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A RELIC OF THE COLD WAR: IS IT TIME TO REPEAL JACKSON–VANIK FOR RUSSIA?

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON EUROPE

AND THE

SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION AND TRADE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

APRIL 27, 2010

Serial No. 111–112

Printed for the use of the Committee on Foreign Affairs

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

U.S. GOVERNMENT PRINTING OFFICE

56–198PDF WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
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A RELIC OF THE COLD WAR: IS IT TIME TO REPEAL JACKSON–VANIK FOR RUSSIA?

TUESDAY, APRIL 27, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE AND
SUBCOMMITTEE ON TERRORISM,
NONPROLIFERATION AND TRADE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittees met, pursuant to notice, at 2:07 p.m., in room 2172, Rayburn House Office Building, Hon. Bill Delahunt (chairman of the Subcommittee on Europe) presiding.

Mr. DELAHUNT. This joint hearing will now come to order. I want to welcome all of our distinguished panelists. I will have an opportunity to introduce you individually as we proceed forward, but I will make a few opening remarks, and then recognize my colleagues.

In early 2009, the United States-Russian relationship was at its lowest point since the end of the Cold War. The Obama administration came to office with a conviction that an improved bilateral relationship was essential to our national security. After both countries hit the so-called reset button in February 2009, some significant and important developments occurred in both tone and substance in the bilateral relationship. Let me put forth some examples.

First, as a result of Russian cooperation, in less than a year, 20,000 American troops headed for Afghanistan have either traveled through Russia or over Russian airspace, saving the American taxpayers some $133 million. Secretary of State for Political Affairs Bill Burns recently observed, and these are his words, Russia is becoming a much more active operational partner in a collective effort to help stabilize Afghanistan and prevent violent extremism to regain a platform there.

As to the issue of a nuclear-armed Iran, there has been a shift in the Russian position regarding sanctions. It is no longer a question if sanctions should be imposed, but a question of what form they should take.

In the aftermath of the July summit in Moscow, both Presidents agreed to form the U.S.-Russia Bilateral Presidential Commission. This Commission, with 16 working groups, is dedicated to dealing with issues such as energy, terrorism, drug trafficking, science and technology, education and cultural exchanges, and much more. Their work is progressing, and reports are expected by the end of the summer.

Most importantly, on April 8th in Prague, Czechoslovakia, the United States and Russia signed a historic nuclear arms reduction treaty slashing the number of strategic nuclear warheads by one-third. This new START agreement signifies a substantial change in the relationship and demonstrates to the nonnuclear world that both Russia and the United States are committed to advancing the cause of nuclear nonproliferation.

Furthermore, it is important to note that the reset of this relationship is not limited to official governmental actions, but has had an impact on Russian attitudes toward the United States. In early 2009, only 38 percent of the Russian population had a positive attitude toward the United States. A year later, that number has increased by 16 percent. Now some 54 percent of the Russian people have a favorable view of the United States.

So, yes, it is my opinion that the bilateral relationship has improved in many ways, and it is my own belief that it is imperative to our national security to sustain this momentum, because we can't forget that the United States and Russia possess 96 percent of the world's nuclear weapons. So, if for no other reason, this reality makes this a most critical bilateral relationship and should underscore the need to sustain and enhance the positive trends that have developed over the course of the past year.

Now, I am not naïve, and I recognize that there are and remain disagreements and contentious issues between us that need to be addressed, and I am sure there will be hearings and other occasions and other venues to discuss those issues. But one of the most obvious irritants in the bilateral relationship from the Russian perspective is the continued application to Russia of section 402 of the Trade Act of 1974, the so-called Jackson-Vanik amendment. The amendment imposed trade restrictions on those countries who denied its citizens the right of freedom of immigration.

The genesis of the amendment was the Soviet Union's refusal to allow Soviet Jews to travel overseas, but the reality is that Russia, as the successor of the Soviet Union, has fully complied with the amendment's requirements as concluded by a Presidential compliance determination since 1994, 16 years ago, and yet Congress has failed to graduate Russia from the amendment.

Ironically, Russia and Israel recently implemented a visa-free travel program for their citizens traveling between their countries. It was implemented just this past Saturday. This program eliminates the Byzantine process of filling out the extensive Russian visa application and then navigating the Russian bureaucracy.

It would appear that Russia and Israel enjoy a special relationship. It is interesting to note that neither Israel nor Russia are participants in our Visa Waiver Program. So, I believe we should take the advice of the coauthor of this amendment, the late Congressman Charles Vanik, who stated in 1989, and, again, these are his words, the Soviet Union has freed up immigration to the point where it makes sense to waive Jackson-Vanik and restore normal trade tariff conditions to Moscow.

I would submit that it is time for the United States Congress to act, and we do have a precedent for graduating countries from Jackson-Vanik. For example, even though China remains a Communist country today, in 1999, Congress graduated it from all as-

pects of Title IV of the 1974 Trade Act, paving the way for China's accession to the WTO, and yet Russia has not acceded to the WTO after filing its application back in the early 1990s.

As I said, Russia has satisfied the requirements articulated by the amendment, and we should not move the goalposts and ask for further concessions that are irrelevant to the amendment. Changing the rules of the game seriously, I believe, undermines our credibility and breeds resentment that affects the relationship and our own bona fides as a potential partner. Not only would graduating Russia bring economic and commercial benefits, encouraging American companies to increase investments in Russia, but will also send a clear and distinct message to the Russian people that the United States is serious on forging a more dynamic and cohesive partnership.

I look forward to the testimony from today's witnesses.

[The prepared statement of Mr. Delahunt follows:]

House Committee on Foreign Affairs
Joint Hearing of the Subcommittee on
Europe and the Subcommittee on Terrorism, Nonproliferation and Trade

A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?

Tuesday, April 27, 2010

Opening Statement of Chairman Bill Delahunt

This joint hearing will come to order.

In early 2009, the U.S. – Russian relationship was at its lowest point since the end of the Cold War. The Obama Administration came to office with a conviction that an improved bilateral relationship was essential to our national security.

After both countries hit the so called "reset button" in February 2009, significant and important developments occurred in both tone and substance in the bilateral relationship.

Some examples:

First, as a result of Russian cooperation, in less than a year 20,000 American troops headed for Afghanistan have traveled either through Russia or over Russian airspace - **saving the American taxpayers over $133 million**. Secretary of State for Political Affairs Bill Burns recently observed that, "Russia is becoming a much more active operational partner in a collective effort to help stabilize Afghanistan and prevent violent extremism to regain a platform there."

As to the issue of a nuclear armed Iran, there has been a shift in the Russian position regarding sanctions. It is no longer a question if sanctions should be imposed – but a question of what form they should take.

In the aftermath of the July Summit in Moscow, both presidents agreed to form the U.S.-Russia Bilateral Presidential Commission. This Commission, with 16 working groups, is dedicated to dealing with issues such as energy, terrorism, drug trafficking, science and technology, education and cultural

exchanges, and much more. Their work is progressing and reports are expected by the end of the summer.

Most importantly, on April 8th, in Prague, the US and Russia signed a historic nuclear arms reduction treaty - slashing the number of strategic nuclear warheads by one-third. This new START agreement signifies a significant change in the relationship and demonstrates to the non-nuclear world that both Russia and the U.S. are committed to advancing the cause of nuclear nonproliferation.

Furthermore, it's important to note that the "reset of the relationship" is not limited to official governmental actions, but has had an impact on Russian attitudes towards the U.S. In early 2009, **only** 38% of the Russian population had a positive attitude toward the U.S.; a year later, that number has increased by 16%. Now, some 54% of the Russian people have a favorable view of the U.S.

Yes, it's my opinion that the bilateral relationship has improved, and I believe it's imperative to our national security to sustain this momentum. Let us never forget that the U.S. and Russia possess 96% of the world's nuclear weapons. If for no other reason, this reality makes this a most critical bilateral relationship, and should underscore the need to sustain and enhance the positive trends that have developed over the past year.

Clearly, there remain disagreements and contentious issues between us that need to be addressed.

One of the most obvious irritants in the bilateral relationship from the Russian perspective is the continued application to Russia of Section 402 of the Trade Act of 1974 – the so called Jackson-Vanik Amendment.

The Amendment imposed trade restrictions on those countries who denied its citizens the right of freedom of emigration. The genesis of the amendment was the Soviet Union's refusal to allow Soviet Jews to travel overseas. But the reality is that Russia – as the successor to the Soviet Union – has fully complied with the Amendment's requirements, as concluded by a Presidential compliance determination, since 1994 – 16 years ago! And yet, Congress has failed to graduate Russia from the Amendment.

Ironically, Russia and Israel recently implemented a visa-free travel program for their nationals traveling between their countries.

This program eliminates the arduous process of filling out the extensive Russian visa application and navigating the Russian bureaucracy. It would appear that Russia and Israel enjoy a special relationship. It's interesting to note that neither Israel nor Russia participate in our Visa Waiver Program.

I believe we should take the advice of the co-author of this Amendment, the late Congressman Charles Vanik, who stated in **1989** that, "the Soviet Union has freed up emigration to the point that is makes sense to waive the Jackson-Vanik amendment and restore normal trade tariff conditions to Moscow." It's time for the U.S. Congress to act.

And we have a precedent for graduating countries from Jackson-Vanik. For instance, even though China remains a communist country today, in 1999 Congress graduated them from all aspects of Title IV of the 1974 Trade Act, paving the way for China's accession to the WTO. And yet Russia has not acceded to the WTO.

Russia has satisfied the requirements articulated by the Amendment – and we must not move the goal posts and ask for further concessions that are irrelevant to the Amendment. Changing the rules of the game seriously undermines our credibility, and breeds resentment that affects the relationship and our bona fides as a potential partner.

Not only would graduating Russia bring economic and commercial benefits, encouraging American companies to increase investments in Russia, but it will send a clear and distinct message to the Russian people that the US is serious on forging a more dynamic and cohesive partnership.

Mr. DELAHUNT. Now let me turn to my friend and ranking member, the gentleman from California Mr. Gallegly, for his opening remarks.

Mr. GALLEGLY. Thank you very much, Mr. Chairman, and thank you for holding the hearing today to look at the possibility of repealing the Jackson-Vanik amendment as it applies to Russia. I would also like to welcome and thank the six witnesses that are here today participating in this hearing.

The Jackson-Vanik amendment was enacted into law with the intention of protecting the rights of Jews attempting to emigrate from the former Soviet Union in the 1970s. The amendment removed most-favored-nation trade status until Russia was in full compliance with a free immigration policy. Every year since 1994, U.S. Presidents have declared Russia to be in compliance in terms of freedom of immigration. This awards Russia what is now normal trade relation status.

Jackson-Vanik is effectively not applied to Russia as long as their compliance with immigration standards does not change. However, the continued existence of Jackson-Vanik impacts the U.S. trade relationship with Russia as Russia prepares for membership in the World Trade Organization. Without the repeal of Jackson-Vanik for Russia, the United States will be forced to opt

out of the WTO obligation toward Russia, and, because of the conditions placed on Russia, NTR status as a result of Jackson-Vanik.

As we consider lifting Jackson-Vanik, it is important to note that although the trade relationship between Russia and the United States has grown significantly in recent years, there are still outstanding issues. The most notable is the failure of Russian authorities to adequately enforce intellectual property rights. In addition, there remain high tariffs in place on cars and sports utility vehicles that are imported from the United States, as well as issues related to the importation of beef and poultry into Russia.

As Congress and the Obama administration considers lifting Jackson-Vanik, I believe it is imperative that all of these trade issues be resolved. Further, it is my belief that our trade policy toward Russia would be viewed in the larger context of our overall bilateral relationship.

The U.S. has many critical national interests that are profoundly impacted by our relations with Russia, including, most importantly, our effort to prevent Iran from acquiring nuclear weapons. In addition, the United States is seeking strong Russian cooperation in the war against international terrorism and preventing terrorist groups from acquiring weapons of mass destruction. We also have strong interests in the evolution of Russia's own political system, its respect for human rights and its relations with its neighbors.

Therefore, I look forward to listening to the witnesses today on the impact of Jackson-Vanik on our trade relationship and on the U.S. national security priorities.

Thank you, Mr. Chairman.

Mr. DELAHUNT. Thank you, Elton.

I am going to go first to the vice chair of the Subcommittee on Trade and Nuclear Proliferation, the gentleman from Georgia Mr. Scott.

Mr. SCOTT. Thank you so much, Mr. Chairman. It is good to be with you again on this important hearing.

Obviously, with the end of the Cold War, Russia is no longer the looming threat it once was to us, and neither are we the looming threat that we once were to Russia. Quite the contrary, we have the potential now of developing one of the great partnerships in the history of civilization, particularly addressing the security and economic challenges facing the world, no matter whether it is the procurement and the safety of nuclear weapons and ending proliferation, the hot spots of dealing with Iran, our relations with China, keeping weapons of mass destruction and nuclear weapons out of the hands of terrorists.

Wherever we are in dealing with security of the world, Russia and the United States loom as great, necessary partners. In order to achieve the maximum level of cooperation, it is vitally important that we set aside broad philosophical differences, some that still linger, and shrug off the last vestiges of this Cold War.

Our subcommittee must approach today's topic with recognition of the delicate balance necessary to promote America's best interests abroad, and we must promote a trade policy that encourages the responsible growth of American business here at home and abroad, but never at the expense of three things; never at the expense of our national security, nor in the face of egregious and ap-

palling human rights violations abroad, and nor at the cost of the American workers here at home. Those are the three pillars of things we must not do.

But as the global markets recover, we are presented with a fortuitous opportunity of recognizing the mistakes of the past and strengthening American standards as the prime engine of global economic development. We must encourage a rising tide where economic growth coincides with increased living standards and greater democracy. We must eliminate technical barriers to trade and tariffs on U.S. goods, and we must protect intellectual property as well as human rights and the rights of labor.

So, as we gather here today, I think the fundamental question that we have before us was best phrased a few centuries ago by our good friend William Shakespeare, who said, To be or not to be, that is the question. To have Jackson-Vanik or not have Jackson-Vanik, that is the question before us today. What would be the impact if we have it; what is the impact if we remove it in terms of our Russian relations?

Then, finally, I think we have another opportunity to, in the words of the great Humphrey Bogart from the movie Casablanca—as the movie ends, if you recall, he puts his arm around the captain and he says, "Louis, I think we have the beginning of a wonderful friendship." That is what we have here in the possibilities with Russia.

Thank you, Mr. Chairman.

Mr. DELAHUNT. I want to thank the gentleman for his eloquence and his remembering that great American Humphrey Bogart.

With that, let me go to the ranking member, the gentleman from California Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman.

Jackson-Vanik helped millions by promoting freedom of immigration and other freedoms. It is indelibly written into the history of United States-Soviet relations. To ask whether it is useful is no slight to its great legacy.

Some argue that Jackson-Vanik's continued application to Russia is a major diplomatic impediment. It impedes cooperation on the Iran policies, some say. That is an oversell. Russia, unfortunately, appears determined to accommodate Iran, a policy that will eventually bite it, Jackson-Vanik or not. On the other hand, I don't see Russia's bad Iran policy or our other foreign policy and trade concerns with Moscow as strong reasons to maintain Jackson-Vanik.

This legislation addresses specific circumstances, and fortunately, while Russia suffers many human rights problems, problems this administration is largely silent on, there is freedom to emigrate from Russia.

When it comes to big disputes, and we have several with Russia, I don't see how Jackson-Vanik has much of a chit. Jackson-Vanik could be maintained while continuing to determine that Russia isn't impeding emigration, as has been done for 16 years, but there is something advantageous here in us recognizing that this area has improved and put Russia with almost every other country that isn't subject to Jackson-Vanik, including oppressive China.

Russians, including Russian democrats, resent being targeted by this annual review, especially when some in Congress link Jackson-

Vanik status to unrelated issues that can be addressed differently. Linking Jackson-Vanik to poultry trade disputes, for example, can't strengthen our ability to push human rights in Russia.

I look forward to hearing the wide range of views here today, Mr. Chairman, and I thank you for calling this hearing.

Mr. DELAHUNT. I thank the gentleman.

Now my other colleague from California, the chairman of the Subcommittee on Terrorism, Nonproliferation and Trade, Mr. Sherman.

Mr. SHERMAN. Mr. Chairman, you are surrounded by Californians.

Mr. DELAHUNT. I noticed.

Mr. SHERMAN. In any case, I am a little less enthusiastic about repealing Jackson-Vanik or failing to apply it in the manner that has prevented Russia from joining the WTO. That doesn't mean I couldn't reach that conclusion, it is just that I lack the bubbling enthusiasm of some of my colleagues.

I do not think that we have seen a real reset in our relationship with Russia. It is true in supplying Afghanistan, we can fly over their airspace, but we have air bases in newly independent former Soviet republics which are critical to dealing with Afghanistan and which Russia tries to undermine and expel at every turn.

While Russia may eventually reluctantly agree to some sort of sanctions on Iran at the United Nations, you can be sure that they will be so tiny as to have no meaningful effect on Iran's economy, let alone any meaningful possibility of causing Iran to change its nuclear policy.

We concluded the START negotiations. Doing so was perhaps good for the world. It also was a chance for Russia to stand side by side with the United States as coequal world superpowers, an honor that they don't enjoy near as often as they did before the fall of the Soviet Union.

Now, I believe that the only way we can really improve Russia's behavior is by offering concessions on things that Russia really cares about. Jackson-Vanik is just one of the many things that we could offer.

Now, I am a man of faith, but I do not believe in a faith-based foreign policy. When it comes to making concessions to Russia, whether it be Jackson-Vanik or anything else, we should trust but verify. More particularly, we should get explicit—sometimes private, but at least explicit—clear agreements for meaningful steps taken by Russia in return for the steps taken by the United States.

Now, high-level Russian diplomats have repeatedly requested that we "graduate" them from Jackson-Vanik or eliminate Jackson-Vanik. Whichever device is used would be the same for Russia. They have described it as notorious in the Russian press. Boris Yeltsin once joked that every kid in Russia knows the names of Jackson and Vanik, and none of them particularly like either gentleman.

