



Cato Institute Foreign Policy Briefing No. 27: Loose Cannon: The National Endowment for Democracy

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Executive Summary

The National Endowment for Democracy is a foreign policy loose cannon. Promoting democracy is a nebulous objective that can be manipulated to justify any whim of the special-interest groups--the Republican and Democratic parties, organized labor, and the U.S. Chamber of Commerce--that control most of NED's funds. As those groups execute their own foreign policies, they often work against American interests and meddle needlessly in the affairs of other countries, undermining the democratic movements NED was designed to assist. Moreover, the end of the Cold War has nullified any usefulness that such an organization might ever have had. There is no longer a rival superpower mounting an effective ideological challenge, and democracy is progressing remarkably well on its own.

NED, which also has a history of corruption and financial mismanagement, is superfluous at best and often destructive. Through the endowment, the American taxpayer has paid for special-interest groups to harass the duly elected governments of friendly countries, interfere in foreign elections, and foster the corruption of democratic movements.

Introduction

This is a demonstration that you can have the most egregious abuse in the world for taxpayers' dollars under [a] program and bring it here [to Washington] and you would find support for that program. . . . If we cannot cut this, Lord, we cannot cut anything.

--Sen. Byron L. Dorgan

The buzzwords of the budget season have been "cut spending first." We could, perhaps, begin with the National Endowment for Democracy. Its past is rife with scandals, financial and otherwise. It has absolutely no "hometown" constituency; not one member of Congress would face angry voters demanding to know why "their" program had been cut. Very few voters would even have heard of it. Moreover, NED is emblematic of inside-the-beltway political logrolling, the type of enterprise that Washington-weary and government wary voters--including the coveted Perot constituency--would love to see abolished. Such a victimless cut would appear the perfect candidate for the budgetary ax. Yet many members of Congress seem to think that the program should get yet another hefty funding boost, its fourth consecutive increase, which would allow NED's budget to more than double in four years.

NED is a little-known foreign aid program intended to promote democracy abroad. It is a nominally private organization, but all of its funds come from the federal treasury. Although small in comparison with other federal programs- its annual budget has ranged from a low of \$15 million in 1987 to a high of \$27.5 million in 1992--NED has been controversial throughout its 10-year history, engendering intense congressional debate that cuts across party lines. Moreover, although it is a child of the Cold War, NED continues to be a strong point of contention in the post-

Cold War era. This year, for instance, NED represented only \$35 million of a \$23 billion Senate appropriations bill, yet it attracted more speakers to the floor than any other item in the bill.[1]

During deliberations on the fiscal year 1994 budget in the summer of 1993, the Senate approved an appropriation of \$35 million, a decrease from the \$50 million recommended by the Foreign Relations Committee and included in the foreign aid authorization bill. NED fared worse in the House appropriations bill. Its entire budget was deleted even though \$17.5 million had previously been allocated in the House authorization bill. But even the Senate figures represent a sharp rebuff to Clinton's proposal to increase NED's budget by 66 percent from FY93, which would have brought the NED budget to \$50 million. The final fate of NED's FY94 budget will be decided in conference committee.

The debate over NED is not a debate about democracy; no one is disputing that democracy and liberty are worthwhile goals. Rather, the controversy surrounding NED questions the wisdom of giving a quasi-private organization the fiat to pursue what is effectively an independent foreign policy under the guise of "promoting democracy." Proponents of NED maintain that a private organization is necessary to overcome the restraints that limit the activities of a government agency, yet they insist that the American taxpayer provide full funding for this initiative. NED's detractors point to the inherent contradiction of a publicly funded organization that is charged with executing foreign policy (a power expressly given to the federal government in the Constitution) yet exempt from nearly all political and administrative controls. Still another aspect of the debate is whether NED is simply a relic of the Cold War that should be eliminated for that reason. During the Cold War, the Soviet Union led a powerful ideological campaign against democracy, but there is no longer any such pervasive, systemic threat to freedom. Critics contend, therefore, that even if there was once a national security rationale for funding NED, that rationale no longer exists.

