

U.S. Foreign Policy: Democratic Enlargement

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Bill Clinton was the first American president whose tenure in office lay entirely after the Cold War. If his predecessor's foreign policy was (uncharitably) characterized as “process without purpose”, Clinton's would be characterized as “purpose without process.”¹ If his predecessor had relied on the power of the American military and on the strength of America's alliances in his regional defense strategy, Clinton would rely on **soft power** — America would lead by example through the what was believed to be an emerging consensus in world opinion that liberal political systems and free markets were the only proven path to prosperity and peace. To this end, the U.S. would support the consolidation of new democracies and free markets and counter attempts to subvert them while simultaneously working through international multilateral institutions.²

The initial turbulent postwar years saw the disintegration of several states (Soviet Union, Yugoslavia, Czechoslovakia) and the eruption of many civil wars (Yugoslavia, Liberia, Rwanda, Burundi, Somalia), all of that at a time when the U.S. was struggling to find ways to use its enormous power, both economic and military, and to redefine its global strategy now that its communist adversary had collapsed so completely. Clinton had won the elections campaigning on domestic issues, had no international experience, and no discernible foreign policy agenda. The U.S. foreign policy defaulted to **selective engagement** — his administration would pick and choose what crises to respond to — with some **cooperative primacy** thrown in. Although Clinton was not averse to using force, he much preferred wielding the economic weapon and largely concentrated on global economic issues, which was a reflection of his domestic agenda. Still, Clinton could not tame the military budget because neither the Pentagon nor Congress were willing to cooperate (in fact, Congress sometimes voted defense budgets in excess of what DoD had asked for).

¹Jeremi Suri, “American Grand Strategy from the Cold War's End to 9/11,” *Orbis*, 53:4 (Fall), 2009, pp. 611–27. A condensed version can be found at the Foreign Policy Research Institute, <http://www.fpri.org/articles/2010/03/promise-and-failure-american-grand-strategy-after-cold-war>, accessed February 9, 2016.

²Joseph S. Nye, Jr. *Bound to Lead: The Changing Nature of American Power*. New York: Basic Books, 1991.

Primacy under Clinton was not a goal but a by-product of the domestic politics of spending for the largest employer in the country.

1 Domestic Economic Recovery

Clinton's first, and foremost, priority was domestic economic growth. He had correctly recognized that the pessimistic economic outlook had cost George H.W. Bush the reelection despite his very strong performance internationally. Foreign competition had decimated traditional manufacture, the technology sector was stumbling, the rising industrializing states (primarily, but not exclusively, China) were draining jobs, and the trade deficit was mounting. Although some of these problems were inevitable — after all, part of the reason the U.S. had held such dizzying economic primacy after the Second World War was that the fighting had wrecked the Western and Asian economies. It was therefore inevitable that the U.S. share of the global economy would decline as Europe, Japan, and China recovered. Such relative decline did not mean that the U.S. economy itself was shrinking; in fact, it was growing, but not at a rate that allowed it to remain competitive. The federal deficit had climbed to \$290 billion by 1992, the highest it had ever been.

There were many reasons for the ailing American economy. The drastic expansion of social welfare programs in the 1960s collided with the heavy drain of the Vietnam War, and with the administration unwilling to make the necessary adjustments (either cut the social spending or disengage from the war), prices and unemployment went through the roof. President Nixon imposed the first peacetime price ceiling and wage controls, and suspended convertibility of the dollar into gold on August 15, 1971. As the dollar depreciated, which stimulated exports while making imports less competitive (good for the trade balance), several important trade partners, like Japan and France, faced currency crises because their own currencies began to appreciate rapidly, affecting their exports not only to the U.S., but to countries whose own currencies had been more or less pegged to the dollar. While some of these countries' central banks intervened to prop up the value of the dollar against their own currency (by buying massive quantities of dollars), the sudden lack of convertibility into gold — which meant that the U.S. government could increase the money supply (“print money”) at will — and the persistent inflation that suggested that the U.S. was still spending too much undermined trust in the dollar, and the international demand for dollars slumped.