This Jackson-Vanik modification is critical to Russia joining the World Trade Organization. Their efforts have been greatly complicated by the fact that we do not have permanent and unconditional normal trade relations or most-favored-nation status with them, and that is as a result of Jackson-Vanik.

Both President Putin and President Medvedev have argued in favor of their country joining the World Trade Organization, acknowledging that their country's inability to join the WTO has stunted the Russian economy and made it less competitive. According to the Congressional Research Service, the change the United States would experience from Russia's graduation in terms of our trading relationship would be minimal. Russian imports have entered the United States on a constantly renewed normal trade relations basis since 1992. So this is not primarily a balance of payments issue or even a jobs issue, this is a foreign policy issue.

Now, I have often said and that I would like to see a grand bargain with Russia in which we would tender concessions not only on Jackson-Vanik, but on other issues of importance to Russia; that we would listen carefully and perhaps modify our positions with regard to such issues as Acacia, South Ossetia and Moldova. But this major grand bargain would have to be in return for truly crippling, immediate mandatory United Nations sanctions on Iran. The State Department isn't even talking about such sanctions, so it seems unlikely that our State Department is going to negotiate a grand bargain worthy of the title.

Preventing Iran from developing nuclear weapons should be our number one foreign policy objective. I do not expect Russia to massively change its policy toward Iran just on the Jackson-Vanik issue alone, and I don't think that it is credible for us to say the only thing we are willing to change is Jackson-Vanik, and we are waiting for Russia to vote for massive and crippling sanctions on Iran.

So, our purpose here at these hearings is to focus on Jackson-Vanik as perhaps the sole immediate concession that we are willing to offer the Russian side. If we do so, we—as others have noted, it can be said that Moscow is in compliance with the purpose of Jackson-Vanik, which was to allow chiefly Soviet Jews to emigrate. But while the Jews of the Soviet Union are no longer being held hostage, their sacred papers are, and this is clearly something that needs to be dealt with before we change Jackson-Vanik. I refer to the Schneerson collection of books and archives, which are sacred chiefly to those Jews in the Chabad or Lubavitch movement.

Without objection, I will put into the record the many letters that I have sent to such Russian leaders as Vladimir Putin, which I have hand-delivered at the Russian Embassy to the Ambassador, which I have handed to virtually every Russian dignitary who has come to the United States and visited Capitol Hill since 2004. And when I didn't personally hand these letters to them, my good friend Dana Rohrabacher did. I want to note also for the record that I have never received a response.

I did hear third-hand a rumor that the Russian response would, after 6 years, be that they seem to have some procedural defenses usable in both Russian and perhaps even American courts, but not a single word has been uttered as to why as a matter of justice the Russian state should retain these documents sacred to the Chabad movement, in particular, the Schneerson collection of papers divided between the Schneerson Archives and the Schneerson Library.

Let me focus chiefly for today on the Archives. These were legally removed from the Soviet Union in the 1920s by Rabbi Schneerson. They were seized by the Nazis and then fell into the hands of the Red Army. It is well established that assets seized by the Nazis should be returned to their rightful owners, and yet the Red Army and the Soviet state continues to hold these Archives.

Contrast that to the fact that certain Russian archives, chiefly the Smolensk Archives, fell into American hands, I believe, after being captured by the Nazis. It took us a while, but in 2002, we returned these documents to the Russian state. It is disappointing that this unilateral concession, this return of important papers, was not matched by the return of the Schneerson documents to the Chabad movement.

Now, it is said that Jackson-Vanik has achieved its purpose. Jews are no longer being held hostage. But the sacred papers of the Chabad community are still held hostage.

Tom Lantos in April 2007 declared that while he was chairman, Jackson-Vanik would not be lifted unless the Schneerson collection was returned to the Chabad movement. I cannot make that pledge quite as strong because I am not chairman of the full committee, but I will pledge to work hard to make sure that Tom Lantos' pledge remains viable, and that, having returned the Smolensk Archives, we should not be asked to sweep away Jackson-Vanik until not only the people, but the sacred documents are also released.

I yield back.

Mr. DELAHUNT. I thank my friend.

I now go to the gentleman from California, the ranking member on the Subcommittee on Oversight, Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman, and thank you for calling this hearing and following up on discussions that we have had with people, with our counterparts in Russia, who are sincerely trying to develop a better relationship with us.

It was very difficult to explain to them why Jackson-Vanik is still on the books. I see one of our witnesses, my old friend Ambassador Steve Sestanovich, who worked with me during the Reagan White House. He worked there during the time when I remember Ronald Reagan went to Berlin, and there was considerable debate about what he should be saying, but when Ronald Reagan went to Berlin, he said, Mr. Gorbachev, tear down this wall. That was a long time ago. You look great for all these years, Steve.

But the fact is, Mr. Chairman, that was a long time ago, and so much has happened. So I would ask my fellow colleagues to join me; when it comes to Jackson-Vanik, let's tear down this wall. It is about time that the relic, this ancient relic of the Cold War, be discarded. That doesn't mean we don't have issues between us, but let's take this off the table, because it is an impediment to negotiations and honest talks about setting up a better relationship between our countries.

This is especially true when one realizes that today what you have in Russia is, yes, an imperfect democratic society. We can talk about the imperfections all day long. We happen to have a lot of imperfections in our society as well. However, there are some demonstrable things that need to be better in Russia. But, by and large, when you go to Russia, as compared to when I went to Rus-

sia in 1984, the churches are filled in Russia. In fact, the Russian people are very religious people compared to many other people in the world.

You go there and you hear criticism of the government in Russia. There are opposition parties. Yes, they complain they didn't get permits to do this or that, but there are opposition parties, and their voice is heard, and they get to have demonstrations. There are actually opposition newspapers. You hear people on radio complaining about the administration.

Now, there are some problems that we would like to point out, things that were done that we wouldn't have liked to have seen done in terms of some of the communications industry, but by and large there has been an overwhelming reform that has gone on in Russia in these last 30 years since Jackson-Vanik was put into place, an overwhelming reform that is so visible and so apparent. People are free to travel now where they weren't permitted to travel. Not only were they not permitted to travel, they could be shot trying to get over the fence back in the 1980s.

We still have Jackson-Vanik, and we have not opened up the economic and political cooperation that we need to develop the kind of close relationship that would be beneficial to our people.

Let's just note this: At the same time while we are keeping these relics from the Cold War on the table, we have provided China with most-favored-nation status, permanent most-favored-nation status. We have provided China continued access to our markets. There has been transfers of technology. There has been major investments. We have built the Chinese economy, and there hasn't been one iota of political reform in China.

For us to complain about the shortcomings of Russia while permitting this massive buildup of the Chinese economy that is now ruled by a government that has had none of this reform is so contradictory that we can see why perhaps the Russians are confused whether or not we want them to be our friends or not.

Well, if we are to have peace in this world, if we are to have prosperity in this world, if Americans are going to be secure, we have got to have a good relationship with Russia. Whether it is combating radical Islam, or whether it is confronting the Frankenstein monster of a totalitarian China emerging on the world scene, either one of these things that are great threats to us, we need Russia on our side. We need to start treating them fairly and be rational and quit having things like Jackson-Vanik, relics of the Cold War, around to be impediments to developing a better relationship.

Thank you very much, Mr. Chairman.

Mr. DELAHUNT. Thank you, Mr. Rohrabacher.

I think the final member on our Democratic side who wants to make a comment is also from California, Congresswoman Diane Watson.

But, Diane, before I recognize you, I just want to note for the record, and I know that Brad Sherman possibly had a private conversation, and I will let him identify the conversation with Mr. Lantos, but I would be remiss not to note that on February 21st, 2007, over Radio Free Europe and Radio Liberty, it was reported that U.S. Congressman Tom Lantos had called for an end to a dec-

ades-old U.S. restriction on trade with Russia. Speaking in Moscow, Lantos called the 1974 Jackson-Vanik amendment a relic of the Cold War and vowed to spare no effort in seeking its removal.

So, we have somewhat of a disagreement, but I wanted to read that for the record.

I now call on Congresswoman Watson.

Mr. SHERMAN. Diane, if I could just speak for 1 minute?

Mr. DELAHUNT. You will still have all the time you need.

Mr. SHERMAN. I have no doubt that in February 2007, Tom Lantos wanted to see us repeal Jackson-Vanik. He then met with people concerned about the Schneerson collection in April 2007, and that is when he took the position that, of course, he would like to see Jackson-Vanik abolished, but only when these papers are turned over. I think he and I would have thought then that this would be a relatively simple matter.

These papers are providing no particular benefit to Russia. It is like the dog on top of the pile of hay chasing every other animal away. The dog is not going to eat the hay. He is just there because the cow wants it.

I also would point out—and I know the title of this hearing says that maybe Jackson-Vanik is a relic of history—not all relics of history should be swept into the dust bin of history. The U.S. ownership of Alaska is a relic of the Lincoln administration.

I yield back.

Mr. DELAHUNT. I thank the gentleman and will agree, if he so chooses, since the Subcommittee on Europe would have jurisdiction, we would be happy to call for a separate hearing on the Schneerson Papers and accommodate your concerns.

Having said that, let me now recognize the gentlelady from California Ms. Watson.

Ms. WATSON. Thank you, Mr. Chairman. I was there with Congressman Lantos when he made that statement, and I got the feeling that we should support it. And I think Mr. Rohrabacher was maybe traveling with us at the time.

Past U.S. Presidents have continued to determine that Russia has been in full compliance with Title IV of the Trade Act of 1974 since September 1994. The Congress has not given any President the authority to repeal Jackson-Vanik. However, it is important to recognize the responsibility that we as policymakers have to consider any consequences of possible trade injury repealing Jackson-Vanik would cause the U.S. commerce.

I am so pleased to hear you say, Mr. Chairman, that we will have a subsequent hearing on this issue. I think it is very important to look at it from both sides. But I was very pleased with the atmosphere that we got from the members of their Parliament and the openness that was not there when I first went to Russia in the 1960s. So we do need to really just deeply ask this question and weigh it.

So I look forward to listening to the panel, and I thank them for appearing before the committee.

I yield back.

Mr. DELAHUNT. I thank the gentlelady.

Now we come to the important part of the afternoon, which is to listen to our distinguished witnesses. Let me begin by introducing

Ed Verona. By the way, you all have extensive résumés, and I will shorten them and just pick out the highlights.

Ed Verona was appointed president and CEO of the U.S.-Russia Business Council on June 1, 2008. Prior to that, he was the vice president of ExxonMobil Russia. In August, he was based in Moscow. He has a B.A. in political science from the University of Arizona and a master's of international management from the American Graduate School of Global Management.

Next we have will Mark Levin. Mark Levin has been the executive director of the National Conference on Soviet Jewry since 1992. In November 2008, Mr. Levin was the Soviet Jewry Freedom Award recipient at the Boston-based Russian Jewish Community Foundation's annual gala. In September 2008, Ukrainian President Yushchenko awarded him the Order of Merit Medal in New York, and in June 2006, he was honored for 25 years of distinguished service with NCJS here in Washington. He has an extensive background. Prior to coming to NCJS, he worked with the American Israel Public Affairs Committee, and he is a graduate of the University of Maryland.

Ambassador Sestanovich is the George Kennan Senior fellow for Russian and Eurasian studies at the Council on Foreign Relations, and the Kathryn and Shelby Davis professor of international diplomacy at Columbia University. His particular areas of expertise are Russia and the former Soviet Union, the Caucasus and Central Asia, and U.S. foreign policy. He served as Ambassador-at-Large and special adviser to the Secretary of State for the New Independent States from 1997 to 2001. In this capacity, he was the State Department's principal officer responsible for policy tours to states of the former Soviet Union. He has his Ph.D. from Harvard and his B.A. from Cornell. He has written numerous books.

Next we have Dr. Edward Lozansky, who is the president of the American University in Moscow, the first private university in Russia, which he founded in 1990 with Dr. Yuri Ossipian, at that time Gorbachev's science advisor, and Gavriil Popov, former mayor of Moscow. He is also founder and president of the World Russian Forum, an annual convention here in the U.S. Congress since 1981, to discuss the most important issues in the United States-Russia relationship and to promote the idea of an United States-Russian strategic alliance. He graduated from the Moscow Institute of Physics and Engineering, and received his Ph.D. in theoretical and mathematical physics from the Moscow Institute of Atomic Energy. He is the author of 14 books and over 400 articles in the areas of science and humanities. He is a foreign member of the Russian Academy of Social Services.

Mark Talisman was born and raised in Cleveland, Ohio. He graduated from Harvard with honors. For 14 years he was the chief of staff to the coauthor of the Jackson-Vanik amendment, Congressman Charles Vanik. He is the founding director of the Washington, DC, office of the Council of Jewish Federations. He is married with two children and two grandchildren.

Next we have David Satter. He is a senior fellow at the Hudson Institute and a fellow in the Foreign Policy Institute of the John Hopkins University School of Advanced International Studies. He was the Moscow correspondent for the Financial Times of London

from 1976 to 1982. He has written on Russia and the former Soviet Union for more than three decades. He contributes frequently on Russian affairs to the editorial page of the Wall Street Journal, Forbes and National Review Online. He is presently completing a new book about the Russian attitude toward the Communist past.

Welcome, all.

We will begin with Mr. Verona.

STATEMENT OF MR. EDWARD S. VERONA, PRESIDENT AND CHIEF EXECUTIVE OFFICER, U.S.-RUSSIA BUSINESS COUNCIL

Mr. VERONA. Thank you very much, Chairman Delahunt. Thank you for the honor of allowing me to testify here today on a subject which is of vital importance to the organization which I have the privilege to lead.

The USRBC represents approximately 250 companies, 80 percent of which are American, with the remainder being Russian and from third countries. Our membership encompasses a broad swath of industries, with companies ranging in size from those in the Fortune 100 to small consultancies and nonprofit organizations. They are leaders in the aerospace, automotive, consumers goods, high-tech and financial services sectors, among others.

Our members employ a substantial number of U.S. citizens, who produce manufactured goods, develop and market advanced technologies, create entertainment products and provide financial and other services to one of the fastest-growing emerging-market economies. During most of the past decade, our U.S. member companies found Russia to be one of their most lucrative global markets, with many seeing annual growth rates in sales and revenues of over 20 percent.

Indeed, the growth in U.S.-Russia trade has been nothing short of remarkable over most of the past decade, from $9 billion in 2001 to $36 billion in 2008. Before the global recession hit in the latter half of 2008, our bilateral trade was on track to exceed $40 billion that year. While still modest in terms of overall U.S. trade, this volume represents a fourfold increase over the 2001–2008 period.

U.S. exports to Russia, which comprise about a third of the total, are, for the most part, high-value-added goods that have provided skilled jobs for American workers and have earned American brands a solid reputation in Russia for quality.

We believe that the potential for increasing U.S. exports to Russia is much greater than the levels already achieved. With the global economic and trade recovery now underway, and with the return of economic growth in Russia, we anticipate a gradual resumption of growth in bilateral trade.

Unlike their counterparts in most developed markets, Russian consumers are coming out of this recession relatively debt free and, therefore, more likely to resume purchasing patterns of the past, including many iconic American brand products which they equate with a better quality of life, and our member companies are ready to take advantage of that opportunity.

I mention the foregoing since I believe it is useful to establish why U.S. business has a stake in the question that has been posted by this panel: Is it time to repeal the Jackson-Vanik amendment for Russia?

On the basis of the Trade Act of 1974, with regard to restrictions on immigration from the Soviet Union, it would appear that the main reason for that legislation was a situation that no longer pertains in the case of Russia. In fact, every U.S. President, as previously mentioned here, since 1994 has found Russia to be in compliance with the emigration provisions of the amendment and has waived its application to Russia.

The late Congressman Tom Lantos, now cited several times, who for years was one of the leading proponents of the amendment, said, as Chairman Delahunt has mentioned, shortly before he died that it was time to put behind us this relic of the Cold War, and he would spare no effort to bring that about.

With respect to the other condition of the Jackson-Vanik amendment, namely the absence of a market economy, I would only note that the United States has officially recognized the Russian Federation as a market economy since 2002. It is hard to argue today in favor of maintaining Jackson-Vanik on the ground of either condition, emigration restrictions or the lack of a market economy. On the other hand, it is becoming increasingly obvious that the continued application of this amendment is undermining American efforts to encourage Russia to move toward a society and an economic system based on the rule of law.

Three consecutive United States administrations have urged Russia to adopt and uphold internationally accepted standards of jurisprudence and advocated Russia's membership in rules-based international financial and trade organizations. Yet in the case of Jackson-Vanik, we appear to twist the interpretation and implementation of our own law. The State Department has attested in numerous annual human rights reports that Russia does not restrict emigration on the basis of religious or ethnic identity.

The United States also supports Russia's accession to the WTO. Failure on our part to reflect in our trade legislation the fundamental changes that have occurred since the enactment of Jackson-Vanik would appear to contradict the findings and policy positions of our own government.

There are some who argue that we should not give something to Russia in return for nothing. Seen from Russia's perspective, this amounts to shifting the goalposts. It raises doubts about U.S. adherence to the letter and intent of the law, and sets a precedent of spurious reciprocity that Russia could exploit to its advantages in other circumstances.

Keeping Jackson-Vanik on the books as bargaining leverage, which demonstrably it no longer affords, engenders cynicism and resentment and complicates efforts to establish a normal relationship with Russia.

The USRBC acts as the Secretariat for the Coalition for U.S.-Russia Trade, an organization representing more than 60 companies and trade associations who stand ready to advocate congressional graduation of Russia from the provisions of the Jackson-Vanik amendment and adoption of permanent normal trade relations with us once that country enters the WTO. Within the coalition are companies that have concerns about a number of trade issues with respect to Russia. Specifically there are questions about Russia's implementation and enforcement of intellectual property

rights, about lapses in following science-based regulatory standards for imported poultry and pork products, and about the selective imposition of import tariffs against U.S. manufacturers.

