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THE UNITED STATES PEACE CORPS: NEW OPPORTUNITIES IN THE 1990s

For nearly 30 years, Volunteers of the United States Peace Corps have proven every day that citizen service to others does make a difference. Their work in more than 100 nations has significantly improved the lives of millions of people -- including those of the Volunteers themselves. To respond to the problems, challenges and opportunities of the 1990s, the United States Peace Corps has developed a set of initiatives designed to put our Volunteers in the center of the great concerns of this decade, both overseas and at home.

INITIATIVES ABROAD

* **Historic Expansion** - The United States Peace Corps is **on the leading edge** of dramatic changes taking place in the world today. Upon entry into Poland and Hungary, in June, 1990, Peace Corps will serve in 70 nations -- including half of all developing nations. Within the next 18 months, Peace Corps will enter more new countries in Africa, Asia, Latin America and Europe than in the previous 18 years. Peace Corps can be a catalyst for improving relationships with all countries where there has been a history of tension, suspicion or a lack of communication. Its goal is to have Volunteers serving in virtually every nation that requests legitimate assistance.

* **New Program Initiatives**

* **Environment** - Destruction of the environment is a serious threat to all life on our planet. Preventing this destruction will become a major objective of our Volunteer efforts worldwide. In September, 1989, the Peace Corps entered into a collaborative agreement with the Environmental Protection Agency under which the EPA will help train Peace Corps Volunteers in pesticide management, waste disposal techniques, water pollution prevention, reforestation and environmental education. The Peace Corps currently has more persons working as natural resource professionals in other countries than any other environmental or conservation organization in the world.

* **Small Business Development** - With the increasing interdependence among national economies and the rise of market-oriented systems in developing nations, the need to build strong economic foundations in both rural and urban areas is vital. Additionally, increasing life expectancy (up from 53.7 in 1970 to 61.5 in 1990) and increasing urbanization have led to a critical need for jobs formulation. Peace Corps will expand its work in small business development. Volunteers will provide marketing and production advice as well as help improve business techniques for enterprises from farming to banking.

* **Urban Programs** - Fully 44 percent of the people in developing nations now live in urban areas. By the year 2025 the number of urban residents throughout the world should increase five fold with two-thirds of this growth occurring in the developing world. Rapid urbanization has brought increased health problems, joblessness and a host of other difficulties already familiar to us in this country. As part of Peace Corps' new urban development initiative, Volunteers are being recruited and trained to respond to these new challenges.

Perestroika or not, Soviet life is a dreary gray

By Collin Campbell
Staff writer

EN ROUTE IN RUSSIA — Even a tourist has to marvel at this country's poverty and backwardness.

Drive from Moscow to Leningrad and on into Estonia — through idle fields and silent towns, past gas lines and cities filled with empty shops and sullen people — and you're reminded again and again of the price Moscow has paid for its power.

I've never been to the Soviet Union before. But I've worked in many poor countries of the so-called Third World, and I've been stunned by how "Third World" the Soviet Union is.

"It's Upper Volta with rockets," as former West German Chancellor Helmut Schmidt once put it. Upper Volta is the prostrate African nation now known

ON THE ROAD IN THE U.S.S.R.

A TRAVELER'S JOURNAL

First of three parts



as Burkina Faso.

Poverty and power. A surprisingly low standard of living, and a decades-old military rivalry with the richest country on Earth. A system that has put men into space, inspired millenarian visions, threatened Western Europe with its huge conventional army (until recently, anyway) — yet a system with the shortages, increasingly worthless currency, corruption, bureaucratic screw-ups and

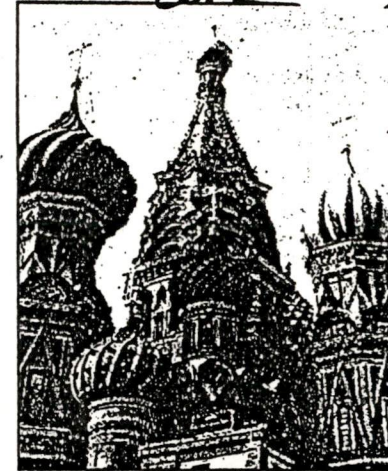
Staff writer Collin Campbell recently made his first trip to the Soviet Union. His report begins today and will continue on Wednesday and next Sunday, along with his diary, Page C1.

economic miscalculations one normally associates with certain straitened and unstable nations of Asia, Africa and Latin America.