Recall that President Nixon had attempted to increase this demand by making a deal with Saudi Arabia in 1973: in exchange for the Saudis denominating all oil sales in dollars — meaning that everyone who wanted to purchase oil from them had to pay in dollars — the United States would supply weapons to the Kingdom and guarantee its security. Two years later, all OPEC members agreed to denominate oil sales in dollars — meaning that all transactions had to be settled in U.S. dollars —

on similar terms.³ In addition to shoring up demand for (and thus the value of) the dollar, **petrodollars** had another benefit for the U.S. economy. Since petrodollars are only used internationally for oil trade without returning to the U.S., any increase in prices in the U.S. would be immediately reflected internationally, forcing oil importers to spend more of their currency on dollars. Since this usually means increasing their own money supply, petrodollars allowed the U.S. to export some of its domestic inflation abroad. The benefit, of course, is that this kept the dollar far stronger than it would have been otherwise. A stronger dollar meant lower interest rates, which permitted the American consumers to borrow more cheaply, further increasing the standard of living. Moreover, since oil demand is enormous, oil sales resulted in income that many of the Arab governments could not absorb: they simply had more money than they could put to use domestically. Many of these excess petrodollars were used to buy U.S. Treasury bills and bonds, increasing the demand and so lowering their yield. This **petrodollar recycling** added yet another benefit to the American economy: the U.S. government could also borrow much more cheaply.⁴

The late 1970s, however, reversed some of these gains. A second oil shock in 1978–79 sent inflation sky-rocketing and increased unemployment just when U.S. foreign policy suffered several dramatic setbacks in Nicaragua, Iran, and Afghanistan. With the Soviets breaking the detente and the Islamic Revolution depriving the U.S. of a valuable ally in the Persian Gulf, President Carter was forced to reverse the cuts in military spending. Thus, the U.S. government had to embark on more military spending just when prices were increasing, which meant ever higher deficits. President Reagan compounded the problem with an ill-advised policy of **supply-side economics**, which lowered taxes (government income) in the mistaken belief that this would stimulate the economy into rapid growth. The stiff competition from developing states (India, Indonesia, China) in food exports and from newly industrialized states (South Korea, Singapore, Taiwan) in steel and auto manufacture among others, however, meant that in the 1980s the U.S. did not have the same advantages it had enjoyed during the 1950s. U.S. government expenditures continued to grow while its income failed to keep pace, and as a result both the federal deficit and the total debt rapidly increased.

Clinton, therefore, confronted a persistent and very serious domestic economic problem. He abandoned the long-standing arms-length relationship between the

³Not all oil producers have security and weapons deals with the U.S., however. For instance, Iran, Venezuela, and Syria do not. These tend to be most disgruntled about being forced to accept the U.S. dollar without commensurate return.

⁴While cheap borrowing costs are a boon to both consumers and government, lack of spending discipline will result in excessive debt. When the system falters, as it inevitably must at some point, the interest rate subsidy will disappear. Any debt that had not been contracted at a fixed rate will suddenly become more difficult to service, and any new debt will become more expensive. What had previously been a manageable total debt could become a crushing burden very quickly.

government and industry and promoted what amounted to **industrial policy**, much like the stunningly successful U.S. allies had done to the detriment of free trade.⁵ The U.S. government began coordinating with industrial groups to promote economic growth and began to champion their interests more aggressively abroad to counter the protectionist policies that had artificially precluded them from competing on level ground. The U.S. entered into free-trade agreements with Mexico and Canada (**North American Free Trade Agreement**, NAFTA, 1993), a looser regional integration project in the Far East (Asia-Pacific Economic Cooperation, APEC), and the momentous revision of the Bretton Woods trade system in 1994 when the **General Agreement on Tariffs and Trade** (GATT) finally gave way to the more comprehensive **World Trade Organization** (WTO). All of these efforts were directed toward elimination of protectionist tariffs, which would encourage American exports and help control the trade deficit. Clinton even managed to get Japan to open its markets to some U.S. exports, the first president since the Second World War to be able to budge the unmovable. Even though it took threatening Tokyo with trade sanctions and some less explicit talk of pursuing a “more aggressive policy”, the Clinton administration signed over twenty access agreements with Japan, and persuaded its government to pay up to 75% of the upkeep of the U.S. forces stationed around the South Pacific, all 100,000 of them.