NED's Quasi-Private Status

Founded in 1983 following an impassioned call by President Ronald Reagan for renewed efforts to promote global democracy, NED was designed to assist democratic movements abroad in ways that were beyond the reach of established federal programs. NED's founders were concerned that traditional democracy-building agencies such as the Agency for International Development (AID) and the U.S. Information Agency (USIA), as official government programs, faced legal and political restrictions that limited their activities.

Proponents argued that a private aid agency would be able to operate more freely and at the same time escape the stigma attached to U.S. foreign aid in many parts of the world. With that in mind, Congress created NED as a private, nonprofit corporation, although its funding came directly from the federal government as an earmarked item in the USIA budget. From NED, approximately 70 percent of available grant money goes to four "core" grantees: the National Democratic Institute for International Affairs, the International Republican Institute, the Free Trade Union Institute of the AFL-CIO (FTUI), and the Center for International Private Enterprise of the U.S. Chamber of Commerce. Those organizations, deliberately chosen to convey a sense of balance between left and right, labor and big business, then determine which groups abroad receive grants for their activities to further democracy. The remaining 30 percent of available grant money is designated "discretionary" funding to be distributed directly by NED.

That convoluted organizational structure seems to be based on the premise that government money, if filtered through enough layers of bureaucracy, becomes "private" funding, an illogical and dangerously misleading assumption. In effect, the NED structure allows private organizations (in this case organizations with very distinct and disparate interests) to pursue their own foreign policy agendas with out regard to official policy. The vague public-private status of NED blurs the line between U.S. foreign policy and those special-interest agendas. Consequently, NED initiatives have often been misconstrued--understandably--by foreign populations as official policy. In view of NED's affinity for controversial programs, such confusion between official and private policy is decidedly contrary to the best interests of the United States.

The NED structure also distorts accountability, making it difficult to ascertain at what level mismanagement and poor judgment have occurred in any particular instance. Moreover, despite all attempts to camouflage the government funding, NED continues to suffer from the tarnished image associated with U.S. foreign aid in general. Indeed, NED is resented as American interference; it is often further resented because it attempts to deceive foreigners into viewing its

programs as private assistance. In the final analysis, the endowment embodies the most negative aspects of both private aid and official foreign aid--the pitfalls of decentralized "loose cannon" foreign policy efforts combined with the impression that the United States is trying to "run the show" around the world.

NED as Political Pork

When NED was created, some of the more perceptive members of Congress warned of those dangers, only to be dismissed as short-sighted isolationists. Recalling those debates, Sen. Byron L. Dorgan (D-N.D.) noted that NED's defenders still tar opponents in that fashion:

We critics of NED are somehow categorized as people who cannot quite see over the horizon. We just do not get it when it comes to these big international things like the National Endowment for Democracy. . . . If you do not agree with the democracy-speak or the international-speak or the trade-speak here in Washington, D.C., then you are an isolationist.[2]

NED's 10-year history has proven the skeptics right, however. On a number of occasions the lack of coordination between NED and the federal government has resulted in NED programs that undermine official U.S. foreign policy. Examples of NED failures are ubiquitous, but NED's defenders are hard-pressed to cite definitive successes.

At its most innocuous, NED is a slush fund for politicians.[3] Journalist David Corn has described it as "a porkbarrel for a small circle of Republican and Democratic party activists, conservative trade unionists and free marketeers who use the endowment money to run their own mini-State Departments." [4] The distribution of money to opposing interest groups helps NED deflect charges of partisanship in the distribution of pork, but the fact remains that the taxpayer is picking up the tab for politicking.

Moreover, although the four core grantees appear to represent diverse constituencies, Corn and other liberal critics accuse NED of leaning too far to the right, because the Republican party, business (represented by the Chamber of Commerce group), and organized labor all generally adopt a conservative stance when it comes to foreign policy. That leaves only the National Democratic Institute to represent more liberal views.

