and other domestic programs in an amount equal to what the bill provided for the former Soviet Union. While the sponsors asserted that it was in the U.S. interest to support reform in Russia, in their view it was equally important to support aid for economic recovery in the United States. An alliance of conservative Republicans and members of the Foreign Relations Committee rose to speak against the amendment, largely on the grounds that it would "kill" the bill if approved. The amendment was defeated (64-32).⁹⁹

By mid-July, prospects for passage of the Freedom Support Act in the House improved, largely because many of the demands made by linkage advocates had been met. Recognizing the strength of linkage forces, Democratic leaders Foley and Gephardt had reportedly told the White House that the aid bill would not be brought to a vote until the Administration supported a four

⁹⁶ Congressional Record, April 8, 1992, H2473-2475.

⁹⁷ For example, see the debate on the Lieberman amendment, Congressional Record, July 2, 1992, S9591-9601.

⁹⁸ Senators also had their own varieties of linkage. In June, a deadlock over anti-crime legislation and a constitutional amendment to balance the budget brought up by some Republicans kept the aid program from coming up on the floor. By late in the month, Senators Mitchell and Gramm were accusing each other of holding the aid program hostage to political games over the balanced budget amendment.

⁹⁹ Congressional Record, July 2, 1992, S9664-9686.

part domestic renewal program.¹⁰⁰ By the first week in July, three of these programs, in somewhat scaled-down form, had passed the House. By August 5, House Democrats realized they had a commitment to work out differences over additional domestic spending and allowed the aid legislation to come to a vote.¹⁰¹ Representative Bonior hailed the agreement as a "victory", but warned that the final House-Senate aid bill would not be approved unless the Administration fulfilled its agreements to the satisfaction of the House.

CONGRESS APPROPRIATES ASSISTANCE

In 1992, congressional and public attention focused on the Freedom Support Act as the heart of the debate on U.S. relations with the former Soviet Union. The Freedom Support Act, however, only authorized assistance; appropriations legislation was required to fund the major programs the Act supported.

Three appropriations bills supported programs covered under the Freedom Support Act. The State, Justice, Commerce appropriations bill funded USIA educational exchanges and costs for the new diplomatic missions earmarked by the Act. The Defense appropriations bill funded Nunn-Lugar demilitarization and nonproliferation assistance activities. However, the largest slice of the pie, the broader technical assistance and humanitarian activities and the IMF quota increase, were appropriated in the FY 1993 Foreign Operations Appropriations bill.

The appropriation process was another opportunity for Congress to influence the direction as well as the amount of aid to the former Soviet Union. Because of its recurrent failure to approve foreign aid authorization bills, Congress often included authorization language in the foreign aid appropriations bill. But the House foreign operations subcommittee, which had reluctantly grown accustomed to including authorizing legislation in its bill, avoided such language pertaining to the FSU in its FY 1993 aid bill. In its report on H.R. 5368, the committee made a point of supporting the normal authorization process with regard to the proposed aid program for the FSU, because the Administration authorization provisions -- the Freedom Support Act -- went "far beyond the normal jurisdiction of the Committee".¹⁰²

¹⁰⁰ A \$1 billion supplementary emergency spending bill for urban centers; extension of unemployment insurance; creation of 50 enterprise zones at a cost of \$5 billion; and an amendment to the transportation bill that would create 125,000 jobs.

¹⁰¹ The administration had apparently agreed to roughly \$400 million in transportation spending and said it might favorably consider an increase in housing loan guarantees for cities.

¹⁰² House, Committee on Appropriations, Report to accompany H.R. 5368, Report No. 102-585, p. 86.

The bill, reported on June 18, provided \$417 million, of which \$50 million was earmarked for educational exchanges and \$50 million was made available for agricultural commodities for women and children. The report language was more extensive, urging the Administration to resolve outstanding POW and freedom of emigration issues with the FSU. It recommended that the aid program focus on exchanges, agricultural activities, energy and environmental programs, and transportation. It offered support for particular programs, such as those assisting parliamentary institutions, family planning, and activities of the U.N. Development Program, and in some cases recommended funding levels.

As was the case with the Freedom Support Act, the House Rules Committee limited possible amendments for the bill. According to Representative David Dreier, one of the amendments offered in the Rules Committee (sponsored by Representative Bennett of Florida) would have allowed the President to negotiate compensation in natural resources for aid provided the FSU. The Committee voted to disallow it by a 6-6 vote.¹⁰³ None of the four amendments allowed by the Committee focused on aid to the FSU.

Hardly any of the limited debate on the bill concerned its FSU provisions. One reason was that FSU aid was only a small part of the larger aid picture. Further, the controversial IMF appropriation, as discussed above, was not in the House version of the bill. Third, debate on the Freedom Support Act was expected to be more about the general policy of aid to the region and the IMF figure. Members could hold themselves back until that debate began. The foreign operations bill was approved by the House on June 25, 1992, by a vote of 297 to 124.