To tame the budget deficit, Clinton managed to get Congress to increase taxes in 1993 although when Congress turned hostile during the Republican-dominated late 1990s, many of the provisions were riddled with exemptions. The rift between the President and Congress also fatally undermined any serious attempt to establish fiscal discipline. Even though inflation remained low throughout Clinton’s presidency and even though unemployment dropped to historic lows, the total national debt continued to increase and the deficit was only apparently brought under control.⁶

⁵For instance, the Japanese government had organized and coordinated its major industries through the Ministry of International Trade and Industry (MITI) since the 1950s. The top industrialists colluded with top government officials to decide what goods Japan would produce for export, which countries they would target, and how domestic producers could be protected from foreign competition. The U.S. government had repeatedly tried, and failed, to pry open the Japanese market to American-made goods despite its security relationship with Tokyo. Similar problems strained relations with China, and the “Four Tigers” (Taiwan, South Korea, Singapore, and Hong Kong).

⁶The much-vaunted balanced budget and surpluses under Clinton were due to accounting tricks. Public debt excluded loans among government agencies themselves, allowing the Social Security Trust to loan money to the government without this registering as an increase in public debt (instead, it is registered as an increase of intra-government holdings). On the other hand, the government did record this loan as revenue in its budget report, creating the illusion of a surplus while the national debt (which includes these holdings) was going up. In fact, the budget remained in deficit although by 2000 the deficit dropped to pre-oil shock (1973) levels. This was not because of some cunning policy on Clinton’s part: the Social Security Administration (SSA) is required by law to invest all its surplus into government securities, which the government sells all the time. When the dot-com bubble burst and people stopped making lots of money, the income of the SSA went down, wiping these surpluses, and forcing the government to borrow in the usual visible way, which is why public

It is undeniable, however, that Clinton presided over a marked improvement in the economic outlook for the United States even though his second term was rocked by sex scandals and a determined effort to impeach him.

2 The Clinton Doctrine

President Clinton's success in domestic and foreign economic policy was somewhat marred by an uneven record in security policy. Some of it has to do with the fact that he had inherited some fairly complicated problems: the Air Force had been engaged in Iraq and was about to begin a mission in Bosnia, the Navy was already quarantining Haiti, and the Marines were already in Somalia.⁷ Some of this had to do with the lack of overarching objective, which caused the administration to squander resources in pursuit of various goals depending on political expediency. Some of it had to do with Clinton's belief that security can be achieved through foreign economic policies. Some of it also had to do with the belligerence of Congress after the stunning Republican takeover in the 1994 mid-term elections, which gave the GOP control of both houses. This antagonism produced several high-profile failures, like the 1999 refusal to ratify the **Comprehensive Test Ban Treaty (CTBT)**, which Clinton had negotiated and signed, or the 1998 **Kyoto Protocol**, which the U.S. had signed but Clinton did not even submit for ratification because the Senate had already passed a resolution that made it clear it would not approve the Protocol. Some of it also had to do with the desire to curtail spending on the military while simultaneously deploying U.S. forces at various hotspots throughout the world.

If there was some vague grand idea behind Clinton's foreign policy, it was "to lead a global alliance for democracy as united and steadfast as the global alliance that defeated communism."⁸ In the wake of communist collapse, more and more countries were adopting representative governments with free elections allowing the competition of multiple parties, guaranteeing civil rights and liberties, and promoting the rule of law. Certainly not all countries calling themselves democracies were true liberal democracies by Western standards (some having adopted only the outward institutional trappings, like elections, without the substance of free choice), but there was no mistaking them rapid diffusion of democratic norms in Eastern Europe and Latin America. The Clinton administration rode the wave by formulating an explicit policy of **enlargement** of the world's community of democracies. It was going to "isolate [non-democracies] diplomatically, militarily, economically,

debt then increased.

⁷On the other hand, some of Clinton's successes also had their roots in policies of previous presidents. Although NAFTA is usually associated with Clinton, it was Reagan who had started the process with Canada, and Bush who had expanded it to Mexico.

