

SOVIET RESEARCH AND TRAINING FUND

PROBLEM: Over the past decade Soviet power has grown dramatically as has the Soviets' ability to project that power to expand their empire and damage our interests on a global scale. As an indispensable complement to that power the Soviets have made a massive investment over the same period in their capacity to analyze America. Our own course has been just the opposite. Financial support for analysis of the Soviet Union and Eastern Europe has been massively withdrawn, our research effort is shrinking and our preparation of new cadres of specialists faces catastrophic decline, in both quality and quantity. Adequate numbers of American specialists on critical areas of Soviet economics and politics, minority nationality dynamics, foreign policy and Soviet behavior in strategic Third World sectors, are not being prepared or utilized due to a faltering university and government support structure. While our information on Soviet hardware is excellent, our political, social and economic analysis is obviously in jeopardy and certain to deteriorate further unless something is done quickly. Our national capability to analyze the Soviets and their empire is being dismantled, and once gone, it would take decades at enormous costs to recreate.

PROPOSAL: In response to a clear national security need, a legislative Act is proposed which will provide a one-time-only appropriation of the sum of \$40,000,000 to establish a Soviet Research and Training Fund. This sum is to be invested and reinvested in debt instruments of the U.S. Treasury, the interest from which will be used to support a national program of (1) advanced research and dissemination of research findings to the Government and the public; and (2) the training of research specialists under university auspices, including on-the-ground experience in the Soviet Union and Eastern Europe.

RESOURCE BASE: Three existing national institutions are already organized to carry out such a program: the National Council for Soviet and East European Research, the Kennan Institute of the Wilson Center, and the International Research and Exchanges Board. They have agreed that the Fund would be administered and its resources allocated by the Board of Trustees of the National Council for Soviet and East European Research. These organizations draw upon a broad set of constituencies in the university and research sectors; the International Research and Exchanges Board alone represents a consortium of 110 major university centers across the country. Confirmation of this critical need can be found both within those constituencies and among leading representatives of the defense and intelligence communities.

INTRODUCTION

The steadily growing national security need for reliable knowledge about the Soviet empire is coinciding with a critical decline in our national capacity for research on the USSR and its allies. This paper and attached draft legislation proposes a one-time-only appropriation of the sum of \$40,000,000 to establish a Soviet Research and Training Fund. This sum is to be invested and reinvested in debt instruments of the U.S. Treasury, only the interest from which would be expended in support of the purposes of the Act.

The goal of the Act is to help stop the decline and stabilize, on a national scale and long range basis, our capacity for research needed to understand the changing strengths and weaknesses of the Soviet empire. The Act would contribute a small, but essential, Government share of support to advanced research, to development of a steady stream of research specialists, and to the availability of independently verified factual knowledge about the USSR.

Three existing private institutions are already organized to carry out this work: the National Council for Soviet and East European Research, the Kennan Institute of the Wilson Center, and the International Research and Exchanges Board. Through these organizations the funds could be used efficiently and effectively, and no new Federal executive organization would be created.

STATEMENT OF THE PROBLEM

Since the Second World War the Soviet Union, by massive determined effort, has emerged as a powerful empire, hostile to United States interests on a global scale. Whatever the future course of that secretive and intentionally deceptive power, and of its relations with the United States and the rest of the world, it is self-evident that we must maintain our national capability to develop reliable knowledge of it, to make that knowledge available to the Government and the public, and to assure a steady stream of highly trained specialists for service in the Government and private sector.

As conditions within the Soviet empire become more complex, as Soviet power and activity expand and as more raw data become available, our national need for knowledge and the analytic research that produces it increases. This rising national need has, perversely, coincided over the last decade with a grave decline in resources devoted to research, to the point that our national capability is endangered.

For a quarter century after World War II, universities, private foundations, business and government joined to support Soviet studies. Faculty, research libraries, fellowships, space, support facilities and labor were provided, centers of advanced research and training were created and a network of Soviet and East European studies reaching down to high school courses was established. That effort culminated in passage of the International Education Act in 1967, which authorized \$40,000,000 in FY-68 and \$90,000,000 in FY-69 for advanced research and training. That Act was never funded. Private foundations have left the field; Ford alone, which contributed some \$20,000,000 a year at its peak to international studies, has reduced its support to essentially zero. Business support, which was tied to expectations of expanded USSR trade, is drying up. Universities, under general financial pressure, are curtailing funds and facilities. The government, which spends billions on the collection of information on the USSR, much of which remains unused, has reduced its own capacity for

basic research, and spends next to nothing on basic research outside government, or on ensuring a cadre of research specialists for the future. By 1975-76 university centers of advanced research on the USSR and Eastern Europe had suffered a 64% reduction of budgets from their 1965-72 average, and the decline has continued.

Thus, the entire national capability is eroding. Fellowship money is almost nonexistent. Specialized research libraries are curtailing holdings, acquisitions and staffs. Faculty positions are being cut. Research journals face closure. Talented, experienced research scholars, young and old, are shifting to other fields of study, while fewer and fewer gifted graduate students are entering it. In the 1980s, more than 45% of America's present experts on the USSR will leave the field by retirement alone. Once the national capability is let go, it will take decades and enormous costs to recreate it.