The Soviet Union is now suffering from a sort of Third World demoralization as well: from cynicism, growing anger, rumors of military coups. It has the same ethnic rivalries, separatist movements, reliance on the police, poor health, environmental degradation and radical uncertainty about the future.

The Soviet Union reminds this visitor

Please see SOVIET UNION, A8 ►



Collin Campbell/Staff

St. Basil's Cathedral in Moscow, named for a holy man who lived in rags, stands majestically at the heart of a tottering society.

more of Mexico than of Western Europe.

"It reminds me of Europe after World War II," said retired Lt. Gen. Vernon A. Walters, U.S. ambassador to West Germany.

Mr. Walters has been driving around on a kind of busman's holiday from Germany to Russia and back. I've tagged along — taking notes — through 650 miles of the Soviet Union.

Sheer scarcity is the first lesson. A growing popular readiness to express anger against the system is another.

In Moscow's GUM department store, for instance, I watched a furious shoving match one morning in one of the long lines that crowd the edges of the store's sky-lit malls. Plenty of Russians are mad as hell. (Of course, many non-Russian Soviets are even madder.)

I was prepared to see the lines. They're notorious. But the absence of things to buy at the end of the lines reminded me more of Maputo — the capital of tortured Mozambique — than of what I'd heard of the Soviet Union. The country seems in the middle of a great depression.

One sprawling Moscow supermarket offered small quantities of margarine, eggs, shelf milk, bruised or wormy tomatoes, pizza by the slice, canned fish that Muscovites say even their cats won't eat, and a few dozen articles of clothing. The store offered practically nothing else. A shopper argued with a saleswoman about a rotten tomato until the saleswoman finally threw it aside with a splat. Other customers supported their indignant fellow shopper.

Jack Matlock, U.S. ambassador in Moscow and a man who has spent years here and in Eastern Europe, told a story one morning about a senior Soviet official who returned from New York and was asked what he thought about it.

"It's just like Moscow," the Soviet official replied.

Come again?

"Yes, New York is exactly like Moscow. You can buy anything you want for dollars, and there's nothing to buy for rubles."

Mr. Matlock was illustrating the point that there are things to buy in Moscow. But it's tough to get them through normal channels. You find them only through privileged hard-currency channels or in small free markets whose prices in rubles are too high for many Soviets, or through the black market.

The black markets are booming. I was stopped wherever I went by flashily dressed dealers in illegal rubles, military uniforms, icons, caviar.

One visibly wealthy dealer among several outside Lenin-grad's Pribaltiyskaya Hotel told me he made 1,200 rubles a day, or roughly \$75 at black market rates. I had no reason to doubt his description of the economics of the business. His costs, he said, included paying one militiaman 25 rubles at 9 a.m. and paying another militiaman 25 rubles at 4 p.m.

The black market exchange

rate for rubles (that is, the free market rate) is now 16 rubles or more to the dollar, and I heard reports of more than 20 rubles. Inflation is rising in ways that must alarm many citizens.

At a Soviet bank, by contrast, you get only 5.8 rubles for a dollar. At government-owned shops that cater to tourists, a ruble is worth only 60 cents — as if a ruble were more like a British pound than an American nickel.

The whole monetary system seems unsustainable, and it's hard to see how a market economy can get moving until it's overhauled.

One Sunday morning before 9, I took the wonderful Moscow subway out to Ismailovsky Park, where I'd heard an unofficial flea market had sprouted up. It provided an example of the sort of free enterprise that has emerged all over the Soviet Union but that still is being officially frustrated.

Trinkets, books, arts, crafts, junk, clothes, antiques, military souvenirs and whatnot were for sale. It was a useful place.

I bought a bright blue pair of KGB epaulets, among other things, and paid in rubles or in the more valuable currency of ballpoint pens, disposable lighters and packs of American cigarettes. Russia is suffering from an extraordinary shortage of cigarettes, and a carton of Marlboros can be worth two weeks' wages.

Blue-shirted militiamen prowled the area on the lookout for violations of Soviet law. One Moscow resident told me that, if authorities chose to close this market, they could easily find something illegal — such as a shell game I witnessed, in which a woman lost all her money and began weeping hysterically. (The authorities also could fake such an incident.)