⁸William J. Clinton. "A Strategy for Foreign Policy," in *Vital Speeches of the Day*, 58(14): 421, 1992. Speech delivered to the Foreign Policy Association in New York on April 1, 1992.

and technologically,” as Clinton’s National Security Adviser Lake put it.⁹ In this, the administration would prefer to act through multilateral institutions, especially when it came to the use of force, where U.N. approval would be sought, with the action preferably being carried out by NATO.

Anthony Lake explained that the policy of enlargement of the world’s free community of market democracies had four pillars:

First, we should strengthen the community of major market democracies — including our own — which constitutes the core from which enlargement is proceeding.

Second, we should help foster and consolidate new democracies and market economies, where possible, especially in states of special significance and opportunity.

Third, we must counter the aggression — and support the liberalization — of states hostile to democracy and markets.

Fourth, we need to pursue our humanitarian agenda not only by providing aid, but also by working to help democracy and market economics take root in regions of greatest humanitarian concern.

He was also careful to emphasize that this strategy required patience, perseverance, and pragmatism. Perseverance, because waves of democratization had often been followed in the past by waves of authoritarianism, which meant that the U.S. had to prepare for some setbacks. Pragmatism, because supporting the overall general objectives might require the U.S. to deal with some unsavory characters and accommodate non-liberal interests; it might also require the U.S. to abandon potentially friendly regimes or close its eyes in benign neglect while they fail. Patience, because of the potential for reversals, the simple fact that not all authoritarian rulers would want to give up power despite the costs of holding onto it, and the inevitable time that it would take for newly emerging democracies to consolidate.

The idea of enlargement, however, did imply the notion of a momentum — that once the ball got rolling with political and economic liberalization, the resulting prosperity will pull more countries in, enlarging the democratic community in the process, at least in the long term. This was because, as Lake put it,

In this world of multiplying democracies, expanding markets and accelerating commerce, the rulers or backlash states face an unpleasant choice. They can seek to isolate their people from these liberating forces. If they do, however, they cut themselves off from the very forces that create wealth and social dynamism. Such states tend to rot from within both economically and spiritually. But as they grow weaker, they also may become more desperate and dangerous.

⁹Anthony Lake. “From Containment to Enlargement,” September 21, 1993. Speech delivered at Johns Hopkins University. <http://fas.org/news/usa/1993/usa-930921.htm>, accessed July 24, 2014.

This sort of self-sustaining process was an application of the venerable **Domino Theory** except that now instead of propping up the pieces, the U.S. would be pushing them, ever so gently, or just waiting for them to fall on their own once the recalcitrant regimes implode.

For all these caveats, the policy was frustratingly vague and was built on questionable premises. One problem, for instance, was that the concrete idea of the **democratic peace** — the empirical fact that established democracies do not fight each other — did not produce more than vague reasons why the global promotion of democracy should be in the interests of the United States. For example, free elections are not guaranteed to produce leaders that would necessarily be cooperative toward the United States. Some Eastern European countries saw the return of many ex-communists to positions of power. Some countries of strategic importance, like Saudi Arabia, Egypt, and China, had no representative governments at all, but their rulers were either friendly and loyal or too important to antagonize. And in many others, especially in Africa, nominal democracy had unleashed ethnic conflict that produced thinly-veiled military rule behind an electoral façade. Moreover, while established democracies do not fight each other, they do fight non-democracies, and do so with a greater propensity that non-democracies fight each other. Furthermore, consolidating democracies (regimes in transition) tend to be particularly unstable and prone to both internal wars, sometimes of horrifying brutality, and external aggression. In other words, the link between enlarging the community of democracies and stability (and peace) was fairly tenuous, if it ever truly existed at all. Finally, it is entirely plausible that initial pro-market economic reforms can be more easily implemented and better sustained by non-democratic regimes until they eventually give way to democracies, as the examples of South Korea and Brazil suggested. If prosperity leads to democracy, as some scholars have suggested, rather than vice versa, then perhaps premature democratization is even more dangerous for sustained economic growth?