Ironically, the comprehensiveness and sophistication of Soviet studies of all aspects of American society is being expanded as a matter of State policy. In addition to the work of specialists in the central Party and government apparatus, study of the United States in Soviet universities has increased, the American sections of research institutes under the Soviet Academy of Sciences have grown, and a decade ago a special Institute for the study of the U.S.A. was founded in Moscow which now has a staff of some 400. Their increasingly sophisticated knowledge of America's strengths and weaknesses is manifest in their actions and propoganda. (Please see Appendix I).

The heart of the proposed legislation provides a fund of \$40,000,000, to be held by the U.S. Treasury, the interest on which would be used to give partial support, on a competitive national scale, to five functions essential to the nation:

1. advanced research on the USSR and Eastern Europe;

2. contact and collaboration among Government and private research specialists; and greater use of Government-held data;
3. research and first-hand experience in the USSR and Eastern Europe by American specialists;
4. specialized advanced training for research;
5. delivery to the Government, and public dissemination of research results, data and methods.

There are several important advantages in the draft Act.

First, no new federal bureaucracies with additional administrative staffs and costs will need to be created. Three existing private, nonprofit institutions -- the National Council for Soviet and East European Research, the Kennan Institute for Advanced Russian Studies, and the International Research and Exchanges Board -- have established offices and trained staffs which can carry out the administration of the Fund. All of these organizations currently receive public funds, are respected in government and academic circles, and could turn the Fund to useful work immediately.

Second, Congress and the Executive Branch would have oversight through existing committees, and Congress could withdraw the principal amount (or augment it) as it saw fit. The delays and uncertainties of annual appropriations, especially of the small amount represented by annual interest on the Fund, would be avoided. They tend to cancel the long range stabilizing effect that is sought, and inhibit the systematic planning necessary to basic research and career training. The result is often not only waste, but a reluctance among the most able candidates to become involved.

And finally, it is precisely the creation of such a Fund that will testify to the profession as a whole that the time-consuming acquisition of special skills, and the extraordinary difficulties and frustrations of gaining and maintaining competence on the Soviet empire are valued by America and are therefore worthwhile.

D R A F T (April 25, 1981)

An Act

To help ensure the nation's independent factual knowledge of the Soviet empire, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both those purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Soviet Research and Training Act of 1981."

Findings and Declarations

SEC. II. The Congress hereby finds and declares that:

(1) Factual knowledge, independently verified, about the Soviet empire is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs.

(2) The development and maintenance of such knowledge depends upon the national capability for advanced research by highly trained and experienced specialists, available for service in and out of Government.

(3) Certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it.

Namely:

- (A) postgraduate training;
- (B) advanced (postdoctoral or equivalent) research;
- (C) public dissemination of research data, methods and findings;
- (D) contact and collaboration among Government and private specialists and the facilitation of research based on the extensive data holdings of the United States Government; and
- (E) first-hand experience of the Soviet empire by American specialists including the conduct of advanced training and research in those areas to the extent practicable.

(4) It is in the national interest for the Federal Government to supplement the support for these functions provided by local, state, regional, and private agencies, organizations and individuals, and thereby to stabilize the conduct of these functions on a national scale, consistently, and on a long range basis.

(5) Three existing institutions are already organized to conduct these functions on a national scale:

The National Council for Soviet and East European Research

The Kennan Institute for Advanced Russian Studies of the
Woodrow Wilson International Center for Scholars

The International Research and Exchanges Board of the
American Council of Learned Societies

Establishment of Soviet Research and Training Fund

SEC. III. (1) There is hereby appropriated, on a one time only basis, the sum of \$40,000,000 to establish a Soviet Research and Training

Fund (hereinafter the "Fund"), to be invested and reinvested in debt instruments of the United States Treasury; the interest from which shall be used for support of the functions listed in Section II paragraph 3, of this Act, in the following manner.

Execution and Administration

SEC. IV. (1) Whereas the National Council for Soviet and East European Research (hereinafter the "National Council") is a not-for-profit corporation organized under the laws of the District of Columbia in 1978, which conducts a national program of advanced research on Soviet and East European social, political, economic, and historical development; and whereas its Board of Trustees (hereinafter the "Board of Trustees") is composed of nationally recognized specialists on the USSR and Eastern Europe, two thirds or more of whom are designated by the presidents of leading American research universities and institutions*; and whereas its competitive selection practices and its administration could readily be expanded to encompass also the functions identified in Section II, paragraph 3A and 3C of this Act (advanced training and dissemination):

(2) Whereas the Kennan Institute for Advanced Russian Studies (hereinafter the "Institute") established in 1974 at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution provides facilities and fellowships in Washington, D.C. for the conduct of advanced research on the USSR by American