Yet buyers and sellers paid little attention beyond hiding their dollars and certain items of military gear. By noon, the long, tree-lined, garbage-strewn lane where the sellers had set up their tables was crowded with thousands of customers, most of them Russians.

Five years after President Mikhail S. Gorbachev came to power — and at a time when the pressure for economic reform has grown so urgent that Mr. Gorbachev plans to meet with his chief rival, Boris N. Yeltsin, to discuss the Russian republic leader's calls for much freer markets — one might think a flea market would pose no threat to the system. Yet, a week after I visited, the authorities shut the market down.

The road from Moscow to Leningrad offered other economic surprises.

Vast areas of farmland were practically deserted. I learned a few days later that the region's collective farmers were on strike. Even the strike, though, couldn't fully explain the silence of the roadside — the stacks of hay rotting in the rain, the scrawniness of the cattle, the wide fields lying fallow, the skimpiness of the crops.

Mr. Gorbachev in 1988 announced that the U.S.S.R. would allow farmers to lease agricul-

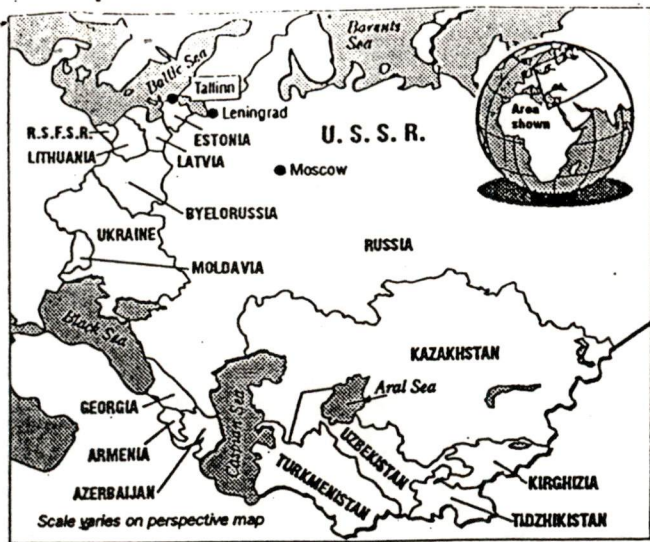
tural land on a long-term basis. But the leaseholding system has not worked.

State control — of farms, equipment, production quotas, purchases, prices, transportation, storage, distribution and much else — remains the agricultural norm across much of the Soviet Union.

The system is wildly inefficient and is one reason Moscow pays \$8 billion a year for imported food. Neither leases, nor the spread of private gardens, nor any other half-measures have managed to break up the interests that still control and mismanage Soviet agriculture.

Even recent grain crops — which have been large despite such problems — are not feeding the Soviet Union. Much of this year's crop, like last year's, is likely to spoil because of inadequate storage and transportation systems.

There are miles of pleasant fields and forests between Moscow and Leningrad, and the high-



Dele Dodson / Staff

way isn't bad. But I saw signs of more troubles than the state of the farms.

It's now the height of the tourist season, for instance. Yet foreign license plates were almost non-existent. Evidently, it's so complicated to tour the Soviet Union that few foreigners are tempted to do it in their own cars. The country is losing billions of dollars in hard currencies as a result.

The road itself is rudimentary. It varies from three lanes to four lanes to two lanes — with potholes — and you don't want to pass a gas station if you're running low. Gasoline requires special prepaid vouchers, and supplies are sharply rationed. You're legally permitted to drive over vast areas of glasnost-era Russia, but it's hard to stray far from the main highways on a ration of four gallons per stop.

The towns and villages look as quiet as the land. Few houses have TV antennas. Rural houses are built mainly of wood and in a style that hasn't changed in ages: peaked roof, double windows for insulation in winter, occasional carpenter's gingerbread, worn paint (mostly blue, green, brown).

The inhabitants seem to be ly-

ing low or are off at work. There are hardly any shops, parks or life on the streets.

The city of Novgorod is livelier — but the first people I encountered there were a gang of young black marketers whose leader volunteered that Mr. Gorbachev is garbage. Novgorod's mayor, moreover, like Moscow's and Leningrad's, no longer is a Communist.