On the other hand, this was no naive idealist policy of promoting constitutional democracy everywhere around the world without regard to other goals. In fact, the policy was much more pragmatic because it explicitly conditioned such activities on U.S. interests. Although America would work to enlarge the democratic community and to liberalize international markets, it would only do so when these activities do not conflict with fundamental issues of security. As a result, the U.S. would approach specific cases differently. For instance, in Russia the U.S. would try to help Yeltsin complete the transition to a liberal democracy and would also help transform the country's economy overnight through a program of mass privatization that would transfer much of state-owned wealth into private hands. Ironically, instead of containing Russia, the U.S. would now subsidize it. In China, on the other hand, the U.S. would not insist on political reforms but would instead promote free market capitalism in the hope that the inevitable changes on society would eventually force the communist monopoly on power to yield.

Some commentators questioned the wisdom of enlargement as an active policy and, quite sensibly, asked what all those non-democratic rulers would think of such an overt attempt to undermine them. Despite all the hedging, the policy did imply that their days are numbered—indeed, this was both its assumption and its goal—and sought, albeit indirectly, to hasten their demise. One particularly apt analogy would be the **Brezhnev Doctrine** that sought, if not the enlargement of the community of socialist nations, then at least the prevention of its contraction. Few observers in the West bought that as a legitimate goal although nobody could figure out how to oppose the USSR just then. But if foreign observers now failed to buy into the brave new world championed by Clinton’s America—not only because it would have no place for them but perhaps also because they wanted to take a different road altogether—then such a policy, expansionist in its essence, could frighten them into closer collaboration to undermine it.

At any rate, Clinton clearly thought that most of the heavy lifting in his foreign policy would be through economic, rather than military, influence. The support for increasing global trade, open markets, technology sharing, and the strong belief that the U.S. could be lead by example, and that a sound economy was the *sine qua non* to be such an example, all showed that the President saw domestic recovery, international trade, and security as inextricably linked. The U.S. would unleash its vast potential by becoming a formidable competitor in the global marketplace, which would spur on its allies and encourage its opponents to take on political and economic reforms that were the only sure way of producing such prosperity in a sustained manner. Clinton indicated the newly acquired importance that economic policy held by creating the **National Economic Council** to help formulate strategies in that area. This seemed to overshadow, at least for the time being, the venerable **National Security Council** that had been the nerve center of American foreign policy since the beginning of the Cold War.

When pressed to enunciate his fundamental view of foreign policy, Clinton offered an interventionist human-rights stance that became known as the **Clinton Doctrine** even though it was not a clear statement of policy like previous doctrines:

We can say to the people of the world, whether you live in Africa or Central Europe, or any other place, if somebody comes after innocent civilians and tries to kill them en masse because of their race, their ethnic background, or their religion, and it is within our power to stop it, we will stop it.¹⁰

The president seemed to propose to put the military might of the United States to humanitarian uses, having defined the national interest in terms of preventing human-rights abuses all over the globe. This was much more expansive than con-

¹⁰William J. Clinton, “Remarks to Kosovo International Security Force Troops in Skopje,” June 22, 1999. <http://www.presidency.ucsb.edu/ws/?pid=57770>, accessed February 10, 2016.

tainment, and clearly smacked of unilateralism. Clinton, however, had been explicit that the underlying principle was that of selective engagement:

The true measure of our interests lies not in how small or distant these places are, or in whether we have trouble pronouncing their names. The question we must ask is, what are the consequences to our security of letting conflicts fester and spread. We cannot, indeed, we should not, do everything or be everywhere. But where our values and our interests are at stake, and where we can make a difference, we must be prepared to do so.¹¹

One reason for focusing on places of great humanitarian concern was that these were usually also the places involved in civil conflicts that often grew into wars, dragging neighboring countries and regional powers into the cauldron. If stability and prosperity were to be the goals of American policy, then it made sense to target the places that posed the greatest threat to them. Under the doctrine, the key to securing the areas that truly mattered for the U.S. was to ensure the stability of areas that might not. The intervention in the **Yugoslav Wars** was justified because the stakes there had been so high: the Balkans were insignificant and unimportant to the U.S. but the violence there—and the resulting humanitarian refugee crisis—threatened the stability of Europe, and Europe was both significant and important to the U.S.