At the same time, conservative critics bring up the issue of proportion among the four main recipients: the AFL CIO receives approximately 40 percent of available funding, while each of the other groups receives around 10 percent. That imbalance has prompted speculation that NED is in the hands of the neo-Trotskyite Social Democrats/USA, whose membership includes both NED president Carl Gershman and a number of AFL-CIO officials involved with the endowment.[5] Such political rancor is inevitable when an organization is authorized to pursue partisan agendas abroad at taxpayers' expense.

NED's handling of its discretionary grant money has also met with harsh criticism. Audits have indicated that much of that money is used to subsidize travel--"political tourism"--for NED board members and friends, although the four core grantees also spend money on junkets. Sen. John McCain (R-Ariz.) recalled: "They would go down in the wintertime, back in 1983, 1984, and 1985, and they would meet in the Bahamas and swim out on the nice sandy beaches. . . . They would call it very important meetings." [6] In 1990 the AFL-CIO's FTUI reported excursions to Romania every few months, where NED visitors stayed at the Intercontinental Hotel, the most expensive lodging in Bucharest. Two Romanian labor leaders also traveled--courtesy of NED--to Las Vegas for a Postal Workers Union convention.[7] Sen. Dale Bumpers (D-Ark.) has described NED's largesse as "first class airfare for everybody." [8]

NED's Mischief Overseas

Unfortunately, the types of substantive projects that NED has promoted may make many people nostalgic for the comparative insipidity of paying for political junkets. On a number of occasions, for example, NED has taken advantage of its alleged private status to influence foreign elections, an activity that is beyond the scope of AID or USIA and would otherwise be possible only through a CIA covert operation. Such activities, it may also be worth noting, would be illegal for foreign groups operating in the United States. As columnist Mary McGrory mused:

What if a public-spirited group of Italians, whose turnout rate in national elections is in the 90's, should decide to come

over here and run a campaign to induce more Americans to participate in their democratic practices? Our last score in our most important civil rites was a pitiable 55 percent. But let another country tell us what to do? Not, as Eliza Doolittle said, bloody likely.[9]

What finally drew public attention to NED's meddling in foreign elections was an aborted attempt to provide opposition candidate Violeta Chamorro with \$3 million in funding for her 1989 election campaign against Nicaraguan President Daniel Ortega. The plan was abandoned after it was determined that NED's charter, which expressly forbids campaign contributions, would be violated. In the end, the money was channeled to programs that aided Chamorro indirectly rather than through direct campaign contributions. That incident illustrated that NED had no qualms about interfering in elections in general and stopped short in the Nicaragua case only because of blatant illegality. In 1988, for example, the endowment had given \$600,000 to organizations working to defeat Chilean leader Augusto Pinochet. NED considered that endeavor entirely appropriate, even though the recipients themselves lamented it as American intervention in the electoral process. One recipient, contemplating the "hard moral dilemmas" involved in accepting U.S. funds, admitted his reluctance to accept the money, which he bemoaned as a "lesser evil" than the reelection of Pinochet.[10] NED was involved in similar activities in 1990 in Czechoslovakia, where it was criticized for funding 2 parties close to Vaclav Havel to the exclusion of 22 other legitimate parties.[11] So while NED may stop short of violating the letter of its charter by giving direct contributions to specific candidates, it clearly does use funds to interfere with foreign democratic processes. Its willingness to do so ignores the innate contradiction between free elections and outside interference in the electoral process. As George Washington warned in his farewell address, "Foreign influence is one of the most baneful foes of republican government." [12]