* The Chancellor of the University of California, Berkeley; the Presidents of the University of Chicago, Columbia University, Duke University, Harvard University, the University of Illinois, Indiana University, the University of Michigan, the University of Pennsylvania, Stanford University, The American Association for the Advancement of Slavic Studies, and The Chairman of the Academic Council of the Kennan Institute for Advanced Russian Studies.

specialists on a nation-wide basis; and whereas the Institute also regularly holds working meetings for those specialists and their counterparts in Government and in the private sector:

(3) And whereas the International Research and Exchanges Board (hereinafter the "IREX"), organized in 1968 by the American Council of Learned Societies and the Social Science Research Council, conducts a national program of visits by American specialists to the USSR and Eastern Europe for advanced training and research, on an exchange basis in such a manner as to ensure maximum reciprocity: be it enacted that

(4) The Board of Trustees of the National Council shall also comprise the Board of Trustees of the Fund and shall be designated to administer and oversee the Fund.

The interest from the Fund shall be received by the Board of Trustees annually and divided into four equal parts:

(A) One such part shall be paid over to the Institute for use by it in support of the function identified in Section II, paragraph 3D of this Act (Washington-based research and collaboration). Specifically the Institute shall:

(a) Provide fellowship support and research facilities for American scholars to conduct advanced research using the extensive data on the Soviet empire available in the Washington, D.C. area;

(b) Hold seminars, conferences and other kinds of working meetings that will facilitate contact and research collaboration among Government and private specialists in that field.

(B) A second such part shall be paid over to the IREX for use by it in support of the function identified by Section II, paragraph 3E of this Act (on-site research and training). Specifically the IREX shall conduct specialized programs of advanced training and research on a reciprocal basis in the USSR and the nations of Eastern Europe in such a manner as to provide access for American specialists to research institutes, personnel, archives, documentation, and other research and training resources in those areas.

(C) A third such part shall be retained by the National Council to be used by it in support of the function identified in Section II, paragraph 3B of this Act (advanced research). Specifically:

(a) In consultation with an interdepartmental committee of the Executive Branch the members of which shall be designated by the Secretary of State (hereinafter the "Interdepartmental Committee"), the Board of Trustees shall, from time to time, define the research agenda of a national research program at the postdoctoral or equivalent level.

(b) The Board of Trustees shall publicize the program broadly and shall solicit proposals for research contracts, on the basis of shared costs, from American institutions of higher education and other not-for-profit American corporations.

(c) The Board of Trustees shall review such proposals periodically, but not less than annually, and shall award contracts for such research projects as it deems

will best serve the purposes of this Act, and as funds will allow.

(d) The Board of Trustees shall deliver reports of the findings of research which it funds to the Secretary of State for distribution within the Government.

(D) The Board of Trustees shall expand the National Council's functions to encompass those identified in Section II, paragraphs 3A (advanced training) and 3C (dissemination) of this Act, and shall retain the remaining fourth such part of the interest for use by the National Council in support of these functions. Specifically:

(a) In consultation with the Interdepartmental Committee, the Board of Trustees shall define a program of graduate fellowships for advanced training in Soviet and related studies; and a program of stipends for teaching appointments at American institutions of higher learning on a shared cost basis.

(b) The Board of Trustees shall publicize the programs broadly and solicit applications for fellowships from qualified individuals, and for shared cost stipends from institutions.

(c) The Board of Trustees shall review such applications periodically, but not less than annually, and shall award such fellowships and stipends as it deems will best serve the purposes of this Act.

(d) In consultation with the Interdepartmental Committee, the Board of Trustees shall also provide support for at

least one, but not more than three professional journals dedicated to the open public dissemination of research data, methods, and findings in the Soviet and related fields, in the form of publication subventions, in such manner and to the extent that it deems will best serve the purposes of this Act.

(5) Should the Institute and/or the IREX at any time or for any reason cease, in the opinion of the Board of Trustees, to serve the functions assigned to them by this Act, or its purposes, the Board of Trustees may, in consultation with the Interdepartmental Committee, withhold further distribution of interest to either or both the Institute and the IREX. Moneys so withheld shall be either (a) held in escrow until such time as the Institute and/or the IREX resumes such functions and the service of such purposes in the opinion of the Board of Trustees, or in its opinion some successor institution do so, or (b) reinvested in the corpus of the Fund; at the determination of the Board of Trustees in consultation with the Interdepartmental Committee. All or part of moneys held in escrow and/or the appropriate annual share of interest from the Fund may be used by the Board in the establishment or development of a successor institution for the Institute or the IREX.

(6) If interest from the Fund accrues in any year to a sum which, in the opinion of the Board of Trustees, is greater than that which may be prudently used in the normal operations of the Institute, the IREX, or the National Council, in fulfillment of the purposes and provisions of this Act, the excess moneys

shall be reinvested in the corpus of the Fund.

Reports to Congress

SEC. V. (1) The Board of Trustees shall provide the Congress of the United States with an annual report of the operations of the Fund, which report shall include both a narrative account of the measures taken in fulfillment of the purposes and provisions of this Act and a financial audit by a qualified firm of certified public accountants.