The U.S., however, also reserved the right to act in cases where violations of human rights were so egregious that they simply compelled a response irrespective of the stakes. Many objected to the doctrine because it could be used as a thin wrapper for any intervention the U.S. desired for other purposes. It also seemed to squander precious resources for idealistic goals that had no direct relevance to the well-being of the nation. (We shall have an occasion to discuss idealism in U.S. foreign policy later. For now, suffice it to say that in this Clinton was walking a well-trodden path.) Finally, it seemed to propose to save other people from themselves: that is, intervene in places torn by civil strife. These conflicts are notoriously difficult to resolve and would inevitably drag the U.S. into a nation-building quagmire because while military power is useful to stop the killing, it may not be that useful to create a stable state that would protect its own citizens from one another.

Despite its seemingly vast scope, the doctrine did not really generate much interventionism into the type of conflicts it was supposed to deal with. When the debacle in Somalia soured the administration on intervening in Africa, Clinton decided to stay out of Rwanda. This selective non-engagement gave the Hutu majority 100 days, in which to exterminate nearly a million Tutsis and moderate Hutus. If there ever was a case to intervene for humanitarian reasons, this had been it.

¹¹William J. Clinton, "Remarks by the President on Foreign Policy," Grand Hyatt Hotel, San Francisco, February 26, 1999. <https://www.mtholyoke.edu/acad/intrel/clintfps.htm>, accessed February 10, 2016.

3 Nuclear De-Proliferation

Clinton's approach to foreign policy implied that the only real threats the U.S. faced were dictators oppressing their people and perhaps trying to acquire nuclear weapons, and rulers who did not adhere to the vision of democracy and markets and who could also try to acquire nuclear weapons to impose their policy on their people and perhaps their neighbors. This immediately made **nuclear proliferation** a major concern along with containing or toppling especially objectionable dictators like Saddam Hussein. One glaring blind spot of this approach was the tacit assumption that Russia would remain an impotent collaborator or, at best, would reconstitute itself as a regional power integrated in that new order.

Russia was in a free fall. The economic reforms implemented by Yeltsin's government made many much worse off. Privatization of state-owned enterprises had proceeded at a furious pace—by 1996, more than 120,000 enterprises had gone into private hands, and 60% of GDP was generated by the private sector—but most of these ended up in the hands of their former managers, and many were consolidated into a fewer monopoly-seeking conglomerates. The vast majority of the bigger companies had very close ties with the government and relied on government contracts for their business. In a way, privatization had enriched a narrow class of now exceedingly rich individuals who ensured that further reforms that could threaten their wealth would stall. The standard of living was not improving, threatening the nascent democracy which was failing to deliver on its promises. The government funded its purchases and the ailing welfare sector by printing more money but as the supply of money went up without an accompanying increase in production, the prices soared. Inflation set in as the value of the *ruble* collapsed, and the savings of ordinary Russians were wiped out. The discontent resulted in increasing political support for populists, nationalists, and former communists, who may have disagreed with each other about a great many things but who were united in their opposition to the market liberalization that was seemingly impoverishing the country.

The U.S. government made serious efforts to help Yeltsin's regime see the reforms through, hoping that eventually the benefits of the market will materialize and stabilize the country. Between 1993 and 1996, Clinton gave over \$4.5 billion in bilateral aid to Russia, and the U.S. became the country's largest foreign investor. The economic rationale was obvious: if the U.S. could get a foothold in the 150 million strong Russian market, it would be to its own benefit when the Russians would be finally able to afford to buy things. The political rationale was also clear: without assistance, Yeltsin's government might fall, bringing who-knew-what in its wake. To this end, the U.S. administration not only provided direct aid, it also rendered indirect (but no less important) assistance by using its informal influence in the IMF to ensure that Russia would not be held accountable according to the conditionality agreements.

When the *ruble* plummeted in August 1998 to a quarter of its value, Russia asked the IMF for massive loans. Russia defaulted on \$17.5 billion debt it already owed the IMF which was perhaps not surprising because at that time its GNP was estimated to be lower than Belgium's.¹² As per usual practice, the IMF made these loans conditional on meeting a series of reform targets, which were meant to balance the government's budget as much as possible.¹³ The measures included more privatization and market liberalization, less money printing, and very serious cuts in government spending. The immediate economic effects of these hit the vulnerable middle and working classes especially severely. It was precisely because these reforms were so politically dangerous that many governments refuse to implement them, and the IMF coerces them by threatening to withhold future transfers of the promised aid. The U.S. prodded the IMF into doling out the help for the Russians despite Yeltsin's repeated failure to meet any of the targets (or, apparently, to try the reforms altogether). In that sense, Russia's experience with the IMF was markedly different from that of Poland and Bulgaria—smaller countries of little interest to the U.S.