These and other critically important issues for business are being addressed in Geneva through negotiations on Russia's WTO accession. That is the appropriate venue, and the WTO is the appropriate instrument for ensuring Russian conformity with international trade rules.

When Russia eventually enters the WTO on the basis of a commercially meaningful agreement, the United States will be prevented from enjoying the benefits of greater market access to Russia if we have not in the interim lifted Jackson-Vanik. This is a prerequisite to granting PNTR, without which we will be in violation of WTO rules and, therefore, at a disadvantage to the other nations who will compete against us to sell goods and services to the vibrant Russian market which I described before. The result would be fewer American jobs as export opportunities are lost.

In our recommendations to the Obama administration in January 2009, the USRBC urged the administration to rescind Jackson-Vanik without prior condition as a gesture of goodwill to Russia and as a way to create momentum for the reset of the relationship.

My experience convinces me that the Jackson-Vanik amendment has had no dissuasive or positive effect on Russia's trade or domestic economic policies. Rather, it has served as a convenient pretext for Russia failing to take the steps necessary to bring itself into compliance with the rules-based trading community. I believe, therefore, that it is a relic of a bygone era, and that it is time for the United States to remove its applicability to Russia.

Thank you very much.

[The prepared statement of Mr. Verona follows:]

Testimony before the Subcommittee on Europe
and the
Subcommittee on Terrorism, Nonproliferation and Trade
of the
United States House of Representatives
Committee on Foreign Affairs
April 27, 2010

Edward S. Verona
President and CEO
U.S.-Russia Business Council

Chairman Delahunt, Chairman Sherman, Ranking Member Royce, and Ranking Member Gallegly,

Thank you for the honor of allowing me to testify here today on a subject that is of vital importance to the organization that I have the privilege to lead — the U.S.-Russia Business Council. The USRBC represents approximately 250 companies, 80 percent of which are American, with the remainder being Russian and from third countries. Our membership encompasses a broad swath of industries, with companies ranging in size from those in the Fortune 100 to small consultancies and non-profit organizations. They are leaders in the aerospace, automotive, consumer goods, high-tech, and financial services sectors, among others.

Our members employ a substantial number of U.S. citizens who produce manufactured goods, develop and market advanced technologies, create entertainment products, and provide financial and other services to one of the fastest-growing emerging market economies. During most of the past decade, our U.S. member companies found Russia to be one of their most lucrative global markets, with many companies seeing annual growth in sales and revenues of over 20 percent.

Indeed, the growth in U.S.-Russia trade has been nothing short of remarkable over most of the past decade: from $9 billion in 2001, to $36 billion in 2008. Before the global recession hit in the latter half of 2008, our bilateral trade was on track to exceed $40 billion that year. While still modest in terms of overall U.S. trade, this volume represents a four-fold increase over 2001-2008. U.S. exports to Russia, which comprise about a third of the total, are for the most part high value-added goods that have provided skilled jobs for American workers, and have earned American brands a solid reputation for quality in Russia.

We believe that the potential for increasing U.S. exports to Russia is much greater than the level already achieved. With the global economic and trade recovery now underway, and with the return of economic growth in Russia, we anticipate a gradual resumption of growth in bilateral trade. Unlike their counterparts in most developed markets, Russian consumers are coming out of the recession relatively debt-free and therefore more likely to resume purchasing the imported goods, including many iconic American-brand products, which they equate with a better quality of life. Our member companies are ready to take advantage of that opportunity.

I mention the foregoing as background, since I believe it is useful to establish why U.S. business has a stake in the question that has been posed by this panel: Is it time to repeal the Jackson-Vanik Amendment for Russia?

On the basis of the Trade Act of 1974 with regard to restrictions on emigration from the Soviet Union, it would appear that the main reason for that legislation was a situation that no longer pertains in the case of Russia. In fact, every U.S. president since 1994 has found Russia to be in compliance with the emigration provisions of the amendment and has waived its application to Russia.

The late Congressman Tom Lantos, who for years was one of the leading proponents of the amendment, said shortly before he died that it was time to lift Jackson-Vanik as it applies to Russia on the grounds that there were no longer any restrictions on emigration. After his last visit to that country in 2007 Lantos said, "It's time to put behind us this relic of the Cold War," adding that he would "....spare no effort to bring this about" with "...every expectation that I [Lantos] will be successful."

With respect to the other condition of the Jackson-Vanik Amendment, namely the absence of a market economy, I would only note that the United States has officially recognized the Russian Federation as a market economy since 2002.

It is hard to argue today in favor of maintaining Jackson-Vanik on the grounds of either condition — emigration restrictions or the lack of a market economy. On the other hand, it is becoming increasingly obvious that the continued application of this amendment is undermining American efforts to encourage Russia to move toward a society and an economic system based on the rule of law.

Three consecutive United States administrations have urged Russia to adopt and uphold internationally accepted standards of jurisprudence and advocated Russia's membership in rules-based international financial and trade organizations. Yet, in the case of Jackson-Vanik we appear to twist the interpretation and implementation of our own law. The State Department has attested in numerous annual human rights reports that Russia does not restrict emigration on the basis of religious or ethnic identity.

The United States also supports Russia's accession to the WTO. Failure on our part to reflect in our trade legislation the fundamental changes that have occurred since the enactment of Jackson-Vanik would appear to contradict the findings and policy positions of our own government.

There are some who argue that we should not "give" something to Russia in return for nothing. Seen from Russia's perspective, this amounts to shifting the goalposts. It raises doubts about U.S. adherence to the letter and intent of the law, and sets a precedent of spurious reciprocity that Russia could exploit to its advantage in other circumstances. Keeping Jackson-Vanik on the books as bargaining leverage – which demonstratively it no longer affords -- engenders cynicism and resentment, and complicates efforts to establish a normal relationship with Russia.

The USRBC acts as the Secretariat for the Coalition for U.S.-Russia Trade, an organization representing more than 60 companies and trade associations who stand ready to advocate congressional graduation of Russia from the provisions of the Jackson-Vanik Amendment and adoption of Permanent Normal Trade Relations (PNTR) with Russia once that country enters the WTO. Within the Coalition are companies that have concerns about a number of trade issues with respect to Russia. Specifically, there are questions about Russia's implementation and enforcement of intellectual property rights, about lapses in following science-based regulatory standards for imported poultry and pork products, and about the selective imposition of import tariffs against U.S. manufacturers. These and other critically important issues for business are being addressed in Geneva through negotiations on Russia's WTO accession. That is the appropriate venue, and the WTO is the appropriate instrument for ensuring Russian conformity with international trade rules.

When Russia eventually enters the WTO on the basis of a commercially-meaningful agreement, the United States will be prevented from enjoying the benefits of greater market access to Russia if we have not in the interim lifted Jackson-Vanik. That is a pre-requisite to granting PNTR, without which we will be in violation of WTO rules and therefore at a disadvantage to other nations who will compete against us to sell goods and services to the vibrant Russian market which I described above. The result would be fewer America jobs as export opportunities are lost.

In our recommendations to the Obama Administration in January 2009, the U.S.-Russia Business Council urged the Administration to rescind the Jackson-Vanik Amendment without prior condition as a gesture of goodwill to Russia and as a way to create momentum for the reset of the relationship. My experience convinces me that the Jackson-Vanik Amendment has had no dissuasive or positive effect on Russia's trade or domestic economic policies. Rather, it has served as a convenient pretext for failing to take the steps necessary to bring Russia into the rules-based trading community.

I believe, therefore, that it is indeed a relic of a bygone era and that it is time for the United States to remove its applicability to Russia.

Mr. DELAHUNT. Thank you, Mr. Verona.
Mr. Levin.

STATEMENT OF MR. MARK B. LEVIN, EXECUTIVE DIRECTOR, NATIONAL CONFERENCE ON SOVIET JEWRY

Mr. LEVIN. Thank you, Mr. Chairman. I would ask that my full statement be admitted into the record, and I will summarize.

Mr. DELAHUNT. Without objection.

Mr. LEVIN. Since 1971, the NCJS has represented nearly 50 national Jewish organizations. They include the Anti-Defamation League, B'nai B'rith International, Hadassah and AIPAC, as well as hundreds of local Jewish community councils, committees and federations across the country.

2010 marks the 30th anniversary of my professional involvement with NCJS. I made my first trip to Russia in 1982 when I led a congressional delegation that met with Soviet officials and Jewish activists. I have worked on Jackson-Vanik issues since the start of my tenure with NCJS.

The cause of free emigration is personally and professionally very important to me. It heartens me to see former Soviet bloc countries rejoin the community of free nations. Several of these countries have already graduated from Jackson-Vanik requirements in recent years, most recently Ukraine in 2006.

Mr. Chairman, I would like to take this opportunity to summarize our basic points. First, NCJS supports the graduation of the Russian Federation from the Jackson-Vanik amendments; graduation, not repeal of the amendment. The Russian Federation has fulfilled the requirements of the Jackson-Vanik legislation, and we believe that the administration and Congress should move forward on graduation for Russia. This development would be a key step forward for Russia and for the Russian-American relationship.

Second, we base our position on the undeniable fact that Russia today allows free emigration for all of its citizens, something that was denied to them during the 74 years of Soviet rule.

Also I wish to note, as you did, Mr. Chairman, that there are no longer any visa tourist requirements between Russia and Israel. Russia's Jewish community has undergone nothing short of a renaissance over the last 20 years. Synagogues, day schools, community centers and kosher restaurants are now open in many large Russian cities. Over 1 million Russian-speaking Jews have emigrated to Israel, the United States and elsewhere since 1991. All of these facts are true indicators of Russia's satisfaction of Jackson-Vanik requirements and a testament to the amendment's extraordinary success in helping to secure freedom of emigration for Russian Jews and others wishing to emigrate from Russia.

NCSJ has supported a Presidential Jackson-Vanik waiver for Russia since 1991. We worked closely with President George W. Bush to promote Russia's graduation starting in 2001. In 2009, President Barack Obama said that graduating Russia from Jackson-Vanik would be a foreign policy priority for his administration, something that we recommended during the transition period.

Given the progress made by Russia in observing freedom of movement since the fall of communism, we continue to press for Russia's graduation. The United States Government has granted

Russia an exemption from Jackson-Vanik requirements by a Presidential compliance determination every year since 1994. This was something that was done with our strong endorsement.

After 16 years of proven compliance, the time has come to graduate Russia from the amendment. Mr. Chairman, almost all major Russian Jewish organizations strongly support graduating Russia from Jackson-Vanik. This is one of the best arguments I can make in favor of graduation. The U.S. Congress created the Jackson-Vanik amendment with the plight of the Soviet Jewish community in mind. This community, now Russian, no longer Soviet, says today these requirements are no longer needed.

This does not excuse the Russian Government from addressing the very real problems in the Russian Federation that still confront its Jewish communities and others. First, I would like to note anti-Semitic incidents continue across the country. Secondly, the rise of ultraviolent, nationalistic skinhead and neo-Nazi youth groups is a very troubling phenomenon, as is the Russian Government's inconsistent prosecution of hate crimes. And lastly, certain aspects of the 1997 law on religion, which requires registration of religious organizations in communities with the authorities, continue to be a problem.

NCSJ will keep engaging the Russian Government strongly and persistently on these and other problematic areas in the human rights field. We meet regularly with Russian officials in the United States and Russia and the international fora to make our position known. We have raised our general concern over human rights in Russia at every level of Russia's Government.

We laud the praiseworthy attempt of Senator Jackson and Congressman Vanik and their congressional colleagues who crafted this groundbreaking legislation nearly 40 years ago as a sign of America's commitment to freedom of emigration and religion worldwide, and now we think it is time to move forward and recognize the profound changes for the better that have taken place in Russia and in Russia's Jewish community.

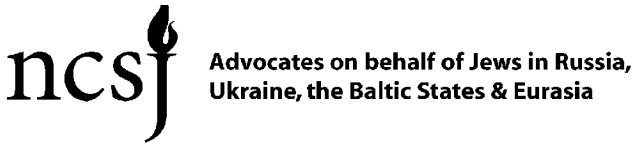
Jackson-Vanik was instrumental in creating the opportunity for Jews and others throughout the former Soviet Union to move freely and to find new ways to express their identity. The United States' reset in relations with Russia offers a similar potential for progress in ways we did not imagine just 20 years ago.

NCSJ and our member organizations are working to keep Russia's Jewish revival going. We want to ensure that the freedom to leave remains in place in Russia and elsewhere, and that those who decide to stay can continue to build their communities. NCSJ looks forward to continuing to work with Congress on these vital issues.

And, Mr. Chairman, again, our position is to support graduation, not repeal of the legislation. We believe that Jackson-Vanik is not a relic; we believe that Jackson-Vanik is a testament to America's commitment to freedom, and that Jackson-Vanik is one of the great success stories of post-World War II in relationship to American foreign policy. P.

Mr. Chairman, lastly, I just want to thank you again for this opportunity and look forward to working with you and others on the subcommittees.

[The prepared statement of Mr. Levin follows:]



Testimony of Mark B. Levin, Executive Director

NCSJ: Advocates on behalf of Jews in Russia, Ukraine, the Baltic States & Eurasia

Before the

United States House of Representatives

Committee on Foreign Affairs

Subcommittees on Europe and on Terrorism, Nonproliferation and Trade Hearing

"A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?"

April 27, 2010

Good morning, Mr. Chairman, and Members of the Subcommittees. My name is Mark Levin. I am the Executive Director of NCSJ: Advocates on behalf of Jews in Russia, Ukraine, the Baltic States & Eurasia, *i.e.,* the former Soviet Union ("FSU"). Since 1971, we have represented nearly 50 national Jewish organizations, including the Anti-Defamation League, B'nai B'rith International, Hadassah, and AIPAC, and hundreds of local Jewish community councils, committees, and federations across the country.

NCSJ represents the organized American Jewish community on issues affecting the Jewish minority in the FSU. My organization, formerly known as the National Conference on Soviet Jewry, changed its name several years ago to reflect the emergence of independent successor states. We evaluate graduation from the Jackson-Vanik Amendment for each successor state based on a set of country-specific issues, achievements, and challenges.[1]

[1] For an assessment of these issues, a copy of NCSJ's latest *Country Reports* is available upon request by contacting our office in Washington or online at www.ncsj.org.

For four decades, NCSJ has mobilized public opinion to oppose human rights violations in the FSU and the successor states, including such efforts as the 1987 March on Washington – "Freedom Sunday for Soviet Jews" – that drew an estimated 250,000. These issues continue to enjoy broad support and consensus in the American Jewish community.

This year marks the 30th anniversary of my professional involvement with NCSJ. I made my first trip to Russia in 1982, leading a Congressional delegation which met with Soviet officials and Jewish activists. I have worked on Jackson-Vanik issues since the start of my tenure with NCSJ; the cause of free emigration is both personally and professionally very important to me. It heartens me to see so many former Soviet bloc countries rejoin the community of free nations and graduate from Jackson-Vanik requirements in recent years, such as Ukraine in 2006, and Armenia, Georgia and Kyrgyzstan several years earlier.

Please allow me to express my gratitude to Members of the Subcommittees and the full Committee for their efforts over the years in support of the Jewish communities in the former Soviet Union. From its beginning, the Jackson-Vanik Amendment was and remains a bipartisan issue, and we wish to recognize the work of past and present Members of the Committee, and many other Members of Congress who worked hard to defend and promote human rights in the USSR and in its successor states, including Russia. Their public commitment to the right of emigration in particular was a beacon of hope to the refusenik community and to many others held captive in the USSR, and helped to bring about momentous changes that culminated in the fall of Communism in Russia nearly 20 years ago. Jackson-Vanik has had extraordinary success in securing freedom of emigration in the Soviet Union and its successor states in large part thanks to steadfast support from the U.S. Congress.

The Position of NCSJ on Graduation of the Russian Federation

Mr. Chairman, NCSJ supports the graduation of the Russian Federation from Title IV of the Trade Act of 1974 – the Jackson-Vanik Amendment ("Jackson-Vanik" or "The Amendment," 22 U.S.C. 2431).

NCSJ's position on graduation is based on Russia's historic and documented progress in two areas central to the intent and wording of Jackson-Vanik:

> First, freedom of emigration for all Jews in accordance with the Helsinki Accords and established principles of international law, and
>
> Second, for those who choose to remain in Russia, freedom to practice the religion of their forebears, to participate in the unique aspects of Jewish culture and language, unfettered by governmental interference.

Mr. Chairman, Russian Jewish life has flourished dramatically since the Soviet collapse in 1991. What has happened is nothing less than a historic rebirth of a people and their culture after decades of persecution.

The infrastructure of Jewish communal life is being restored at a rapid rate across Russia, with many large Russian cities now hosting one or more synagogues, schools, and community centers serving their Jewish communities. Today, numerous synagogues are restored, open, and practicing in Russia, as compared to just a neglected handful during the Soviet period. Tens of thousands of students – young and old – across the country now study their Jewish heritage in dozens of day schools. Welfare activities proceed generally uninhibited by official interference. Russian Jews everywhere are forming congregations and cultural groups, clubs and study circles.

Jewish communities are forming in places where we once believed Jewish life had been stamped out by Stalin and by Hitler. Jewish restaurants, cafés, and stores with kosher food are open and thriving in Moscow, St. Petersburg, and other large Russian cities. In fact, the very first kosher take-out restaurant opened in Moscow just this month.

Russia's strong relationship with Israel is partly a testament to over one million Russian-speaking émigrés who have become Israeli citizens since Jackson-Vanik was enacted. Russians and Israelis no longer need visas to visit each other's countries. Russia's Jewish minority is free to travel, emigrate, and build their communities as they see fit. Divided families are a thing of the past: Russian Jewish diasporas in Israel, the United States, Europe, and elsewhere are no longer cut off from family and friends, and Russian Jews routinely travel back and forth on tourist visits.

In prior testimony and position papers, NCSJ has noted the Russian government's evolving relationship with the Russian Jewish community after 1991. We have described in detail how Russia's political leaders have taken many concrete steps to demonstrate their support for the revival of Jewish life in Russia and state publicly their opposition to anti-Semitism. Our many trips to Russia have shown us first-hand the amazing rebirth of Russia's Jewish community, which now enjoys freedoms and opportunities undreamed of in Soviet times.