Those particular examples of intervention in foreign elections, if ethically questionable, at least appear consistent with U.S. interests and foreign policy objectives, which is more than can be said for many NED initiatives. In a number of instances, NED activities have worked against official U.S. policy and sometimes even against democratic values. In Panama's 1984 elections, for instance, the endowment funded a military-backed candidate, Nicholas Ardito Barletta, in direct contradiction of U.S. policy toward Panama, which was to oppose military rule. The U.S. ambassador at the time, James E. Biggs, objected vehemently in a secret cable, "The embassy requests that this hair brained project be abandoned before it hits the fan." [13]

An even more dubious initiative was NED's involvement in Costa Rica. Not only is Costa Rica a well-established democracy--former president George Bush visited the country in 1989 to celebrate 100 years of democracy there--it is the only stable democracy in Central America. But Costa Rican president Oscar Arias had opposed Ronald Reagan's policy in Central America, especially his support of the Nicaraguan Contras. Arias received the Nobel Peace Prize for his efforts to dampen conflicts in the region, but he incurred the wrath of right-wing NED activists. So from 1986 to 1988 NED gave money to Arias's political opposition, which was also strongly supported by Panamanian dictator Manuel Noriega. As Rep. Stephen Solarz (D-N.Y.) commented: "They may technically have been within the law, but I felt this clearly violated the spirit. . . . The whole purpose of NED is to facilitate the emergence of democracy where it doesn't exist and preserve it where it does exist. In Costa Rica, neither of these [conditions] applies." [14]

Sometimes NED grants have worked in ways that are simply bizarre. In the mid-1980s, for example, the AFL CIO's FTUI approved a grant of \$1.5 million to defend democracy in France, which was astonishing for several reasons. First of all, French democracy in the 1980s did not appear to be so fragile that it required financial assistance from American taxpayers to sustain itself. The government of François Mitterrand was duly elected within a democratic system nearly as old as America's. The AFL-CIO, however, determined that France's socialist government was permitting a dangerous rise of communist influence. According to the late Irving Brown, Paris-based director of international relations for the AFL-CIO at the time of the incident: "France . . . is threatened by the Communist apparatus. . . . It is a clear and present danger if the present is thought of as 10 years from now." [15]

That mentality has resulted in AFL-CIO support for highly controversial causes. One of the French groups that received funding, the National Inter-University Union, was widely viewed as a cauldron of rightist extremism and xenophobia and rumored also to have ties to terrorists.[16] Surely, the U.S. government did not intend to fund authoritarian groups that work to undermine the government of a stable democratic nation.

Indeed, when NED's activities in France were publicized in an expose by the French newspaper Libération, the U.S.

government disassociated itself from the endeavor. While no serious rift in American-French relations seems to have resulted from that diplomatic faux pas, it certainly illustrates the peril of allowing the AFL-CIO (or any other private group) to pursue an independent foreign policy with taxpayers' money.

The policy is especially dangerous in view of the ambiguity that often surrounds the origins of grants that go through NED. Even the recipients do not always know the precise source of their funding. If NED obscures the sources of funds to the grantees, confusion between NED's "private" foreign policy and official U.S. policy is to be expected. One grantee, the Committee for Transatlantic Understanding, received \$49,000 from what it thought was the American Youth Council. The committee later found out the money was actually from NED. In another instance, a grant of \$10,000 was given for three leaders of Equity, the actors' union, to attend a conference on international exchange of stage actors.[17] While Equity realized the money came from the federal government, the recipients were unaware of the NED connection. If the recipients cannot clearly identify the source of NED funds, foreign governments or political movements certainly will have problems identifying the instigators of NED's foreign policy ventures.