The irony of the reversal was not lost on anyone: the U.S. had spent five decades containing the Russians and trying to get their country to implode; now it was exerting itself sending them aid and hoping that they keep it together. Aside from Clinton's ideas about helping the transition to democracy in Russia, there was an immediate, urgent, and troubling reason for the American assistance—and it had everything to do with security: the fate of the Soviet nuclear stockpile was uncertain. Although President Bush had began the process of dismantling it, it would be Clinton who would have to do most of the work. During the Cold War, control of **tactical nuclear weapons** was tight and directed from Moscow. But now, the chaos in governance and administration had devolved these responsibilities to local commanders, and people started to worry about "loose nukes." Of USSR's 35,000 nuclear weapons, about 22,000 were tactical (nobody knows their exact number),

¹²President Yeltsin dismissed the Cabinet although this only produced accusations that he was trying to deflect blame from himself. The joke at the time was, "We have been standing on the edge of the precipice for far too long; now we can finally take a great leap forward." By the end of October millions poured into the streets to demand Yeltsin's resignation and the President was soon admitted into a sanatorium. The new Prime Minister, Yevgeny Primakov, took over his responsibilities but grew so popular that Yeltsin replaced him in May 1999, and then booted out that replacement in September in favor of **Vladimir Putin**, the person he had appointed to head the Federal Security Bureau (FSB), the successor of the KGB.

¹³The crisis was quickly transmitted to central Asia where former Soviet republics found their market share in Russia shrinking because the weak ruble could not pay for imports. The normal course of events is then for the Russian exports to these countries to increase but this did not happen. In fact, imports from Russia actually fell in the last quarter of 1998, for several reasons like the contraction in the Russian economy and the demand by Russian exporters to be paid in hard currency (which was safer than the unsteady ruble). With nothing to offset their export losses, the central Asian economies also slowed down, triggering a scare that they will follow the Russian into crisis as well.

and these were scattered across thousands of sites in all fifteen constituent republics. There were also reserves of weapons-grade plutonium and uranium to triple their number. In addition, about 3,200 **strategic nuclear weapons** had been deployed in Ukraine, Belarus, and Kazakhstan, all of which were now independent. They also had about 14,000 of the tactical warheads. Most of the strategic warheads were mounted on intercontinental ballistic missiles (ICBMs) and targeted at the U.S. The danger was clear and present: the loss of centralized control over the Soviet nuclear weapons could trigger regional proliferation if successor states retained them, it could also enable unsavory regimes to acquire Soviet weapons, technology, and fissile material, greatly speeding their own efforts to proliferate, and it could, of course, end up with nuclear weapons—some of them small enough to fit in a bag—in the hands of stateless terrorists. With much of the Soviet periphery sliding toward conflict—some of which erupted in open warfare—the potential for damage was all too obvious.¹⁴

The first order of business was to persuade the three former Soviet republics to give up their nuclear weapons. The Clinton administration worked closely with Yeltsin to cajole and coerce the other three states to become nuclear-free. Kazakhstan and Belarus were relatively straightforward: Belarus kept strong ties with Russia and hewed close to Moscow's policies, and Kazakhstan, which had no disputes with Russia and no real threats from its neighbors, was also more interested in economic recovery and development. The only potential problem was Ukraine, which had a sizeable Russian population but whose Western regions, having been forcibly incorporated into the Soviet Union (and starved by Stalin) had always been anti-Russian. Ukraine also had a number of issues that had to be worked out with Russia; the status of Crimea (which had been transferred to Ukrainian control by Khrushchev) and the Black Sea Fleet among them. The Ukrainians wanted to keep the 1,250 nuclear weapons as a deterrent against Russia, and important voices in the U.S. thought this was their best strategy.¹⁵ But doing so would have made Ukraine the third largest nuclear power in the world, an uneasy prospect given the instability of its government. (There were also fears that if the Ukrainians decided to defy Russia and keep the weapons, the resulting struggle over their control could end with an accidental launch against an existing target; that is, against an American city.) The key to Kiev going nuclear-free was, therefore, a security assurance so that it would not have to rely on a nuclear deterrent at all.