We note that the U.S. government has granted Russia an exemption from Jackson-Vanik's requirements by a Presidential compliance determination every year since 1994, based on an annual finding that Russia is in compliance with the freedom of emigration requirements of the Amendment. After 16 years of proven compliance, the time has come to graduate Russia from the Amendment once and for all.

Mr. Chairman, some have argued that Jackson-Vanik is a relic of the Cold War and is an impediment to normalizing U.S.-Russia trade relations. We do not agree with these views. In our view, the Amendment played a groundbreaking role in American diplomatic history, and has had a profound, historic effect on those Soviet and Russian citizens who struggled to reassert their Jewish identity either by emigration or the restoration of organized Jewish communal life.

In 2002, Michael McFaul – then Senior Associate at the Carnegie Endowment for International Peace, and now Special Assistant to the President for National Security Affairs and Senior Director of Russian and Eurasian Affairs at the National Security Council – called Jackson-Vanik "one of the most successful foreign policy ideas initiated by Congress during the Cold War. The Jackson-Vanik amendment was a moral act. It explicitly linked the Soviet Union's trading status to levels of Jewish emigration."

We see the Amendment's commitment to promotion of core human freedoms as representing the best in America. Jackson-Vanik was crafted nearly 40 years ago for a very different world. However, its message and import remain just as valid today as in the 1970s. America remains committed to human rights as a central element of its foreign policy.

NCSJ believes that any legislation to graduate Russia or any other Soviet successor state from the Jackson-Vanik Amendment should include assurances from the respective governments regarding freedom of emigration. We have always regarded Russia's treatment of its Jewish minority as a barometer of its potential to reenter the community of nations and to become integrated into the economic lifeline of world trade. History has shown again and again that a vibrant, vital Jewish community is a reflection of a healthy civil society.

NCSJ also believes that a strong bilateral political and economic relationship is in the strategic interest of both the United States and the Russian Federation. Over the years, NCSJ has

been an active participant in a broad-based coalition of business, public interest and ethnic organizations that supports U.S. foreign assistance as well as greater U.S. involvement in global trade.

Background on Jackson-Vanik

Since before the enactment of the Trade Act of 1974, NCSJ has worked for free emigration from the Soviet Union and now from the successor states of the FSU. Numerous Congressional resolutions and Presidential statements confirm that Jackson-Vanik encouraged the Soviet Union and its successor states to liberalize emigration policy and, ultimately, to permit a mass emigration to Israel and other countries.

The Jackson-Vanik Amendment in Title IV of the Trade Act of 1974 (P.L. 93-618, 19 U.S.C. 2432) was enacted to "assure the continued dedication of the United States to fundamental human rights," and in so doing sought to eliminate barriers to emigration, an internationally recognized human right. Congress has recognized that Jackson-Vanik has become an instrument of U.S. policy for assessing certain countries' observance of basic human rights and the protection of minorities.

Writing in 1980, the late Senator Henry M. "Scoop" Jackson reiterated that this law "has long been the principal hope of thousands of Soviet Jews and others who have struggled to obtain visas so that they might emigrate to Israel, the United States, or other countries where they are free to live and worship according to their faith – a freedom denied them in the Soviet Union." Now that this freedom has been granted in post-Soviet Russia, the time has come to develop a new framework that will continue to focus the attention of Congress and the Executive Branch on issues related to religious freedom, human rights, and democratization.

Beginning in 1989, the NCSJ Board of Governors endorsed annual waivers of the Jackson-Vanik Amendment for the Soviet Union and its successor states. This support was contingent on (1) the President's affirmation that waivers would encourage emigration and progress on other humanitarian issues; and (2) assurances concerning a commitment of further progress in connection with these concerns. Since 1994, NCSJ has supported semi-annual findings by the President that Russia is in compliance with Jackson-Vanik's emigration provisions and have demonstrated progress on protection of minority rights. We believe it is now time to graduate Russia and make Permanent Normal Trade Relations a constituent part of the larger U.S.-Russian relationship.

The Legacy of the Jackson-Vanik Amendment

In the thirty-five years since the adoption of Jackson-Vanik, its boldness has contributed to a sea change in how we approach human rights concerns, and provided redress to a particular human rights concern, freedom of emigration. In announcing his intent in 2009 to graduate Russia, President Barack Obama reinforced the continued importance of the Amendment and the U.S. government's continuing interest in Russian assurances on this freedom for Russian citizens.

Graduation will serve as formal recognition that the Russian Federation has satisfied Jackson-Vanik's requirements.

Our support for graduation does not vitiate our continuing concern with the progress of human rights in Russia in general and the welfare of the Jewish community in particular. We continue to monitor Russia's performance in these areas, and have expressed our concern to Russian authorities over persistent challenges such as:

- Both violent and non-violent anti-Semitic incidents continue across the country. Just last month, leaflets with photos of Russia's Chief Rabbi Berl Lazar were spread around the city of Tver, near Moscow, with the phrase: "Remember, our main enemy is the Jew. If you see him, beat him!" Synagogues, cemeteries, and memorials continue to be vandalized across Russia, and extremists continue to attack identifiably Jewish men and women in Moscow and elsewhere, often with inadequate legal consequences.
- The continued rise of ultraviolent nationalist, skinhead, and Neo-Nazi youth groups is a very troubling phenomenon, as is the Russian government's inconsistent prosecution of hate crimes committed by these groups.
- Certain aspects of the 1997 Law on Religion, which requires registration of religious organizations and communities with the authorities, continue to be a problem.

Graduation will not mean Russian anti-Semitism has disappeared, or that the Russian authorities are doing all they could to eradicate racism, xenophobia, and intolerance. It will mean that the United States and Russia have progressed in their relations to a point where they can continue to discuss and resolve their differences in a new framework.

Jackson-Vanik was instrumental in creating the opportunity for Jews and others throughout the former Soviet Union to move freely and to find new ways to express their identity. The United States' reset in relations with Russia offers similar potential for progress in ways we did not imagine just twenty years ago. Recent areas of support and cooperation between Russia and the United States are our collective struggle against international terror and the reduction of nuclear arsenals.

NCSJ and our member organizations are working to keep Russia's Jewish revival going. We want to ensure that the freedom to leave remains in place in Russia, and that those who

decide to stay can continue to build their communities. NCSJ looks forward to continuing to work with Congress on these vital issues.

Thank you, Mr. Chairman, for this opportunity to share the views of NCSJ and the organized American Jewish community on an issue which has been and continues to be of utmost importance to us, to Jewish communities everywhere, and to our brethren in the former Soviet Union.

Mr. DELAHUNT. Thank you, Mr. Levin.

Ambassador Sestanovich.

STATEMENT OF THE HONORABLE STEPHEN SESTANOVICH, GEORGE F. KENNAN SENIOR FELLOW FOR RUSSIAN AND EURASIAN STUDIES, COUNCIL ON FOREIGN RELATIONS (FORMER AMBASSADOR-AT-LARGE AND SPECIAL ADVISER TO THE SECRETARY FOR THE NEW INDEPENDENT STATES)

Ambassador SESTANOVICH. Thank you, Mr. Chairman. I appreciate the opportunity to join in today's discussion. I have a fuller statement that I hope can be included in the record.

Mr. DELAHUNT. Without objection.

Ambassador SESTANOVICH. The Jackson-Vanik amendment has a proud and honorable past, but it has sunk into a state of purposelessness and confusion. It once symbolized American human rights concerns and facilitated the free emigration of hundreds of thousands of people. Today it remains on the books for reasons that have nothing to do with free emigration, which Russia has allowed for years. Instead, many Members of Congress seem to believe that keeping the amendment in force can assure better treatment of American products in the Russian market.

This transformation of landmark human rights legislation into a trade weapon is dispiriting to many people, but there is no avoiding it. The Jackson-Vanik amendment is inextricably intertwined today with disputes about meat and poultry and other American exports. No proposal for how to deal with it is likely to succeed unless it also takes commercial interest into account. That is why the default policy of many on Jackson-Vanik of both Republican and Democratic administrations has been to do nothing until accession to the WTO, Russia's accession to the World Trade Organization, is included. Congress would then be expected to pass a resolution that graduates Russia; that is, that declares the amendment no longer applies to it.

Russia's actions over the past year, including new restrictions on American exports, and Prime Minister Putin's mishandling of negotiations with the WTO, have reinforced this default strategy. Nevertheless, waiting for WTO accession before graduation has several drawbacks. It means that Congress will not act until it has no choice but to approve the final result. It means that if accession talks drag on, American exporters will remain vulnerable to arbitrary restrictions imposed on them by the Russian bureaucracy. And most importantly, it dodges the key task that the U.S. Government will face after graduation: How to advance the original goals of the Jackson-Vanik amendment, which apply not only to free emigration, but to human rights.

Today there are some signs that Russian policymakers understand how unsustainable and counterproductive their handling of trade policy has been. If the next few months bring signs of a new Russian approach, Congress should be prepared to devise a new approach as well, one that advances both American commercial interests as well as Jackson-Vanik's original concern. Here is how it might work.

The core element of a new approach would, of course, involve a willingness to graduate Russia from the coverage of the law, but

it would include other elements as well. Congress might require side letters fully explaining the administration's view of remaining accession problems. Congress will want firm and specific commitments about how the administration intends to address these problems. Congress should also require before voting on graduation that the administration set out its future strategy for addressing issues of human rights, democracy promotion and engagement with Russian civil society. The resolution that graduates Russia from Jackson-Vanik might also provide for delay in taking effect until Russia's full accession to the WTO, but graduation would happen automatically unless both Houses of Congress voted for a resolution of disapproval. If such a resolution passed, the status quo would be restored; that is, normal trading relations but not permanent normal trading relations.

Compared to the current strategy of waiting for the WTO to complete the process of accession, this approach would serve American interests in three important respects. First, economic: By confirming that PNTR would take effect automatically with WTO accession, it would add to Russian incentives to drop its neoprotectionist measures. Second, political: It would reinforce the so-called reset of Russian-American relations and highlight the economic benefits that President Medvedev has said he is looking for from it. It would also highlight how little Russia has otherwise done to put aside the preoccupations of the Cold War. Finally, this approach would focus the attention of both Congress and the administration on the key issue that led to the adoption of the Jackson-Vanik amendment in the first place, the evolution of Russia's own political and legal system.

The United States cannot expect to advance its interest in Russia's democratic evolution in the same way that we did in the 1970s and 1980s when Congressman Rohrabacher and I worked together. We need a modernized strategy, one that reflects both the dramatic changes that have taken place inside Russia and those that have not. The administration has some interesting ideas in this regard, and some of them have begun to be put into practice. Congress can help to consolidate and institutionalize these innovations by making them part of the process of graduation.

The Jackson-Vanik amendment no longer offers us an effective policy. The task of Congress is to use graduation to refocus our strategy on the importance of Russia's continuing democratic evolution.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Sestanovich follows:]

Stephen Sestanovich
Council on Foreign Relations/
Columbia University

Testimony
Presented before a Joint Hearing of the
Subcommittees on Europe and on Terrorism, Non-Proliferation and Trade
Of the House Foreign Affairs Committee
April 27, 2010

"A Relic of the Cold War:
Is It Time to Repeal Jackson-Vanik for Russia?"

Mr. Chairmen, I appreciate the opportunity to join you in today's very timely discussion of the Jackson-Vanik amendment. It is hard to think of another piece of legislation with such an honorable past that has sunk into a comparable state of purposelessness and confusion.

No one has a monopoly on this confusion. I have encountered eminent journalists who are taken aback to learn that the amendment is still on the books; senior officials of the Executive Branch who believe that the president blocks the application of its terms to Russia by sending Congress an annual waiver (he does not); and knowledgeable businessmen, in both countries, who believe that it limits the growth of trade between Russia and the United States (it does not). In my experience, there are even Members of Congress who are a little fuzzy about the exact legal status of the Jackson-Vanik amendment. And it is entirely possible that some of the witnesses assembled here today (I definitely include myself) will make their own mistakes in describing its origins, its current meaning, and how it should be handled in the future.

Confusion about the amendment's continuing value or relevance in no way detracts from its historic achievements. During the Cold War it gave concrete and much-

needed expression to American concerns over Soviet human rights violations, and eventually facilitated the free emigration of many hundreds of thousands of people. But all this was a long time ago. It has been almost sixteen years since Bill Clinton reported to Congress that Russia was in full compliance with the terms of Jackson-Vanik. (To put this span of time in perspective, the amendment actually restricted trade with the Soviet Union for only fifteen years, between the time when it first took effect in 1975 and President Bush's decision to waive its application in 1990.) Each subsequent Administration has supported President Clinton's assessment.

Today this legislation remains in force for reasons that have nothing to do with free emigration -- which Russia has allowed for years -- and everything to do with trade. Russia's long negotiations to join the World Trade Organization seem to be drawing to an end. And some Members of Congress believe – incorrectly, to my mind -- that by keeping the amendment on the books they can assure better treatment of American products in the Russian market. The unhampered movement of human beings was your concern in the past. Now it is the unhampered movement of frozen chicken.

For many who were associated with human rights struggles over the years, this is dispiriting. A great tool for the advancement of human rights has become, as Natan Sharansky complained two years ago, "a weapon of the U.S. agricultural lobby." Having done hard time in the gulag for his desire to emigrate to Israel, Sharansky is entitled to his criticism. But there is no avoiding the fact that the Jackson-Vanik amendment is now inextricably intertwined with disputes about meat and poultry. No proposal for how to deal with it will succeed unless it also takes commercial interests into account.

The most obvious -- and certainly the easiest -- way to address this historical anachronism is to do nothing until Russia's accession talks with the WTO are concluded. Once accession is done, and the concerns of every nation in that organization have been satisfied, Members of Congress -- perhaps of these very subcommittees -- can then hold a final round of hearings on Jackson-Vanik. After that they will presumably bring a resolution to the floor that "graduates" Russia – that is, declares that the amendment no longer applies to it. In this way, Russia and the United States will finally establish "permanent normal trade relations" (PNTR) with each other.

Since the end of the Cold War, most Administrations have eventually been led to this strategy, and chances are that the Obama Administration will do so as well. Yet there are drawbacks to waiting for the WTO to finish the job. After all, while most Administrations have settled on this approach, they have not yet made it succeed.

For Congress, the principal drawback of waiting for the WTO is that it actually fails to make use of leverage available to this body. Members feel that they are exercising influence on the Administration's negotiation position, but this is largely an illusion. No matter what the details are of Russia's accession to the WTO, when a resolution to "graduate" Russia is finally introduced in the Congress, there is no chance that it will fail. You may think that you are reserving for yourselves the last word on WTO accession by holding on to Jackson-Vanik. The reality is different. You will simply be rubber-stamping the result.

Waiting for the WTO to act has potential drawbacks for American business as well. Russia's accession has been an almost unimaginably long process, and the longer it takes the longer American exporters will be vulnerable to arbitrary restrictions imposed

on them by the Russian bureaucracy. (To take just one example, I note the April 8, 2010 letter to President Obama from the National Pork Producers Council, which complained that Russian treatment of American pork exports is incompatible with the WTO's Sanitary and Phytosanitary Agreement. When Russia finally joins the WTO, our exporters will be able to have such practices struck down through the organization's dispute-resolution procedures.)

Finally, waiting for WTO accession to produce "graduation" dodges one of the most important tasks that the U.S. government will face after "graduation" – how to think, talk, and act to advance the original goals of the Jackson-Vanik amendment. In one way or another, Russia's domestic evolution remains a concern for all states that have relations with it. It has been a large part of American policy for many decades, but today this element of our policy is badly in need of modernization. We should be thinking about the problem now. Congress – which contributed long ago by passing the amendment -- can play a role in creating a new policy.

It is completely understandable that Congress is reluctant to act on "graduation" at this time. The Russian government has done too much in the last year to undermine confidence in its handling of trade issues. From the continuing imposition of new protectionist measures against American agricultural products to Prime Minister Putin's peculiar announcement last June that Russia would try to join the WTO jointly with the other members of its new customs union, Russia has given few reasons for other governments to meet it halfway in these negotiations.

But this may be changing. Today a very senior delegation of Russian economic policymakers is in Washington to meet with American officials, and one of the reasons

for its presence may be a recognition that Russian policies have been unsustainable and counter-productive. If the next few months bring signs of a new Russian approach to trade issues, Congress should be prepared to devise a new approach as well. Its goal should be to advance both American commercial interests as well as the original concerns of the Jackson-Vanik amendment. Here's how it might do so:

- A new approach would, of course, have as its basic ingredient a willingness to "graduate" Russia from the coverage of the law, just as Congress has done with other post-Soviet states. (I should note that, despite the title of today's hearing, such a vote would not "repeal" Jackson-Vanik.)
- Before voting, Congress might also require – perhaps in the form of side-letters from the president or secretary of state – a full explanation of the Administration's view of remaining accession problems. Congress will naturally want firm and specific commitments about how the Administration intends to address these problems.
- As a third ingredient of its approach, Congress should also require – before agreeing to vote on "graduation" – that the Administration present in some detail its future strategy for addressing issues of human rights, democracy promotion and engagement with Russian civil society.
- Fourth, the resolution that "graduates" Russia from Jackson-Vanik should specify that PNTR will come into force between Russia and the United States only with Russia's full accession to the WTO.
- Fifth, Congress might give itself the option of a final vote on the matter by requiring a further report by the secretary of state when the terms of Russian

WTO accession have been agreed. If Congress objected to these terms, it would have the right – within a specified period of time – to vote a resolution of disapproval of the secretary's report. If passed by both chambers, this resolution would restore a version of the status quo. That is, "normal trade relations" – what we have now between Russia and the U.S. -- would be automatically renewed each year unless the President reported that Russia was no longer in compliance with the terms of the Jackson-Vanik amendment.

Compared to the current strategy of waiting for the WTO to complete the process of accession, this approach would serve American interests in three important respects.