"The Soviet Union is always referred to as the world's second-largest economy," Mr. Walters told me at one stage of my journey. "I don't believe it. Germany and Japan have got to be bigger. I'd guess the Soviet economy is about the size of France's."

Yet the Soviet population is five times as large as France's, and the Soviet Union devotes a quarter of its gross national product to defense.

If the U.S. government spent a quarter of its GNP on defense, the Pentagon's budget would be more than \$1 trillion a year instead of the current \$300 billion. The U.S. standard of living obviously would be much lower.

The size of the Soviet economy — hard to measure because of Moscow's historic secrecy and

unreliable statistics — has become a matter of controversy in Washington. Estimates by economists and agencies vary widely, and it is therefore difficult to know how much the Soviets spend on arms, how great their sacrifice is, whether America could spend much less, whether the Soviet Union is in an economic tailspin, what effects financial and technical aid might have and so forth.

I got the strong sense, in any case, that the economy has been deteriorating fast, that central planning is significantly out of control, and that the private and independent sectors are very wobbly.

Communist officials associated with Mr. Gorbachev's wing of the party spoke of "the economic problem" in the same calm and apparently candid tone in which they discussed "the nationalities problem" (which is sometimes known in the West as "the disintegration of the Russian empire"). Their equanimity seemed odd in light of the scarcities and resentments on all sides.

Several party members also told me that the country is being held together these days by the bureaucracy and by habit, and that the Communist Party — which still controls key bureaucracies — includes many able people and potentially useful administrators who sincerely want to make the country work even if it requires moving further in the direction of non-Communist models. Many Western diplomats agree.

Even if they're right, however, many Soviet citizens disagree. They think the party is obstructing progress and hanging on to its privileges.

It has been unsettling, too, catching snatches of Soviet news en route. More violence in Soviet Central Asia. More Communists quitting the party. Even Byelorussia has declared itself a nuclear-free zone.

Mr. Gorbachev and his supporters have been working to create a new Soviet constitution that would permit a looser and more amiable federation of republics.

Yet the Estonian Republic, for one, makes plain that the Estonians not only dislike the Russians; they're also still being punished by Moscow for their declaration of independence. Gas lines in Estonia can be many blocks long.

Some troubled Third World countries seem to muddle on indefinitely. They may be poor, they may be repressive, they may inspire seething anger — and yet nothing really changes. Others manage to feed people and convince everyone they're on the right track. Still others turn much freer, and take off economically; and some explode.

This road trip has provided images of all these types, but the most insistent images have been troubling.

COMING WEDNESDAY: Getting to know the General on the road to Leningrad.

THE UNITED STATES PEACE CORPS

August 14, 1990

Peace Corps In USSR

- When diplomatic timing is right, Peace Corps would like to discuss the possibility of having a PC program in USSR with Soviet Government.
- PC would propose to have a program of small business advisors in the USSR. Other types of projects, such as agriculture or the environment, could be considered.
 - PC has numerous small business programs in its 70 current countries.
 - Small business means marketing, distribution, accounting, management training, banking, credit, starting small firms rescuing failing businesses.
 - Would further US policy of attempting to see perestroika succeed.
- Soviets have indicated an interest in having PC serve in USSR.
- PC currently has programs in Poland, Hungary, and Czechoslovakia. Agreement exists with Mongolia. Discussions underway with Bulgaria.
- PC would propose to start in 1991 or 1992.
- PC would propose a program of 60 volunteers in the first year, rising to a program ceiling of 200.
- PC would need to open an office in Moscow about six months in advance of volunteers arriving.
 - PC offices are always outside of US Embassies.
 - No demands would be made on Embassy space or housing.

- PC office would have three American staff members and five Soviets in the first year.
- PC staffers are responsible to find office and staff residences on the local market.
- PC staffers have security clearances but do not handle or store classified material.
- Main need from Embassy Moscow would be some (minimal) assistance in admin matters.
- PC Country Director would be a member of Country Team.
- PC budget for such a program would be about \$1 m per year.
- PC can have trainees in-country six months after a country has signed an agreement.
- PC does not have legislative authority to manage a reciprocal program. Soviets coming to USA.
- If reciprocity required, PC would propose a parallel USSR-to-USA program of math and science.
- Program sponsorship could be arranged through a US institution such as NSF, National Academy of Sciences, National Association of of Secondary School Principals, or others.