Harming Fragile Democracies

It is the height of arrogance to assume that America's international reputation is so secure that the United States can afford to risk misunderstandings caused by private organizations' representing their agendas as American policy. It is true that the State Department, the National Security Council, and the other agencies of the federal government responsible for foreign policy can make grave mistakes. They are at least theoretically accountable for their errors, however. As Rep. Paul Kanjorski (D-Pa.) said during recent congressional debate on the issue,

If we are going to make fools of ourselves around the world with our foreign policy and our involvement in the internal political affairs of foreign nations, let our State Department and let our president make that mistake, not a private entity funded by the . . . taxpayers of the U.S.[18]

The favoritism exhibited in the private conduct of foreign policy raises further complications. By dealing with private groups abroad rather than foreign governments, NED invariably ends up playing favorites, engendering strife within the very democratic movements it seeks to assist. When the Bush administration funded anti-Sandinista groups in an attempt to dethrone Daniel Ortega, the competition for U.S. funds splintered the opposition, strengthening some factions at the expense of others. Unfortunately, it was often the strongest anti-Sandinista organizations that were loath to "feed at the U.S. trough,"[19] and as a result those cornerstone groups, which should have led the movement, were ultimately weakened. NED's blatant involvement was further destructive in that it seemed to validate Ortega's charge that the anti-Sandinistas were, from the outset, pawns of the U.S. government. For any foreign organization or political movement to be perceived as an American puppet is fatal, particularly in the Third World. NED's involvement in Nicaragua probably hindered rather than helped the effort to oust Ortega.

Although NED's defenders frequently boast that the organization helped topple the communist dictators in Eastern Europe, the role of NED in that momentous development was marginal at best and in some cases actually counterproductive. Poland is offered as the premier example of the endowment's effectiveness. Yet Solidarity had begun to challenge communism in 1980, three years before NED's creation. The decisive events leading to Poland's liberation a decade later also had little to do with modest NED subsidies. Only when Moscow decided that it would no longer prop up its Leninist puppets throughout Eastern Europe did it prove possible for Polish anti-communist factions to dislodge the communist regime in Warsaw. NED was, at most, a bit player in the process.

There are some critics who question whether NED's involvement in Poland was beneficial at all. Howard Phillips, chairman of the Conservative Caucus, a grassroots lobbying organization, is one such skeptic.

While I am delighted that communism has fallen in Poland, that [former communist strongman Wojciech] Jaruzelski is no longer running Poland, I am not persuaded that the opposition factions favored by the AFL-CIO were the ones that reflected the republican aspirations of the Polish people.[20]

Criticism of NED's involvement in Romania is even stronger. The AFL-CIO's FTUI Romanian representatives selected FRATIA, a trade union confederation, as their player in the Romanian democratic process. According to leaders of other independent trade unions, FTUI then proceeded to actively undermine all unions not associated with FRATIA.

Uneven distribution of aid money, an inevitable result of favoritism, also disturbs the financial equilibrium in the opposition community. Echoing critics of NED's Nicaraguan involvement, opponents of the endowment's activities in Eastern Europe believe that NED's sowing of dissention has harmed democracy far more than its financial support has promoted it. Soviet dissident Vladimir Bukovsky has written about the problems that ensue when private foreign organizations favor one dissident group over another:

When the NED, as it does, singles out this or that Emigre magazine or Moscow newspaper to underwrite, it corrupts both the market and the independence of the press; as the prices of paper and printing get pumped up, the unofficial publications find themselves competing for foreign grants, rather than Soviet readers, to survive.[21]

Administrative Problems

In addition to the political problems, a number of administrative problems are inherent in NED's quasi-private status. One of those problems is oversight. Since NED is not a government entity, it is not subject to the same oversight as an official agency. It does, however, have to submit to audits on occasion, always with scathing results. In March 1991, for instance, both the General Accounting Office (GAO) and the Office of the Inspector General (OIG) of USIA audited the endowment and revealed a number of major problems.[22] Among the most serious charges were that NED used inadequate procedures for evaluating the effectiveness of its programs, made questionable decisions on awarding grants, and mismanaged federal funds. Many of those irregularities had also been cited in previous audits, but few discernible improvements had been made.