First is a possible economic payoff. Russian-American trade is already recovering from last year's sharp downturn, but the action by Congress that I have described might help regain lost ground more quickly. By confirming that PNTR would take effect automatically with WTO accession, it would add to Russian incentives to drop the neo-protectionist measures it adopted last year in the depths of the economic crisis.

An early "graduation" vote by Congress at this time might have a second, political payoff as well. President Medvedev has emphasized how much he looks for economic benefits from the so-called "reset" of Russian-American relations. The formula described above would make no unilateral concessions to Moscow, but it would set out a mechanism for removing Russia from the coverage of the Jackson-Vanik amendment, probably without any further Congressional votes. This would surely be viewed positively in Russia -- at no real cost to the integrity of American policy. It would also highlight how little Russia has done, by comparison, to put aside the pre-occupations of the Cold War.

Third, this approach would focus the attention of both Congress and the Administration on the key issue that led to the adoption of Jackson-Vanik amendment in the first place – the evolution of Russia's own political and legal system. Then, as now, how Russia evolves will determine not only its moral standing in the world (this is not the view simply of Russian human-rights activists -- President Medvedev himself has said the same thing), but its viability as an effective partner for the United States.

Yet the fact that this issue remains an American concern thirty-five years after Jackson-Vanik became law does not mean that we can expect to advance our interests in the same way that we did in the 1970's. We need a modernized strategy – one that reflects both the dramatic changes that have taken place and those that have not. We need to make use of our increased access to Russian civil society while understanding our diminished diplomatic leverage. The Administration has some interesting ideas in this regard, and some of them have already begun to be put into practice. It has initiated a promising line of policy innovations that Congress can help to consolidate and institutionalize, by making them part of the process of "graduation."

The Jackson-Vanik amendment no longer offers us a viable policy. It provides no shred of usable leverage. Our task – above all, the task of Congress – is to use "graduation" to develop a strategy that re-focuses on the importance of Russia's continuing democratic evolution.

Mr. Chairmen, I look forward to discussing these issues with you, with the members of your committee, and with the distinguished witnesses you have asked to take part in today's hearing. Thank you.

Mr. DELAHUNT. Thank you, Ambassador.

Dr. Lozansky.

STATEMENT OF EDWARD D. LOZANSKY, PH.D., FOUNDER AND PRESIDENT, WORLD RUSSIA FORUM

Mr. LOZANSKY. Thank you, Mr. Chairman. I also have a full statement which I would like to add to the record.

My short answer to the subject of this panel is very clear and unequivocal: This graduation is absolutely necessary and is long overdue. I think it had to be done almost 20 years ago when communism collapsed and the new country which emerged from the ruins of the Soviet Union, the Russian Federation, has lifted all restrictions not only on citizens' rights for emigration and travel, but even such term as "exit visa" has been eliminated from the judicial vocabulary.

On this distinguished panel I probably am the only one who benefited personally from the Jackson-Vanik amendment since I was separated from my family for more than 6 years, and I believe that, due to the Jackson-Vanik amendment, eventually my wife and child were able to come to the United States and join me here—by the way, my wife is here with me, and we have now three grandchildren. So I can—from a personal experience—tell you that when she came, we personally thanked Senator Jackson. We came to Congress. We met Senator Jackson, Senator Kennedy and over 100 Members of Congress who signed a petition to Mr. Brezhnev to release my wife and child and come here.

So it was a great thing, but every political initiative, every political move has some time limits, and the time is now to graduate Russia from this amendment because it serves no purpose. All the requirements which were demanded are fulfilled. Russians—not only Jews, but every Russian citizen—could now travel back and forth. And it is interesting that even Jews who emigrated to Israel and the United States or Canada or other countries go back and forth, and some of them return. Some of them still live in Israel and the United States, but do business and actually benefit from their contacts in both countries. And the Jackson-Vanik amendment actually makes a problem for them, because every time Russians ask them what is going on, why we still have this Jackson-Vanik on the book if you go back and forth.

And I have to say that even there is no state anti-Semitism in Russia anymore, the Jackson-Vanik amendment maybe is the reason for some people expressing anti-Semitic views because they see it as a Jewish problem which creates a problem for United States-Russia relations.

Also, freedom of the press was not really a part of the Jackson-Vanik amendment, still it is very important to think about democracy. And we keep hearing that there is no freedom of the press in Russia. This is not so. I go back and forth all the time. In fact, I am now teaching even a course at Moscow State University. Yes, three major channels are under government control, but there are hundreds, or maybe even not thousands, of TV channels which are free and operate as private channels.

Moreover, interesting—and I don't think that too many people in this audience know that, except Russian experts—that there are

sites, Internet sites, which are freely accessible to Russians, no restrictions, no censorship; have government-funded sites which translate articles, even most critical articles about Putin, about Medvedev in Russia. So every Russian citizen has access not only to information with Russian newspapers, but also to American media. And including, of course, critical articles of my colleague, David Satter, Russians can read them openly on the Internet. And now we know that close to 40 or even 50 percent of Russians have access. So there is freedom of the press to this extent. It isn't perfect, but it exists.

I already mentioned that I am teaching a course now at Moscow State University on U.S.-Russian relations. I can say anything I want, no restrictions. Moreover, I am inviting on Skype American experts who can also address Russian students and tell them their position. And some of them are pretty critical, and there is a lively discussion. But after each lecture students keep asking, why are you keeping this Jackson-Vanik amendment in the books, because we don't know why you are doing this, because if on one hand you are saying that you want better relations, but then this amendment actually ruins chances for better U.S.-Russian cooperation.

As an example: Many American think tanks now who have offices in Moscow, I happen to share my office of American University in Moscow on the same floor as Heritage Foundation. Everyone knows that the Heritage Foundation is very critical of Russian policy and of Vladimir Putin and President Medvedev and everyone else. Still they can say anything they want. They have access to the media, access to public opinion and including, by the way, the Foundation, they also have offices in one of the most prestigious places, Moscow Pushkin Square. They have regular seminars, discussions. They have visitors from the United States.

So Russia is a free country. Yes, it is not perfect democracy in the American sense of the word, but it is free country.

We are now talking about the Jackson-Vanik amendment. It is a very narrow issue. If the United States lifts and graduates Russia from this amendment, I believe it will be a tremendous boost to the United States-Russian cooperation in many issues, including Iran, including nuclear nonproliferation, terrorism, and many other issues which the United States faces. That is why I really urge all Members of Congress both to graduate Russia from this amendment as soon as possible and had to be done 20 years ago. Thank you.

[The prepared statement of Mr. Lozansky follows:]

Edward Lozansky
President, American University in Moscow.
April 27, 2010
House Committee on Foreign Affairs, Subcommittee on Europe, and Subcommittee on Terrorism, Nonproliferation and Trade.

Mr. Chairman, Members of the Committee of Foreign Affairs, Ladies and Gentlemen, I am Edward Lozansky, President of the American University of Moscow and World Russia Forum. I am honored to appear before this Committee today. I thank the Committee for this opportunity to discuss whether it is in the interest of the United States to graduate Russia from the Jackson-Vanik Amendment (JVA).

My opinion is clear and unequivocal. Yes, this graduation is absolutely necessary and long overdue. It had to be done almost 20 years ago when Communism collapsed and the new country which has emerged on the ruins of the USSR, the Russian Federation, has lifted all restrictions not only on its citizen's rights for emigration and travel but has eliminated even such term as exit visa from the legal procedures vocabulary.

Having been separated by the Soviet authorities from my wife and child for over 6 years since they could not get such an exit visa, I can relay, with a very strong sense of personal gratitude, my appreciation for America's help to reunite my family and the families of hundreds of thousands of my former compatriots. The Jackson – Vanik Amendment played a very important role not only in the process of lifting restrictions on emigration but on the whole process of democratic and human rights developments in the countries of the former USSR.

When we were finally reunited my wife and I had the honor to personally thank Senator Jackson, Senator Dole, Senator Moynihan, Congressman Kemp, and over 100 Members of Congress for getting closely involved in our case and for introducing and voting for this Amendment. We also thanked personally President Ronald Reagan in the Rose Garden ceremony on May 21, 1983 on the occasion of celebrating Andrei Sakharov Day which was declared by the U.S. Congress on that day.

However, it is time to rethink our strategy and reevaluate the relevance of the JVA in the context of U.S. – Russia relations at the present time.

First, we must acknowledge that with all its deficiencies in the democratic development contemporary Russia is a new state which is not identical or similar to the Soviet Union. With no restrictions on emigration and travel I strongly believe that now the JVA is not only obsolete but even harmful to U.S. interests. Every political initiative has its timed limits. What was good 30 or 40 years ago may not be appropriate today.

This is not just my opinion of one individual. It is shared by huge numbers of people both in the United States and Russia and, moreover by the majority of American and Russian Jewish organizations who applauded the JVA during the Soviet times.

Just to quote a few lines from one of the most well known such organization, the American Jewish committee or AJC:

"It would be inaccurate to equate today's Russia with the Soviet Union and to apply approaches similar to those used in dealing with the Soviet Union.
1) State-sponsored anti-Semitism in Russia simply does not exist;
2) Freedom of immigration is not an issue for the last 20 years;
3) With some minor restrictions and state's support for the Russian Orthodox Church, religion in Russia can be freely exercised;
4) While it is true that most of the media, and especially national TV channels, are under state control, some basic elements of freedom of press exist."

I want to add to it that there are absolutely no restrictions on Internet use, and, moreover, many articles from the Western press, including those highly critical of the Kremlin leadership, are translated into Russian, sometime even with the government grants. Several such sites as www.inosmi.ru; www,inopressa.ru; www. inoforum.ru, and others are visited daily by hundreds of thousands o people who participate in the lovely discussions and expressing sometimes diametrical opinions..

One could continue with the long list of both Russia's achievements and deficiencies during this very short time frame of transition from dictatorship to libety but I am sure my colleagues in today's hearings will list them extensively, so there is no need to repeat them one more time.

I just want to add that most importantly, modern Russia is not a strategic threat to the U.S. like USSR. It is not an ally in the full sense of this term but it is definitely a strategic partner whom America needs to face the enormous challenges of the 21st Century.

U.S. needs Russian cooperation in many important areas, most urgently in Iranian nuclear program and in a broader issue of nuclear nonproliferation and energy security. There is a need to cooperate in the global fight against terrorism, from which Russia suffers along with the U.S. The U.S. needs Russia's assistance in its efforts in Afghanistan and Middle East. This list goes on and JVA is seen by the Russians as a constant irritant, and as a Cold War relic that undermines Russia's prestige as permanent member of the UN Security Council, as Middle East Quartet Member and in a broader international arena.

Unfortunately, during the late 1990s and throughout the last decade, a new concept emerged that connected JVA to a broader spectrum of political, democratic development, and even economic issues.

For example, such a remote from human rights issue as Russia's purchase of U.S. poultry is often used by the some Members of Congress to justify their opposition to the lifting of JVA.

I wonder what Henry Scoop Jackson and Charles Vanik would have to say about this chicken-meat approach to emigration.

I want to stress over and over again that this outdated obstacle to trade engenders resentment in Russia and harms long term U.S. security, economic and diplomatic ties with that country.

To add the salt on the injury Congress has graduated from JVA many other countries of the former Soviet Union where democracy, free market, and human rights are still in question. This is seen by many in Russia, including pro-Western intellectuals, as an example of U.S. applying double standards and a discriminatory approach to their country.

The World Russia Forum which is held every year on Capitol Hill since 1981, and actually is taking place as we speak today is promoting the ideas of U.S. – Russia rapprochement.

This year the Forum occurs exactly on the day of 65th anniversary of an important event in U.S.-Russia history. In the final year of World War II, on April 25, 1945, American and Russian forces (traveling from the West and East, respectively) met each other 75 miles south of Berlin in the small town of Torgau, Germany on the Elbe River. When the troops met, they effectively bifurcated Germany, contributing to the end of the Third Reich. April 25, 2010, marks the 65th anniversary of that historic meeting between the U.S. Army's 69th Infantry Division and Russia's 58th Guards Division, and will be commemorated in an event on the National Mall in Washington, D.C., the day before on Sunday, April 25.

After the great victory over the Nazis in WWII and collapse of Soviet communism, the United States and the whole civilized world are now facing the new unprecedented challenge from international terrorism. Therefore we must build, maintain and expand the strong coalition of nations to address this challenge and to use our joint efforts to defeat the ruthless enemy. At the same time America needs to curtail the spread of the weapons of mass destruction (WMD), seek out the new sources of energy, solve ecological problems, and expand space exploration and nowhere is this more important than in the nexus of bilateral relations between the United States and the Russian Federation.

We keep saying that modern Russia is our friend and partner. So, isn't it true that Russia should therefore be treated differently than the USSR? The public criticism of the Soviet Union was a legitimate part of our ideological confrontation. U.S. government and Congress, Voice of America and Radio Free Europe, numerous human rights organizations did a great job exposing Soviet violations of human rights and speaking on behalf of people who had no voice. As I mentioned earlier, JVA was an important instrument in this ideological warfare.

As one of the "Cold War" warriors and strong proponents of such "interference in the internal affairs" of the Soviet Union, I think I have the moral right and obligation to say that at the present time when Russian people can freely express their opinions, form political parties, publish newspapers and books, travel abroad,

and enjoy many other basic freedoms, things like JVA are no longer justifiable and should be terminated as soon as possible.

In conclusion I'd like to state once again that the integration of Russia with the West is of vital interest to both sides. Many people who say that it is an impossible task are probably from the same school who considered those of us who demanded freedom and democracy in Russia 30 and 20 years ago to be naïve dreamers at best. However, No one can dispute that with all the shortcomings of Russian democracy, we are much better off today than before. The West needs Russia as a strategic security ally and valuable trading partner and no efforts should be spared to achieve this noble goal.

Graduating Russia from JVA is not a charity act for Russia, it s rather is an important step on the road to mutually beneficial U.S. – Russian cooperation.

I thank the Committee of Foreign Affairs for this opportunity to testify today. I would ask the Committee to accept my written statement and would welcome any questions or comments that may be so offered.

Thank you.

Mr. DELAHUNT. Thank you, Doctor.
And now Mr. Talisman.

STATEMENT OF MR. MARK TALISMAN, PRESIDENT, PROJECT JUDAICA FOUNDATION

Mr. TALISMAN. Thanks, Mr. Chairman. I really appreciated Mr. Scott's lyrical and cultural references to start a hearing. We should have done that years ago at the Ways and Means Committee. It would have lightened things a little. And also a number of other things which I want to touch on which you have brought up which enhance the record statement that I made, which I hope will be inserted appropriately.

Mr. DELAHUNT. Without objection.

Mr. TALISMAN. Jackson-Vanik was an idea that I didn't even think was going to work when Charlie Vanik and I were talking about it. You should note that—and this is the place I can say it now, in the record officially where he lived for so long—that he went on his own personal codel in December 1971 and wouldn't even allow me to accompany him on the back of a Harley in black leather to tour Mother Russia. And it was during that time the effects of a travel ban and education ban were put in force.

This was a Catholic kid raised in Cleveland. I knew his parents, his mother, very well. And engrained in him, as with your constituents up in Massachusetts, was what I called Bible talk as street language, not for special favors from the Church. And he saw the antithetical activities going on the ground, and he came back absolutely outraged. And I spent my moment in hell on bread and water at the Congressional Reading Room finding a precedent.

Until I found it, I was not released. And I found it in a little book from Mr. Orbach, a nice green little volume of precedents of some sort with two tsars, with Abraham Lincoln and our other professor, Professor Wilson, in 1912, with suspension of American trade with both because of pogroms not only against the Jewish population, but within the embassies where there were Jews serving their country and got beat up when they left the embassy grounds. So it was not new in our body politic.

The Vanik amendment died with the session. And then came 1972, which was a huge tidal wave of all sorts of mixed emotions, needless to say, because while Mr. Nixon was among the brightest Presidents we had among our folk on the other side of the aisle, he was not a guy you wanted to travel to Russia with. So as a consequence, when that bond took place, and the opening came there and in China, and Scoop Jackson did his thing and we did for 18 months before the Senate could act—and that is very important, because that was 18 months hanging in space as to whether this concept would work. The kind of activities that are represented here at the table at much later years that engendered a huge swell of activity for something brand new in terms of citizen action at a precinct level all over this country makes me have to say, Mr. Rohrabacher, that we are offended personally at the notion—and I mean this not personally—of talking about the antique nature of this relic, because that makes me much older than I feel. And—and—I can name you in private things that I know in the law that I was involved in, including one that was applied yesterday to save a human life that came from a law that was established by Executive Order in 1979. If it weren't on the books gathering dust, we couldn't have revived it. And I got to say, my advice to you all is do not repeal it, keep it in the tool bag, and let Russia properly be liberated.

Mr. DELAHUNT. Graduated.

Mr. TALISMAN. No, I am saying liberated first as a psychiatric state of mind; and secondly, by term of the art "be graduated," and replace graduation for repeal.

I had this talk before the late great chairman—Congressman Lantos, for whom I have the highest regard and knew for 40 years, and it was after he made the statement you referred to. And he said to me personally, I understand now; I will temper my language, is what he said to me. Because, you know, part of the cultural effects of the Cold War were use of language, and the kind of language we use sometimes—I don't know about you, but I know when I was writing speeches for Mr. Vanik, both of us wanted to try to find a technique to put things that were coming out of our mouth back in before they were recognized.

Mr. DELAHUNT. No one on this panel has ever had that problem.

Mr. TALISMAN. I know. I should have premised that.

The fact is that I have also learned a personal lesson, because I felt I had a price on my head among those with whom I had contact in the Soviet Union. It was a death-dealing kind of thing for me because my family came from there, and my great grandfather was the Grand Rabbi of Russia. And we sort of knew when he left in 1903—he told me personally, he lived a long life—he said to me, don't follow me in my profession; go out and work in the precincts

to help the democracy work. Because when he came here, he kissed the ground because he voted within a month after arriving. We had good precinct captains apparently.