Like the Senate version of the FSU aid authorization, language on FSU aid in the Senate Appropriations Committee version of the foreign aid appropriations bill reported on September 23, 1992, was lengthier and somewhat more detailed than the House version. Like the House appropriations bill, it earmarked funds for exchanges and food for women and children, strengthening the latter language to make the earmark a requirement. It also made available up to \$12 million for the establishment of Agribusiness Centers, listed several types of assistance it would like to see implemented, and laid out criteria for allocating assistance. As mentioned earlier, it restricted aid on the basis of the status of Russian withdrawal from the Baltics. In the multilateral aid title of the bill, the \$12 billion IMF quota increase was appropriated. The committee report contained extensive language on a wide range of topics, recommending programs and funding levels for the work of private voluntary organizations (PVOs), energy efficiency activities, family planning, and others.¹⁰⁴

¹⁰³ Congressional Record, June 25, 1992, H5194.

¹⁰⁴ Senate. Committee on Appropriations. Report to accompany H.R. 5368, the Foreign Operations, Export Financing, and Related Programs Appropriation Bill, 1993. Report 102-419. September 23, 1992. p. 112-129.

On the Senate floor, two amendments were offered regarding aid to the FSU. An amendment sponsored by Senator Helms restricted aid to Russia if it continued military sales to Iran. An amendment by Senator Brown required that the U.S. executive director of the IMF oppose loans to Russia unless the loan supported economic reform, the IMF provided technical support for reform, and the IMF designed a realistic package of assistance. Both amendments were adopted.¹⁰⁵ The foreign operations bill itself was approved on October 1, 1992, by a vote of 87-12.

The conference version of the foreign aid appropriations bill appropriated \$417 million for humanitarian and technical assistance to the former Soviet Union. It included the House and Senate earmarks for exchanges, agricultural commodities, and agribusiness centers. It included language on a number of environmental activities, but eliminated other specified program recommendations. As discussed earlier, it contained revised prohibitions on aid contingent on the Russian withdrawal from the Baltics, but eliminated the other criteria language that had basically repeated what was already in the Freedom Support Act. Most important, it appropriated funds for the IMF quota increase. The House (by a vote of 312-105) and the Senate approved the conference report on October 5, 1992.¹⁰⁶

¹⁰⁵ Congressional Record, September 30, 1992, S15801-06, S15821-22.

¹⁰⁶ House Report 102-1011.

CONGRESS PRODUCES A POLICY

Early in the debate on the Freedom Support Act, Ambassador Armitage told the U.S. Senate, "I will be very frank with you. There are many things contained in the Freedom Support Act which we could (and if necessary, will) accomplish without the formal authorization that would be conveyed by its passage. But to proceed very far into this process without your explicit, conscious, and willing collaboration would rob us of the single greatest accomplishment we could attain: the creation of a national strategic consensus that will transcend the vicissitudes of partisan political fortunes."¹⁰⁷

In the end, despite disagreements between the Administration and Congress and between elements within Congress itself, and despite the external pressures dictated by congressional and Presidential elections, Congress approved and the President signed into law a broad package and strategy for assistance to the former Soviet Union. The bipartisan agreement sought by both Administration and congressional leaders was achieved. Forty-three Democrats and 33 Republicans supported the measure in the Senate; 161 Democrats and 94 Republicans approved it in the House.

As finally drawn, the Freedom Support Act was a blend of views from Administration, House, and Senate. The basic principles of support for assistance in the original Administration version remained. Although the open-ended executive flexibility requested in the original was now restrained by fixed monetary authorizations and program conditionalities, a greater degree of flexibility than had been the case with most other aid programs also remained in the final law. Through report language, floor debate, and more detailed legislative directives, Congress laid out its priorities and commented on the whole range of aid to and relations with the former Soviet Union, including humanitarian and economic assistance, non-proliferation and disarmament, space technology, trade and investment, and food exports.

The Freedom Support Act established the legislative framework for future debate on U.S. relations with the region. In the last few months of 1992, Members of Congress already were moving to continue the debate, some proposing new programs and additional funding for the future Clinton Administration to consider. Whereas the year began with the Bush Administration suggesting by its actions and words that it did not desire congressional participation, it concluded with a "a joint executive-legislative commitment to work together in support of political and economic reform in the former Soviet Union."¹⁰⁸ By the end of the session with the signing of the Freedom Support Act, Congress had put in place a foreign aid policy vis-a-vis the

¹⁰⁷ Written statement of Ambassador Armitage, Joint hearing, May 6, 1992, p.13.

¹⁰⁸ Senate Foreign Relations Committee, Report on S. 2532, Senate Report, 102-292, June 2, 1992, p.2.

FSU, it had demonstrated approval of U.S. activism in this region using the tool of foreign aid, and it had clearly insured that it would continue to be a player in the formulation of future policy.

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