The Russians pressed the Ukrainians hard—they had no interest in nuclear pro-

¹⁴It is these tactical warheads that are usually referred to in nightmare scenarios as “loose nukes” or “Cheney’s 250”, the latter in reference to a statement Secretary of Defense Dick Cheney gave in “Meet the Press” in December 1991: “If the Soviets do an excellent job at retaining control over their stockpile of nuclear weapons—let’s assume they’ve got 25,000—and they are 99 percent successful, that would mean you could still have as many as 250 that they were not able to control.”

¹⁵John J. Mearsheimer, “The Case for a Ukrainian Nuclear Deterrent,” *Foreign Affairs*, 72:3 (Summer), 1993.

liferation of any sort, let alone to a potentially unfriendly neighbor with whom they anticipated disputes—and, ironically, they threatened with the low quality of the weapons, raising the specter of another, inadvertent, Chernobyl. The Americans warned if Ukraine attempted to retain the weapons, the Russians might well attack to acquire them. They sweetened the deal by offering a substantial part of the money earmarked under the Nunn-Lugar **Cooperative Threat Reduction Program** managed by the Pentagon (starting at \$400 million per year, it would eventually grow to over \$1 billion per year). The U.S. was also the only power in position to guarantee Ukraine's territorial integrity and offer protection against Russian threats. It also was the (informal) gatekeeper when it came to financial assistance from the IMF and development projects from the World Bank.

The policy was successful: in January 1994, the **Trilateral Statement and Annex** formalized the agreement between Ukraine, Russia, and the U.S. Ukraine agreed to return all nuclear weapons to Russia and sign up to the **Nuclear Non-proliferation Treaty** (NPT); Russia agreed to supply Ukraine with nuclear fuel rods for civilian use; and both the U.S. and Russia committed to Ukraine's independence and territorial integrity. A few days later, the U.S. and Russia also agreed to de-target their nuclear weapons. Within three years, all nuclear warheads, tactical and strategic alike, that had been deployed outside Russia were returned and many were dismantled. The precision and efficiency of the logistical operation that the Russian military undertook for this astounded many observers who had come to expect that it had become just as chaotic and unstable as the government. The Trilateral Agreement also cleared the way to implementation of the historic START I and II treaties negotiated by the Bush administration.¹⁶ Under these, the U.S. and Russia pared down their arsenals of about 22,000 strategic warheads to 7,000 by 1996, within reach of the goal of limiting them both to 3,000 each.

The greatest concern were the 22,000 tactical nuclear weapons (which were all over the place) and the remaining stockpiles of weapons grade plutonium and uranium. All weapons were returned to Russia but their storage there and that of the material left a lot to be desired. Although it was probably an exaggeration, the claim of a Russian military officer that it was easier to steal highly enriched uranium (HEU) than potatoes unnerved many since he had been investigating the theft of 4 kilograms of HEU by a naval officer in 1993. The efforts to secure these warheads proved effective, if expensive. To this day, not a single former Soviet nuclear warhead has gone missing. On the other hand, the security of the fissile material is far more questionable. There is evidence of an active black market and the Russian government has reportedly thwarted hundreds of deals to smuggle nuclear material,

¹⁶Bush had reciprocated Gorbachev's unilateral withdrawal of Soviet troops by announcing, in September 1991, that the U.S. would unilaterally withdraw its tactical nuclear weapons from all its forces stationed abroad. Gorbachev had responded by announcing an initiative to withdraw all Soviet nukes from abroad as well. Yeltsin had affirmed that commitment and expanded it by promising to work toward de-nuclearization of the former Soviet republics.

especially the HEU that is the key ingredient for the simplest nuclear bomb that can be produced with 1940s technology. The U.S. also discovered attempts by al-Qaeda to obtain nuclear materials during the 1990s. This remains an ongoing concern.