Mr. DELAHUNT. I don't want to ask if he was legal or illegal.

Mr. TALISMAN. Did it matter? Where do you come from?

Mr. DELAHUNT. I am an Irish American, Mr. Talisman. I know the drill.

Mr. TALISMAN. Anyway, I had the most amazing thing happen to me personally. I did an exhibition called Scrolls from the Dead Sea, the real ones that had been hidden for years, and it opened at the Madison Building at the Library of Congress. And I always had a habit of all the 25 major exhibits I have done here to invite the embassies, because they never get invited to things like that, the whole embassy. Even the people who were driving cars, everybody, their families. I would have a dedicated evening. And I asked the Russian Ambassador, who had been trying to see me lots. And I reversed the tables, and they came. And within a month I had a telephone call.

Now, instinctively I did not accept the invitation he gave to go within the compound on Wisconsin Avenue. I couldn't do that yet. But we did have lunch, and he asked me the most astonishing thing. And this was when things were pretty tough after freedom came in Russia. He said, you know, we have a problem with America. And I said, here we go again. The problem was different, and some of you know this from your talks and your visits. They have always felt like the stepchildren of World War II even though their losses were enormous. And Stalin essentially stopped communism to get everybody in the war after all the screw-ups. He said, we want you to go to Russia. We will give you the keys to every case you want to and every storage place you want to open. We need the story told of the 1,184 days of the Russian involvement in World War II. Because as Eisenhower himself says on film, and this was the Ambassador, we did not win the war at D-Day with 5 million Russians on the eastern front and our blood all over the place. They were there.

And I did it. I was there for 18 months in every nook and cranny of their storage with the most amazing artifacts that were real, including the hand notations of Hitler and of Stalin on all those treaties that we talked about, with the treaties, their own copies, everything. And every morning at 10 o'clock in the morning for 10 days at the Reagan Building—this was the first exhibit there—I was on national television, channel 1, across Russia taking a 1-hour tour for the Russian nation for all 11 time zones. What it meant to the Russian people was absolutely remarkable, and it shows what cultural cooperation, and it meant that to the success of cultural ministers.

The one suggestion that comes out that comes from the little repartee you just had is that while the Chabad treasures of documents which are so vital to the community are really important, they are only important within the context of the fact that Russia took everything it wanted from—as booty of war from the entry into Germany. That meant it took a lot of Nazi stolen art belonging to the Jewish community leadership. It is enormous, and they all know it. And we have a State Department conference which I cochaired, a

huge conference, and subsequent conferences where Russia has actually codified all that was taken, and they say it is fine, but it is ours. Well, these are the—this is a giant example of what needs to be worked on in a normal, in regular order, as is said in this House.

Mr. DELAHUNT. Thank you, Mr. Talisman.

Mr. TALISMAN. And that is it.

[The prepared statement of Mr. Talisman follows:]

Subcommittee on Europe

Bill Delahunt (D-MA), Chairman

Subcommittee on Terrorism, Nonproliferation and Trade

A Relic of the Cold War:
Is it Time to Repeal Jackson-Vanik for Russia?

Testimony of

Mark E. Talisman

Former Chief of Staff to Congressman Charles A. Vanik

(President, Project Judaica Foundation)

Mr. Chairman, Mr. Gallegy and Members of the Europe Subcommittee:

Thank you for inviting me to participate in this hearing on a subject close to my heart and always on my mind after so many years since Congressman Charles Vanik sponsored the original amendment in1973 and managed the days long passage of the bill which passed 388 to 44 in September of 1973.

I find the current and recurring debate about *repealing* the Jackson-Vanik provision as regards Russia fascinating and curious, as one who participated in all phases of its creation, writing, co-sponsorship and passage. That is why I am particularly pleased to have been invited to give my views here today.

Here is what I know and have believed since Congressman Vanik and I first discussed the concept which became the Vanik Amendment upon his return from a visit he made to the Soviet Union in December 1971, through final passage and signing ceremony at the White House in 1974 by President Gerald Ford. (As an aside, our daughter, Jessica, was literally being born at Columbia Hospital for Women a few blocks from the White House at the time of the signing ceremony and President and Mrs. Ford, good friends of many years, dubbed her, The Amendment.)

From the beginning, the President of the United States was given the power determine that a non-market economy country, like the then Soviet Union or Hungary or Czechoslovakia and then many more, had complied with the requirements of the Jackson Vanik Amendment and it either freed that country of the Amendment's impact on trade for a year, or, that the amendment did not apply any longer at all ,since the country in question was deemed to be in permanent compliance by the President.

The Congress had a number of days within which they could choose to weigh in and debate the compliance or choose not to at all, leaving the presidential finding intact The record shows even at the height of the Cold War, no presidential finding has been overturned till today.

It is true, during the hot days of the Cold War, both the House and the Senate felt compelled

to get involved, using a hold and the right to object to a finding by the President which then could become a habit, a custom, during the Cold War to urge the President to deny, limit or to rail against one or another particular country's ,behaviors. But the actual law still allowed the president to make a finding which could take effect on its own at any time. It is my belief that the President still retains that power and *repeal* is an inappropriate term to use. In fact, if the president chooses to declare any country permanently free of coverage under the Amendment, that country is deemed to have *graduated* from application of t he impact of Jackson-Vanik.

The House and the Senate may wish to go on record associating themselves with or against the Presidential finding as provided under Jackson-Vanik for each's own purposes, which is appropriate, but such action is not required to remove a country from Jackson-Vanik permanently, I believe.

I suppose what troubles me is the use of the word *repeal* generally, and in this case, specifically: If an action to repeal is desired by any country so as to bring it up to equality in the eyes of the 'World that might be because of what has been t taken in past actions to do so *notwithstanding* the Amendment requirements.

In point of fact, in my view and that of many here and abroad, the Jackson-Vanik Amendment has become a very important part of ground breaking U. S. law relating to a number of principles which I always have believed demonstrated that to trade with our country, trade being a voluntary act by one country with another, allows a potential trading partner to assert certain basic requirements.

In this case it was all about the human right of freedom of emigration, and more broadly, behaviors by a country which meet the basic tests of civility and decency as much as one can ask such things of another country. In this case it worked much to the surprise of many. Not only the Soviet Union ultimately complied. So did many other countries as well

Yes, it might have been considered interference in the internal affairs of another country. But to those trapped in the tyrannies involved, having those become a matter of internal affairs was what became the distinction with a huge difference to provide a new paradigm and standard to try and help question such behaviors hitherto drawing silence and perpetuation as a result.

Yet in this modern age, such behavior as preventing movement by a people is to be considered not worthy of any country and our country represented its abhorrence in this way with full force and effect. Was that not what the highly visible post-WWII *Declaration of Human Rights* all about, after all? Or was this to be nothing more than a hollow declaration to be fudged when a real human right was confronted by one country making pursuit of trade trump any example of breeches of basic human rights. This, after the horrors of WWII and how they came about?

Does that really make this law a *relic* of the Cold War? Or is this law an important effort to be able to declare, who we are as a people and a country united in laying down principles in this day and this age and far into the future about our hope and our expectation of how our country will continue to expect other countries to behave when they wish to trade with us?

In this remarkable time in history, seeing so many countries become liberated from rejected ideologies and egregious behaviors in the name of governance, I do not know anybody who has not been justifiably joyous at watching one non-market economy country graduate beyond the need to have Jackson-Vanik applied to them again. But what if one or another country reverts to bad behaviors once again? I fear that successive congresses will have lost their zeal to deal in this manner looking at a robust and rich trade relationship allowing those considerations to trump human rights considerations and a Jackson-Vanik style law would never ever be able to be passed again.

Restoring the now hallowed principles imbedded in Jackson having been declared a relic of the Cold War and out of touch with *realities* of these days and those yet to come, will congress then making our laws be able to rally the votes necessary to restore this amendment specifically or some other smore relevant to the times, to accomplish the same goal in its new context? *Is that what the United States wants its legacy to its children and theirs yet to come, to believe we as a nation have come to represent in the world?* Has such a concept become so antique, fuzzy and naive to require its abolition from the basic code of law and behavior governing our relationships with other nations?

True, there are few non-market economies left to deal with today, and they are rogues.,Yet there are newly minted wanna be democracies some of which are flailing under the pain of experimentation from their previous forms of government, without any capability of predicting what next days or years might bring. What tools are readily available to use quickly which will have the tested capabilities and force of this amendment if talk and action of repeal of this amendment are successful until it no longer is in the U. S. Code at all?

As with the Constitution itself, I view this amendment as a flexible tool among others now available which should be known to be still widely supported for its value, not denigrated and discarded forever. Let the President issue a finding as this law provides, and let the amendment remain there to be used for any country to know it still is there to be among the choices of our foreign and trade policy teams and the President to be used as needs be, as is the case with other devices in code which remain to have on the ready.

Russian compliance now is good and to be celebrated along with so many others who have been graduated.

Let the President so declare carrying with his signature the graduation which is being sought to put Russia on par with other countries who abide by basic tenets of civility among the nations of this troubled world. Let Russia or any other country and people know we are full partners in a remarkable shift from a dark history to this present day, all equal in the level of status as regards trade.

Let Jackson-Vanik remain part of America's bulwark of laws which continues to express who we are and continue to be as a people in a country which is one of the oldest surviving *democracies* in the world.

Mr. DELAHUNT. Thank you. I appreciate it.
Mr. Satter.

STATEMENT OF MR. DAVID SATTER, SENIOR FELLOW, HUDSON INSTITUTE

Mr. SATTER. Thank you, Mr. Chairman, members of the committee.

The future of the Jackson-Vanik amendment has now become an important issue in United States-Russian relations. The reason is that the United States, having announced a reset in United States-Russian relations, cancelled an antimissile system in Eastern Europe and ignored Russian human rights abuses, all with little positive result, and is running out of ways to show its goodwill.

Those who support rescinding the amendment point out that Russia has been in compliance with its provisions for the last 16 years. They argue it makes no sense to retain a measure that has achieved its purpose and only serves to embitter bilateral relations. Unfortunately, however, we are in danger of being too literal. It is true that Russia now allows free emigration, but the Jackson-Vanik amendment was never based on an unbreakable link between trade and emigration. Opponents of the amendment correctly argued at the time that trade has nothing to do with emigration. The purpose of the amendment was to use the economic power of the United States to compel the Soviet Union to respect human rights. In this respect it is far from obsolete when applied to Russia today.

By any measure Russia is more liberal than the Soviet Union, but it is also totally lawless. And the absence of secure rights is not an accident; it exists because it is necessary to assure the power of a kleptocratic elite which puts its interests ahead of those of the nation. This creates a parallel with what existed under the Soviet Union. Like the Soviet authorities, the present Russian leaders use a supposed foreign menace to divert the attention of the population from their rightless situation. The target of choice is not Iran or North Korea, countries which could pose a real threat to Russia, but rather the United States.

The Jackson-Vanik amendment in and of itself cannot have a decisive impact on United States-Russian relations, but in deciding whether to rescind it, it is important to remember that good relations with Russia are not an end in themselves. The late Andre Sakharov pointed out that there is a direct connection between the Soviet Union's internal repression and its external expansionism. In Russia today massive corruption and lawlessness give rise to policies that frustrate U.S. objectives as a matter of proactive self-defense. The object of American policy should be to seek to change this fundamental relationship.

The Jackson-Vanik amendment should not be eliminated to bury the Cold War or reinvigorate the dubious reset. It can be rescinded, but this should be done only in response to examples of clear progress in democratic governance, capable of limiting the scope of arbitrary power in Russia and improving the lot of the population.

The following are examples of areas in which improvements could legitimately be tied to the elimination of Jackson-Vanik. First of all, the legal system. In the opinion of Russians, the legal system

is prejudiced, inefficient, corrupt and ready to defend whoever can pay for it. A Supreme Court judge Tamara Morshchakova argued that judicial independence in Russia is nonexistent, stating that any official can dictate any decision in any case. A good example is the situation of Mikhail Khodorkovsky, a Putin opponent who now faces his second trial, this time accused of stealing virtually the entire production of the Yukos Oil Company. If convicted, and it is virtually a foregone conclusion that he will be, he could spend the rest of his life in prison. He was convicted in 2005 of failing to pay taxes on Yukos profits. At that time no one suggested that the oil on which those taxes were levied had been embezzled.

Another sign of the state of the rule of law in Russia is that Russians file more complaints in the European Court than people from any of the 46 countries that make up the Council of Europe. Most of the thousands of complaints are never heard, but of the small number that have been, almost all have gone against Russia.

Perhaps more important is the question of selective terror. There is no mass repression in Russia, but journalists and human rights activists risk their lives if their reporting threatens powerful interests. At least 17 journalists have been murdered in Russia since 2000. In not a single case has the person who ordered the killing been found. In cases such as those of Anna Politkovskaya and the American Paul Klebnikov, where underlings had been charged only to be acquitted under puzzling circumstances, the alleged participants have appeared to have a maze of links to the security services. Natalya Estimirova, a single mother who was virtually the only source of information on torture, abduction and murders carried out by the security services in Chechnya, was herself abducted in Grozny and murdered last year. Sergei Magnitsky, a lawyer for Hermitage Capital Management who exposed a $230 million tax fraud carried out by Russian officials, was accused of corruption himself and jailed. He then died in a prison medical isolation unit after warning the prison staff that someone was trying to murder him. Subsequent events indicate that he accurately foretold his fate.

And finally, anti-American propaganda in the Russian media. The reset in Russian relations is largely a figment of our imagination and is something which operates in only one direction, with us implicitly acknowledging that we have done something wrong, which, of course, we haven't. Anti-Western propaganda in the Russian media continues, and it is pervasive, and it affects the way in which the Russian population views the United States.

The Russian regime reacts badly to U.S. efforts to support Russian democracy, but we have an interest in the success of democratic processes in Russia. Democracy in Russia, the world's second nuclear power, means stability. At the same time, undemocratic Russia is unpredictable. In a crisis it is too easy to mobilize a rightless population against the United States.

The Jackson-Vanik amendment surely will eventually be rescinded with regard to Russia, but this should be done in response to improvements in Russia's internal situation. In the absence of such improvement, haste in scrapping Jackson-Vanik is simply not necessary. Thank you.

[The prepared statement of Mr. Satter follows:]

David Satter
Senior Fellow, Hudson Institute
Fellow, Foreign Policy Institute, Johns Hopkins University School of Advanced International Studies
April 27, 2010
House Committee on Foreign Affairs, Subcommittee on Europe

"A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?"

The future of the Jackson-Vanik amendment has now become an important issue in U.S. – Russian relations. The reason is that the U.S., having announced a "reset" in U.S. – Russian relations, cancelled an anti-missile system in Eastern Europe, and ignored Russian human rights abuses, all with little positive result, is running out of ways to show its goodwill.

Those who support rescinding the amendment point out that Russia has been in compliance with its provisions for the last 16 years. They argue that it makes no sense to retain a measure that has accomplished its purpose and now only serves to embitter bilateral relations. Unfortunately, however, we are in danger of being too literal. It is true that Russia now allows free emigration. But the Jackson-Vanik amendment was never based on an unbreakable link between trade and emigration. Opponents of the amendment correctly argued at the time that trade has nothing to do with emigration. The purpose of the amendment was to use the economic power of the United States to compel the Soviet Union to respect human rights. In this respect, it is far from obsolete when applied to Russia today.

By any measure, Russia is more liberal and tolerant than the Soviet Union. Russia, however, is almost totally lawless and the absence of secure rights is not an accident. It exists in order to assure the power of a kleptocratic elite which puts its own interests ahead of those of the nation. This creates a parallel with what existed under the Soviet Union. Like the Soviet authorities, the present Russian leaders use a supposed foreign menace to divert the attention of the population from their rightless situation. The target of choice is not Iran or North Korea, which could pose a threat to Russia, but rather the United States.

The Jackson-Vanik amendment, in and of itself, cannot have a decisive impact on U.S. – Russian relations. But in deciding whether to rescind the amendment, it is important to remember that "good relations" with Russia are not an end in themselves. The late Andrei Sakharov pointed out that there was a direct connection between the Soviet Union's internal repression and its external expansionism. In Russia, massive corruption and lawlessness give rise to policies that frustrate U.S. objectives as a matter of proactive self defense. The object of American policy should be to seek to change this fundamental relationship.

The Jackson-Vanik amendment should not be eliminated to "bury the Cold War," or "reinvigorate the reset." It can be rescinded but this should be done only in response to

examples of clear progress in democratic governance, capable of limiting the scope of arbitrary power in Russia and improving the lot of the population.

The following are examples of areas in which improvements could legitimately be tied to the elimination of Jackson-Vanik.

The legal system. The Russian legal system, in the opinion of Russian respondents to a survey is "prejudiced, inefficient, corrupt and ready to defend whoever can pay for it." At a meeting of a group of state controlled NGOs in the Kremlin in January, 2007, the former Supreme Court judge Tamara Morshchakova argued that judicial independence was non-existent in Russia, stating that, "Any official can dictate any decision in any case." The situation with the legal system is illustrated by the case of Mikhail Khodorkovsky, a Putin opponent and once Russia's wealthiest individual. Khodorkovsky, in an echo of Stalin era practices, is on trial for a second time on clearly fabricated charges of stealing virtually the entire production of the Yukos Oil Company. If convicted – and most observers consider conviction a foregone conclusion – he could spend the rest of his life in prison. He was convicted in 2005 of failing to pay taxes on Yukos profits and sentenced to eight years in a labor camp despite the fact that Russian tax authorities and international auditors certified that the taxes had been paid. At that time, there was no indication that the oil on which taxes had allegedly not been paid was stolen. The real reason for the second trial may be to prevent Khodorkovsky from regaining his liberty when his first sentence, which he began serving after his arrest in 2003, ends next year. Another sign of the state of the rule of law in Russia is that Russians file more complaints with the European Court than people from any of the 46 countries that make up the Council of Europe. Most of the thousands of complaints are never heard but almost all of the small number that have been have gone against Russia.

Selective terror. Although there is no mass repression in Russia, journalists and human rights activists risk their lives if their reporting threatens powerful interests. At least 17 journalists have been murdered in Russia since 2000. In not a single case, has the person who ordered the killing been found. In cases such as those of Anna Politkovskaya and Paul Klebnikov where underlings have been charged (only to be acquitted under puzzling circumstances) the alleged participants appear to have a maze of links to the security services themselves. Natalya Estimirova, a single mother who was virtually the only source of information on torture, abduction and murders carried out by the security services in Chechnya, was herself abducted in Grozny and murdered last year after being implicitly threatened by Ramzan Kadyrov, the president of Chechnya and a close ally of Putin. Sergei Magnitsky, a lawyer for Hermitage Capital Management who exposed a $230 million tax fraud scheme carried out by Russian officials, was accused of corruption and jailed. He then died in a prison medical unit isolation ward after being denied medical care. On the basis of the way he was treated, Magnitsky told the prison staff that someone was trying to murder him. Subsequent events indicate that he accurately foretold his fate.

Anti-American propaganda. Despite the "reset," the U.S. is depicted in the Russian media, which is largely state controlled, as Russia's principal enemy. After the 2004 Beslan school massacre, Putin indicated that it was the West, led by the U.S. that

was responsible for the tragedy. In fact, the Russian authorities bear full responsibilities for ordering troops to open fire with flame throwers and grenade launchers on a gymnasium packed with hostages including hundreds of children. At the time of the August, 2008 war in Georgia, Russians were told that a direct conflict between the U.S. and Russia seemed imminent and there were allegations that the U.S. had encouraged Georgia to attack Russia although Russian leaders were aware that the opposite was true. The global financial crisis was blamed in the Russian media on the U.S. and Russian television is replete with "Eurasianist" commentators who interpret who interpret world events as a struggle of nations as diverse as Chine, India, Iran and Venezuela to limit the U.S., which is intent on establishing its hegemony.

The Russian regime reacts badly to U.S. efforts to support Russian democracy but we have an interest in the success of democratic processes in Russia. Democracy in Russia, the world's second nuclear power, means stability. At the same time, undemocratic Russia is unpredictable. In a crisis, it is too easy to mobilize a rightless population against the U.S.

The Jackson-Vanik amendment will eventually be rescinded with regard to Russia. But this should be done in response to improvements in Russia's internal situation. In the absence of such improvements, haste in scrapping Jackson-Vanik is simply not necessary.

Mr. DELAHUNT. Thank you, Mr. Satter.

Let me direct a question to you, Ambassador Sestanovich. You just heard the testimony by Mr. Satter. I will tell you what my problem is. We speak to the rule of law, and we maintain that this is an abiding principle in our democracy, and yet we have heard arguments and valid observations about Russian behavior. But the law, as I understand it, is clear, and it is clear in the sense that its rationale is predicated on what I consider to be a human right, the right to travel, the right to emigrate. I have been advocating, by the way, for Americans' right to travel to Cuba. I don't like the fact that we have a travel police here in the United States called OFAC where grandmothers are fined because they took a bicycle tour around Cuba.

So I am there on this particular fundamental right, this value, but what I am hearing is we need to get something. You know, we can give it when we see improvements in democratic governance in Russia.

What I would submit, and I would ask you, Ambassador, and everyone else can comment on it, in the eyes of Americans are we eroding the principle of rule of law, respect for the law, when we say this was about the right to travel and emigration, but now it is about a lot of other things, too, when the overwhelming consensus of scholarly analysis of Jackson-Vanik as drafted by Mr. Talisman and Representative Vanik was to ensure that it would end restrictions on emigration? Now we are taking that and we are using it not as a scalpel, but, boy, we have got it, and we are going to use it, and we don't give a damn about the rule of law. Is that the message that we are sending?

Ambassador SESTANOVICH. Thank you, Mr. Chairman.

If you look at the language of Jackson-Vanik, it actually says in the very first sentence that its purpose is to assure the continued dedication of the United States to fundamental human rights. It focused on emigration, and there were many historical reasons for that. Over time the law became a symbol of what it announced in its very first sentence, which is a commitment to fundamental human rights. But I agree with you, the connection that it established and the condition that it established was——

Mr. DELAHUNT. If I can interrupt. If one read the legislative history and reviewed the Congressional Record in terms of the debate in committee, on the floor, both in the House and the Senate, I dare say it was exclusively limited to the plight of Soviet Jewry.

Ambassador SESTANOVICH. Right. That is a correct, I think, description of the legislative history, although, I will be honest with you, I haven't read it.

I would answer you slightly differently. If I thought, and if any member of the panel here thought, that you could solve the problem of the lawlessness of the Russian system by keeping Jackson-Vanik on the books or by trying to pursue some kind of deal, I think we would all be in favor of it. My problem with trying to solve all of these problems of Russia's internal evolution is not that Jackson and Vanik didn't want to solve them, it is that you can't do it. And we need to retain a policy that focuses on the importance of Russia's internal evolution for reasons that I think most people here would probably agree with. That kind of evolution is important in the United States, but you can't do it through Jackson-Vanik. That leverage just isn't there.

Whether it stays on the books or not, we are not going to be able to bring about the kind of change that we would like. That is why in my remarks, Mr. Chairman, I emphasize the importance of having—of coming up with a new policy, a modernized policy, that addresses some of those concerns.

Mr. DELAHUNT. Before I go to Mr. Talisman, I noted in your prepared statement that you quoted Natan Sharansky, saying that this great tool, which is Jackson-Vanik, for the advancement of human rights has become a weapon of the U.S. agricultural lot. You know, I think that is a very insightful remark. And I think to introduce the commercial interest, and I am not naïve, into this issue in some ways does a disservice to the legacy of Jackson-Vanik because it was about human rights.

Mr. Talisman.

Mr. TALISMAN. Thanks, Mr. Chairman.

The legislative history as we sort of lived it day by day was emigration, it was not only Soviet Jewry. We met with all faiths in basements in the middle of the night, and some of the members, including Lou Stokes, got arrested for it.

Mr. DELAHUNT. Right. And I don't mean to focus specifically on——

Mr. TALISMAN. No, no, I am not blaming, but I want the record to show that that was the focus, and not poultry. That is the point. It denigrates the elevation here.

Mr. DELAHUNT. Exactly. And that was the point I was just making to Ambassador Sestanovich, that it was about human rights with a special focus on emigration.

Does anyone else want to take a shot? Mr. Levin and then Dr. Lozansky, and then I will yield to my colleague from California, the one to my left, not the one to my right.

Mr. LEVIN. Mr. Chairman, we, in my organization, over the years have tried to maintain a clear position of support for the original intention of the amendment. In fact, over many years there have been numerous attempts by different Members of Congress in both parties to expand the scope and definition of the amendment, and it is something that my organization, my membership, opposed, because as Ambassador Sestanovich has said, there are many issues that need to be addressed and should be addressed in dealing with Russia's overall human rights record.

The beauty of Jackson-Vanik is that while it does talk about the promotion of human rights, it focused on a particular freedom, a freedom that has been expressed for not just in the United States, not just in the 21st century, but for thousands of years, the right of free movement, and we have lost that focus over the last few years.

And just one other point. When we testified in 2002, we talked about steps that the Bush administration could take, or any administration could take, to ensure that this issue wouldn't be lost and that our other concerns wouldn't be forgotten. In fact, President Bush wrote a letter to NCSJ talking about assurances that he had received from his counterpart. It is something we could add to the record if you would like.

And I don't think whether it is NCSJ or broad-based human rights groups, if Russia has graduated, that we are going to forget about these other concerns. We will take care of this, I know the Congress won't, and then look at—continue to press on these other concerns.

Mr. DELAHUNT. I appreciate that. At the same time, you know, as Mr. Verona points out, I don't want to be in a position to lose jobs for American workers at a time when we need them. And it is clear that, as Mr. Verona pointed out—that, you know, Russia is emerging relatively—you know, relatively debt free, and that market that was increasing, and it had been abysmally low, is an opportunity for American commercial interests.

Dr. Lozansky.

Mr. LOZANSKY. Well, at least for me Jackson-Vanik was always about emigration. And I remember when I personally met Senator Jackson, we discussed about the amendment, and I thanked him personally. And he also—at least in my mind, he talked about emigration. And I wonder what would Scoop Jackson say now if someone would say that some of U.S. Members of Congress including using this as a chicken-meat approach to human rights. So many Members of Congress are now on the record saying that Russia cannot be graduated from Jackson-Vanik until they buy more American chicken. Well, American chicken is great, I love it, and I think we should sell it to the Russians. But linking this to Jackson-Vanik, I think it is not very good.

But also I want to stress that—it is a charity for Russia. First of all, it will cost American taxpayers nothing, but in turn it will bring great goodwill from Russian people, and I think it will highly increase—it is the first step, and so far we can't really put a long

list of achievements. But I can assure you if we graduated Russia of the Jackson-Vanik amendment, this list will raise and only increase dramatically.

Mr. DELAHUNT. Thank you, Doctor.

I am going to go to my colleague, the ranking member Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

First of all, let me associate myself with the remarks of Mr. Sherman. I think that giving back the sacred documents and books and papers to Chabad would be a great gesture of goodwill, wouldn't cost anybody anything. And if there is a message that we can give to people who are listening to the other government is why not do this? This would be a great gesture of goodwill.

I associate myself with Mr. Sherman's remarks, although I do not believe that should hold us up in assessing what Jackson-Vanik is all about. Let us just note that, first of all, in our own country is Russia—should Russia be considered a democratic country that is flawed now, or should it be considered still a rogue nation, a lawless nation?

A lot of Americans don't like to remember this. I lived in North Carolina when I was a young boy, and I remember the Ku Klux Klan in North Carolina even in those days, in the 1950s. But for at least 70 years we had a terrorist organization that were murdering people who were trying to organize the right of a group of our fellow citizens to vote. They were murdering Black people in order to terrorize them. The judges let them go. The government didn't enforce the law for 70 years in our country's history. Now, was our country a democratic country at that time, or was it a rogue, lawless Nation? No. It was a flawed democratic country, and we had our flaws. We needed to work on it.

There are things that Russia now has that are flawed, but it is essentially a democratic country and should be treated that way. And if they do, we should be working with the forces who want to help reform that society, and perhaps maybe as we needed to reform our judicial system so that the Ku Klux Klan wasn't running all over the place murdering Blacks, maybe we need to make sure we work with Russian people to help them make sure their judiciary system is protected.

Mr. Satter, you made some good points about some of the flaws that I am talking about. Do you believe that these same restrictions that you now want to maintain, the Jackson-Vanik restrictions legally maintain, do you think they should be applied to China?

Mr. SATTER. I hesitate to answer questions about China because I haven't studied China the way I have studied Russia.

Mr. ROHRABACHER. It doesn't take very much study to understand that there hasn't been any reform in China. You don't have to spend 2 days in the library to understand that all of the things you are complaining about with Russia have not been done in China, yet we have a demonstrably more positive relationship toward China than we do toward Russia.

Mr. SATTER. Well, in general terms I certainly feel that we should work and put pressure to the extent that we can on the Chi-

nese leadership to respect human rights, just as we do in the Soviet Union, just as we should in the case of Russia.

Mr. ROHRABACHER. But you don't know if you would impose this?

Mr. SATTER. Simply I don't feel qualified to give such a precise answer.

Mr. ROHRABACHER. To all those people who don't feel qualified, let me suggest that they go to Google and Google "Chinese soldier shoots Tibetans at the border," and what you will find is to this day that if Tibetans try to leave Tibet, Chinese snipers will kill them as they are trying to leave Tibet. And there is a picture going on right on Google.

The contradiction between the way we are treating China, which is the world's worst human rights abuser, and Russia, which has had the most progress in human rights in my lifetime, is staggering. And no wonder it leads some of the people in Russia to doubt our sincerity, the good people in Russia, as well as perhaps the bad people as well.

I would again suggest that we—I will just suggest—thank you very much for your testimony today.

Mr. Chairman, I think you have a great group of witnesses, and the points you have made I generally agree on. And I listened to what you had to say, Mr. Satter.

Mr. SATTER. Well, thank you.

Mr. DELAHUNT. Mr. Sherman.

Mr. SHERMAN. Thank you.

Dan, I am sure if I go to Google, I will see that picture. I am also sure if I went to China and I went on Google, I would not see that picture.

Mr. ROHRABACHER. But if you were in Russia, you would see it.

Mr. SHERMAN. Ambassador, you put forward an interesting legislative proposal. I think it is sophisticated except in one aspect where you talk about a resolution of disapproval. That is what Congress does when we want to give ourselves the illusion that we have some control, while depriving ourselves of all control. A resolution of disapproval, even if it were passed by both Houses of Congress, would probably be vetoed by the executive branch and then would be effective only if we overrid the veto in both Houses of Congress.

I suggest instead that you provide for expedited consideration of final approval or simply drop the measure altogether. Expedited approval is when Congress really retains control, and I would think resolution of disapproval is worse than nothing because it gives us the illusion.

Much has been said about Tom Lantos. It is testimony to his status that we are talking about his position. It seems clear that in February 2007, he was for unconditional removal of Jackson-Vanik from Russia. But in April—and in my opening statement I specifically said that it was in April 2007 that he conditioned that on one very modest condition, and that is that the Chabad papers, the Schneerson Papers be turned over. And I believe that that was his consistent position from April 2007 until his death almost a year later.

Jackson-Vanik was about Soviet Jews. Yes, it covered other groups as well, but it was always interpreted to be Soviet Jews.

The people are free to leave Russia, but their sacred documents are still held hostage. I should point out that Lubavitch, the town where the Chabad movement was based, and, in fact, it is the Lubavitch rabbi that created these papers, is in the Smolensk region of Russia. And we turned over in 2002, coincidentally perhaps, the Smolensk archives that came into our possession during World War II. And it is regrettable that Soviet Russian leaders at that time, having obtained the archives that they had asked for, did not return to the rightful owner the rabbi's papers.

Mr. Levin, the archives, half of the papers I am talking about, were papers that Stalin allowed to be taken out of the Soviet Union, or at least—I don't know if he was, I doubt he was personally involved—but a government under his control. And yet now the current Government of Russia refuses to allow these documents to leave. Why? Any insight into the Russian position other than, well, there are some Jews in the United States that want these papers, therefore they will not be turned over?

Mr. LEVIN. Mr. Sherman, I can't speak for the Russian Federation, nor will I try, but I think——

Mr. SHERMAN. Can you mention any advantage or a benefit that Russia obtains by holding these papers?

Mr. LEVIN. No, I can't.

Mr. SHERMAN. Are these a great tourist attraction? Are they treated as important? Are thousands of Russians lining up each day to see these the way that thousands of Americans line up to see the Liberty Bell?

Mr. LEVIN. You should know that for the last 20 years on and off, but mostly on, NCSJ has worked with the Chabad leadership to try to move this issue forward. And we have been on record urging the Russian Government to return the Library or to work out some sort of arrangement that satisfies both Chabad and the government.

It should also be noted that there is some controversy between the Chabad community themselves about where the Library should reside. I would leave that up to Chabad to deal with. But make no mistake that our position is very clear, this collection should be in the hands of the rightful owners of the Chabad community. And we continue to—we will continue to raise this issue at every opportunity. I don't know, and——

Mr. SHERMAN. There are only 6 minutes left, so I will simply conclude with a comment on Mr. Satter's comments. And that is that I think if Jackson-Vanik is leveraged, it should be only something—we should look to something commensurate and relevant, and I am not sure that in return for Jackson-Vanik being removed, that the people who dominate Russia are likely to take actions that actually imperil their continued governing of the state, and we might want to look for something a little smaller and more relevant to the original first purposes of Jackson-Vanik.

With that, I will yield back.

Mr. DELAHUNT. I thank the gentleman.

And let me recognize Mr. Scott of Georgia.

Mr. SCOTT. Thank you very much.

One of the reasons why I find this particular hearing so vitally important, within about 4 weeks I have to go give a paper on the

future of Russia, United States, a new partnership. The interesting thing, I am going over to the Soviet Union to get this paper in Latvia. And our areas of concern are really in the new partnership, how we can work together to keep nuclear weapons and weapons of mass destruction out of the hands of terrorists, the Iran situation, missile defense, energy security. There is such a plethora of things we have got to work on.

So the question is if this Jackson-Vanik treaty comes up—because this is NATO, and we are going to have a parliamentary assembly and have meetings, I want to hear from you all, because I have been fascinated with each of your presentations, but I want to be clear in what each of you are saying.

So if each of you could just very briefly tell me, in the event it is brought up, which it will be brought up in the discussion, the removal of, or should we say the graduation of, Jackson-Vanik, what do we gain by having it repealed or graduated in terms of the future of Russia-United States relations, and what do we gain if we don't repeal it? In other words, back to my first point, to be or not to be, to do or not to do, where is the benefit for the United States either way as we move to establish a new partnership and the advice you can give me to present this paper?

Mr. DELAHUNT. We have 3 minutes, so we are going to ask each of the panelists to respond very quickly.

Mr. VERONA. I think we, one, uphold our own legal traditions. I think when we have a law on the books that is no longer applicable, we remove it, or we remove applicability to a single country. I think also if we pass other legislation affecting other countries, other circumstances, attempting to use a form of inducement, if we don't show that we are willing to rescind the law or to graduate a country from the effect of the law when they comply, eventually it erodes any credibility that a future compulsive action could have.

Thank you.

Mr. DELAHUNT. Mr. Levin?

Mr. LEVIN. Mr. Scott, we demonstrate that we fulfill the commitments and the intent of the law, and we demonstrate that when hundreds of thousands of people are able to move freely from a place that they once were not. Then it is time to recognize that movement and graduate.

Mr. DELAHUNT. Ambassador?

Ambassador SESTANOVICH. Congressman, your first step in speaking to a Latvian audience will be not to call it the "Soviet Union." You want to say "former Soviet Union." There is even a question——

Mr. SCOTT. Thank you for that correction. I appreciate it. I will do that.

Ambassador SESTANOVICH. The question that will be on the minds of people in your audience is in repealing or graduating Russia from Jackson-Vanik, are we suggesting that we don't care about things that we used to care about? And not just human rights, but, for example, the defense of our little allies that are on the border of Russia. What your audience will want to hear is that the repeal of Jackson-Vanik is a narrow decision reflecting the law and the solution of a problem that once bothered us, that once limited the

rights of Latvians, but that it doesn't mean that the United States is suckered in evaluating and defending its own vital interests.

Mr. DELAHUNT. Thank you.

Dr. Lozansky.

Mr. LOZANSKY. I would compare this graduation as removal of a huge irritating splinter from the wound, from the injury, which will create tremendous positive momentum for United States-Russian relations and cooperation on all the issues you just mentioned. I strongly believe in that, and I think that we have to do that as soon as possible.

Mr. DELAHUNT. Thank you.

Mr. Talisman.

Mr. TALISMAN. I think graduation is essential, and I think the use of repeal is poison. It is absolute poison. Graduation, not repeal.

Mr. DELAHUNT. Mr. Satter?

Mr. SATTER. Mr. Scott, I think it is a question of symbolism. Graduation of Russia will not change much, but the refusal to countenance it is a signal to Russia that, in fact, we don't accept everything that goes on there; that we have objections, we reserve the right to make objections; and that goodwill gestures will be based on their being justified.

Mr. DELAHUNT. I want to thank this panel. It has been outstanding. I am going to be looking to some of you to assist me in drafting legislation, which I intend to file within the next several weeks, that will deal with the graduation of Russia from the aegis of the amendment.

Thank you all so much. We are now adjourned.

[Whereupon, at 4:10 p.m., the subcommittees were adjourned.]

APPENDIX

Material Submitted for the Hearing Record

SUBCOMMITTEE JOINT HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

SUBCOMMITTEE ON EUROPE
Bill Delahunt (D-MA), Chairman

and

SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION AND TRADE
Brad Sherman (D-CA), Chairman

April 26, 2010

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN joint hearing of the Subcommittee on Europe, and the Subcommittee on Terrorism, Nonproliferation and Trade, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at http://www.hcfa.house.gov)**:

DATE: Tuesday, April 27, 2010

TIME: 2:00 p.m.

SUBJECT: A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?

WITNESSES: Mr. Edward S. Verona
President and Chief Executive Officer
U.S. - Russia Business Council

Mr. Mark B. Levin
Executive Director
National Conference on Soviet Jewry

Mr. Mark Talisman
President
Project Judaica Foundation

The Honorable Stephen Sestanovich
George F. Kennan Senior Fellow for Russian and Eurasian Studies
Council on Foreign Relations
(Former Ambassador-at-Large and Special Adviser to the Secretary of State for the New Independent States)

Edward D. Lozansky, Ph.D.
Founder and President
World Russia Forum

Mr. David Satter
Senior Fellow
Hudson Institute

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Europe and TNT* MEETING

Day *Tuesday* Date *04/27/10* Room *2172*

Starting Time *2:09 PM* Ending Time *4:09 PM*

Recesses (to)

Presiding Member(s) *Rep. Delahunt*

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session ☑
Executive (closed) Session ☐
Televised ☑

Electronically Recorded (taped) ☑
Stenographic Record ☑

TITLE OF HEARING or BILLS FOR MARKUP: *(Include bill number(s) and title(s) of legislation.)*

A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?

SUBCOMMITTEE MEMBERS PRESENT:

Rep. Sherman, Rep. Scott, Rep. Gallegly, Rep. Watson, Rep. Sires, Rep. Poe, Rep. Royce, Rep. Miller, Rep. Connolly, Rep. Costa, Rep. Inglis

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not Members of HIRC.)*

Rep. Rohrabacher

HEARING WITNESSES: Same as meeting notice attached? Yes ☑ No ☐
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

ACTIONS TAKEN DURING THE MARKUP: *(Attach copies of legislation and amendments.)*

RECORDED VOTES TAKEN (FOR MARKUP): *(Attach final vote tally sheet listing each member.)*

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED _____

Subcommittee Staff Director

MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE BRAD SHERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION AND TRADE

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DEMOCRATIC CHIEF COUNSEL

December 17, 2004

Vladimir Putin, President
Moscow, Kremlin
The Russian Federation

Dear President Putin,

I am writing about the commitments made by the Russian government to return the Schneerson books and archives to their rightful owners. For decades the Chabad-Lubavitch movement has worked tirelessly on this issue, but sadly, these sacred texts remain in spiritual and material captivity. To date, a mere eight volumes of the approximately 12,000 Schneerson books belonging to Chabad have been returned.

The Schneerson archives, which were in the possession of Rabbi Joseph Isaak Schneerson in Warsaw while he was fleeing the atrocities of the Holocaust, for years had been assumed destroyed by the Nazis. However, Chabad discovered that the Soviet army captured these sacred texts from the Nazis and brought them to Moscow. Now the Schneerson archives and books are in dire physical danger and desperately need to be properly preserved by experts. The Russian government has denied repeated attempts by Chabad experts to view and to catalogue them properly. This unreasoning refusal of the Russian government disregards the basic principles of human rights, respect for religion and the pursuit of faith.

For centuries Chabad and its spiritual leaders – the Schneerson family – have endured unspeakable atrocities for their steadfast commitment to the Jewish faith and to the survival Jewish people. This commitment was and is centered on the books and archives of Jewish teachings, which are the soul of the Jewish people. Rabbi Josef Isaac Schneerson was incarcerated for his commitment to Judaism after having been brutally tortured and subsequently sentenced to death by the Soviet authorities. Return of the Schneerson archives and books to Chabad would end this ugly chapter in history.

I urge you to bring justice to this matter with the immediate return the Schneerson archives and books to Chabad. The restoration of illegally seized and held property from the victims of the Holocaust is a noble cause for all humanity.

Sincerely,

Tom Lantos
Ranking Democratic Member

BRAD SHERMAN
UNITED STATES CONGRESS

PH: (202) 225-5911
FAX: (202) 225-5879

December 15, 2004

President Vladimir Putin
The Russian Federation
4, Staraya Square
Moscow, 103132

VIA FACSIMILE C/O THE RUSSIAN EMBASSY

Dear Mr. President:

I am writing to express my concern over the continued failure of the Russian State Library, and ultimately the Russian government, to return the collection of books and archives known as the Schneerson Collection.

Over the past 15 years, there have been numerous commitments by the Russian government to return the Schneerson books and archives to the appropriate religious institution in the United States. Most disturbing is the fact that an agency of your government has failed to comply with the dictates of the Russian courts to return these texts.

I am also concerned that repeated attempts by Chabad experts to gain access to the Schneerson archives and to properly catalogue them have been denied by the Russian government. These religious treasures are being denied to a people unnecessarily, and there is a risk that they will be damaged or destroyed if they are not properly preserved.

Mr. President, the Chabad movement in Russia, particularly its spiritual leaders -- the Schneerson family dynasty – suffered greatly and endured persecution under both the Tsarist and Soviet authorities. It is my hope that you will personally intervene on their behalf to help stop further injustice being done to this religious community.

For decades, Chabad has worked to resolve this issue. Only after having exhausted every effort to secure the release of the Schneerson books and archives did Chabad file suit against the Russian government in US court to seek their return to their rightful owners.

A favorable resolution of the dispute over the Schneerson Collection will be viewed positively by the many members of the US Congress who have expressed their concern over this issue. Returning these texts will help improve relations between our countries.

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to the Russian people, and in recognition of established principles, the U.S. correctly returned this collection in 2002.

The return of the Schneerson Archive would be greatly appreciated by not only Chabad and the wider Jewish community, but by the government and people of the United States.

Sincerely,

BRAD SHERMAN
Member of Congress

Congress of the United States
House of Representatives
Washington, DC 20515

May 3, 2005

The Honorable Vladimir Putin
President of the Russian Federation
The Kremlin
Moscow

Dear Mr. President:

We are writing in concurrence with a recent letter sent by our colleagues in the United States Senate to respectfully request your assistance in returning the Schneerson collection of religious texts from the Russian State Library and the Russian State Military Archive to its rightful owners in the United States: Agudas Chasidei Chabad of the United States.

As you are aware, Chabad has long sought to recover the Schneerson collection, which is comprised of religious texts on Jewish philosophy, religious law, and tradition. These rare and irreplaceable writings form a vital part of Chabad's cultural and spiritual heritage. One portion of the Schneerson collection was seized by Communist authorities around the time of the Bolshevik revolution and placed in the Russian State Library, where it remains to this day. The second portion of the collection was confiscated by the Nazis during the Holocaust in Warsaw and later captured by the Soviet Army at the end of World War II and transferred to the Russian State Military Archive.

As the Russian Federation prepares for the May 9, 2005 celebration marking the 60th anniversary of Victory Day and the surrender of Nazi Germany, we urge you to take this opportunity to return the entire Schneerson collection to its rightful owners in the United States. Your timely action would be a significant gesture of your government's commitment to justice, human rights, and religious tolerance.

Thank you for your attention to this important matter.

Sincerely,

Henry A. Waxman Member of Congress	Christopher H. Smith Member of Congress	Benjamin L. Cardin Member of Congress

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BRAD SHERMAN
UNITED STATES CONGRESS

PH: (202) 225-5911
FAX: (202) 225-5879

June 21, 2007

By Personal Hand Delivery

The Honorable Konstantin Kosachev
Chairman, Committee on Foreign Affairs
State Duma of the Russian Federation

RE: Schneerson Archives Currently Held by the Russian State Military Archive

Dear Chairman Kosachev:

The Schneerson Archives currently sit in the Russian State Military Archive. The Schneerson Library is currently held by the Russian State Library. Both of these have been the subject of controversy and are sometimes referred to collectively as the Schneerson Collection. Due to the reasons below, I write to you only regarding the return of the Schneerson Archive.

The Schneerson Library was seized by Soviet authorities during the Bolshevik revolution. There are complex arguments regarding the status of this portion of the Collection, and I do not want these arguments to affect the disposition of the Schneerson Archive.

The Schneerson Archive was removed from Soviet Russia with the permission of the Soviet Government by Rabbi Schneerson after the Revolution. It was subsequently captured by Nazi Germany during the holocaust and Nazi occupation of Warsaw, Poland. At the end of World War II, the Soviet Army captured the Schneerson Archive from the Nazis and transferred it to the Russian State Military Archive.

As to the Schneerson Archive, I urge you to use you good offices to seek its return to their rightful owner, Agudas Chasidei Chabad of the United States (Chabad). According to established principles, assets seized during wartime should be returned to their rightful owners, especially when those owners were victims of Nazi barbarism. The religious texts that Chabad seeks to retrieve consist of rare and irreplaceable books, archives, and manuscripts on Chabad philosophy, Jewish religious law, prayer and tradition.

By analogy, I would note the historic return of the Smolensk Archive to the Russian Federation by the United States. This is a Russian collection that fell into the hands of U.S. forces in Europe during World War II. Knowing of the importance of this collection

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to the Russian people, and in recognition of established principles, the U.S. correctly returned this collection in 2002.

The return of the Schneerson Archive would be greatly appreciated by not only Chabad and the wider Jewish community, but by the government and people of the United States.

Sincerely,

BRAD SHERMAN
Member of Congress

BRAD SHERMAN
MEMBER OF CONGRESS
27TH DISTRICT, CALIFORNIA

April 30, 2009

By Personal Hand Delivery

H.E. Sergey I. Kislyak
Ambassador of the Russian Federation
2650 Wisconsin Avenue, NW
Washington, DC 20007

RE: Schneerson Papers Currently Held by the Russian Government

Your Excellency:

Over the past several years, I have discussed the issue of the Schneerson papers with several officials of the Russian Federation, including your predecessor, and corresponded with then-President Vladimir Putin on the issue in late 2004.

The Schneerson Archives currently sit in the Russian State Military Archive. The Schneerson Library is currently held by the Russian State Library. Both of these have been the subject of controversy in relations between our countries, and are sometimes referred to collectively as the Schneerson Collection. Both components of the Collection are the subject of litigation in the United States.

I would hope that the Russian government could reach an agreement with the Agudas Chasidei Chabad of the United States (Chabad) to turn over the papers in both components of the Collection. While I firmly believe Chabad is rightfully entitled to both components of the Schneerson Collection, the case with respect to the Archive is relatively clear based on long-established principles.

The Archive was removed from Soviet Russia with the permission of the Soviet Government by Rabbi Schneerson after the Revolution. It was subsequently captured by Nazi Germany during the Holocaust and Nazi occupation of Warsaw, Poland. At the end of World War II, the Soviet Army captured the Schneerson Archive from the Nazis and transferred it to the Russian State Military Archive.

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According to longstanding principles of international law, assets seized during wartime should be returned to their rightful owners, especially when those owners were victims of Nazi barbarism. The religious texts that Chabad seeks to retrieve consist of rare and irreplaceable books, archives, and manuscripts on Chabad philosophy, Jewish religious law, prayer and tradition.

By analogy, I would note the historic return of the Smolensk Archive to the Russian Federation by the United States. This is a Russian collection that fell into the hands of U.S. forces in Europe during World War II. Knowing of the importance of this collection to the Russian people, and in recognition of established principles, the U.S. correctly returned this collection in 2002.

The return of the Schneerson papers would be greatly appreciated by not only Chabad and the wider Jewish community, but by the government and people of the United States.

Sincerely,

BRAD SHERMAN
Member of Congress

MATERIAL SUBMITTED FOR THE RECORD BY MR. MARK B. LEVIN, EXECUTIVE DIRECTOR, NATIONAL CONFERENCE ON SOVIET JEWRY

THE WHITE HOUSE

WASHINGTON

November 19, 2001

Mr. Harold P. Luks
Chairman
NCSJ
1640 Rhode Island Avenue, N.W.
Suite 501
Washington, D.C. 20046-3278

Dear Mr. Luks:

In my meeting last week with President Putin of Russia, we discussed a matter of particular interest to the American Jewish community: the "graduation" of Russia from the provisions of the 1974 Jackson-Vanik Amendment that linked emigration rights from the Soviet Union to American trade policy. Mr. Putin and I agreed that on the basis of the Russian Government's consistent, nearly decade-long allowance of unfettered emigration, Russia merits permanent normal trade relations status. To this end, I intend to work with the 107th Congress to pass the necessary legislation for removing Jackson-Vanik requirements for Russia.

I know the American Jewish community maintains a great and continuing interest in the human rights situation in Russia, particularly as it affects Russian Jews. So does my Administration. Mr. Putin provided clear assurances that his government would take concrete actions to promote our common interest in core human rights and basic freedoms. He stated that anti-Semitism has no place in a modern Russia. My Administration is fully committed to work with Russia to bring about progress in human rights, including safeguarding of religious liberty, enforcement of hate crimes laws, and restitution of religious community property.

Please accept my deep appreciation for the American Jewish community's steadfast commitment to defend the basic rights of Soviet Jewry. Through the darkest days of the Cold War and the tumult of the post-Soviet era, American Jews never wavered in this cause. Your decades-long struggle has won a once unthinkable victory. Russian Jews are now free to emigrate freely from Russia.

The Jewish community has helped write a proud chapter in the history of American foreign relations, but the work is not complete. We need your continued advocacy and support, and my Administration looks forward to working closely with you on these challenges.

Sincerely,

/s/

George W. Bush

MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE BILL DELAHUNT, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF MASSACHUSETTS, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

Statement of Congressman Dennis J. Kucinich
Committee on Foreign Affairs
Subcommittee on Europe and
Subcommittee on Terrorism, Nonproliferation, and Trade
"A Relic of the Cold War: Is it Time to Repeal Jackson-Vanik for Russia?"
Tuesday, April 27, 2010

Chairman Delahunt, Chairman Sherman, and members of the subcommittees, thank you for the opportunity to provide testimony today. As co-chair of the Congressional Russia Caucus in the House of Representatives, I am honored to participate in this joint hearing on repealing the Jackson-Vanik amendment for Russia.

The Congressional Russia Caucus was co-founded with Congressman Tom Price and is a bipartisan effort meant to provide Members of Congress with a forum to discuss issues of mutual concern between the United States and Russia. The Caucus also examines ways to improve friendship, dialogue and international exchange between our two nations. The application of the Jackson-Vanik amendment to Russia is worthy of discussion in the context of our evolving relationship with Russia.

Historically the Jackson-Vanik amendment, included in section 402 of Title IV of the 1974 Trade Act, was applied to the former Soviet Union and almost all communist countries. It continues to govern trade relations between the United States and Russia. For countries still subject to the terms of the Jackson-Vanik amendment, the President of the United States denies those countries eligibility for normal trade relations (NTR) status, including access to U.S. government credit facilities. The amendment applies these restrictions to countries under Title IV so long as the U.S. deems that the country denies its citizens the right of freedom of emigration. While Russia has subsequently been afforded NTR, the Title IV regime still applies to Russia. Under this regime, Russia is subject to continual review of its emigration policies, despite determinations by the President that Russia is in compliance with the Jackson-Vanik amendment.

I believe that the April 8 signing of the Strategic Arms Reduction Treaty (START) follow-on by President Obama and Russian President Dmitry Medvedev should be recognized for its significance in laying the ground work for future cooperation between our countries. 1991's START served as a significant trust-building measure between the U.S. and Russia. Graduating Russia from the Title IV regime can serve the same purpose. I support the repeal of the Jackson-Vanik amendment.

According to the Congressional Research Service, "removing Title IV applicability will likely have little direct effect on U.S.-Russia trade, since Russian imports have been accorded NTR treatment. The larger effect of repeal will likely be on the overall U.S.-Russian relationship since, for Russia, a major irritant in the relationship would be removed."

While I do not support free-trade policies that often come at the cost of the domestic manufacturing industry and the degradation of vital labor standards, Jackson-Vanik no

longer serves a useful purpose. Its repeal will demonstrate good will that is necessary to continue the momentum in favor of improved relations between the two countries. I congratulate the Subcommittees for taking a hard look at the Jackson-Vanik amendment and thank them for the invitation to offer testimony .

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