The GAO and OIG specifically criticized NED's judgment in its selection of programs. In addition to renewing grants to organizations that had previously failed to demonstrate success, NED approved funding for projects for which no feasibility studies or other preliminary work had been completed and therefore funded projects that were inviable from the start. It further erred in awarding grants that duplicated support from other agencies, primarily AID and USIA. Since NED's very *raison d'être* is its supposed ability to operate where official agencies cannot, the fact that it supported the same programs as AID and USIA should be a clear indication that the endowment is superfluous. NED's failure to coordinate with other agencies and the consequent duplication of awards to groups that were already receiving significant U.S. support is yet another example of its sloppy administration.

The audits have also identified serious financial mismanagement, which has occurred at all levels. Some problems apparently have been innocent misunderstandings; others seemed to stem from a cavalier attitude toward book keeping; still others have been clear, willful misuse of federal funds. Although NED has been criticized for having financial controls that are too lenient, both internally and for its grantees, even the controls that are in place are routinely violated.

The GAO found that NED subrecipients do not comply with NED's minimal financial controls. In one case, a South African group received \$18,000 to sponsor an international conference but used the money to finance office renovations instead. On other occasions, NED grants were used for personal expenses, including credit card payments and loans. The four core grantees have violated a number of the financial controls as well. All four core recipients, particularly the International Republican Institute, have charged unallowable travel, per diem, and entertainment costs, including first-class airfare and alcoholic beverages.

There has also been financial mismanagement within the endowment. NED has failed to take appropriate action when abuses at the recipient levels have been apparent. For example, NED was aware that FTUI was not signing the required grant agreements with foreign subgrantees, yet the endowment continued to fund those grants. In another instance, NED's own internal audit identified the accounts of one grant recipient, China Perspective, as "unauditable" and in violation of the terms of the grant. Yet the endowment continued to authorize the publication's funding, totaling \$482,000, for another two years. Financial mismanagement is thus clearly a problem at the level of the endowment itself just as it is at the recipient levels.

Conclusion

NED's labyrinthine organizational structure is an administrative and financial disaster. Its "democracy promoting"

activities, which have ranged from extraneous to perplexing to counterproductive, are similarly unimpressive. Even if one ignores such indications that NED is a failure, and believes that NED has succeeded in using its unique public-private status to support democracy abroad, the endowment is a relic of the Cold War, and funding for the endowment should be discontinued for that reason alone.

At one time it seemed that Congress realized that. As Senator Bumpers pointed out in his recent congressional testimony, NED was first funded in 1984, at the height of the Cold War, with \$18 million. By 1986, Gorbachev's first year in power, funding was cut to \$17.2 million, and by the next year of Gorbachev's rule it seemed safe to cut NED's funding to \$15 million. Those cutbacks occurred during a time of strong national economic growth when fiscal concerns were given low priority. Inexplicably though, the appropriation jumped dramatically once the Soviet Union dissolved: in 1991 NED's budget grew from \$17 million to \$25 million and in 1992 it increased to \$27.5 million; in 1993 it grew to \$30 million. For FY94 NED appears likely to get \$35 million.[23] Moreover, those tremendous increases have come during a recession, and during a call for national sacrifice, when budget constraints should be of utmost importance. There is simply no justification for maintaining, much less increasing, NED's funding.

It is true, as Heritage Foundation analyst James A. Phillips stressed in his defense of NED as "an important weapon in the war of ideas," that communist dictatorships remain in control of China, Cuba, North Korea, and Vietnam. It is also true that some of the former Soviet republics are led by communists who have cynically assumed the mantle of nationalism.[24] But that argument ignores the fact that in virtually all of those countries, communism is losing, not gaining, strength. Moreover, the remaining communist enclaves are not attempting to export their ideology in the aggressive Cold War style of the Soviet Union, nor do any appear to have the resources to do so. Quite simply, the democratic West has won the war of ideas against its communist adversaries.

NED was always an ineffectual weapon in that war of ideas. Even when funds were not lost, either to poor management or pork-barrel politics, the substantive activities that NED supported caused many more problems for American foreign policy than it solved. Indeed, paying for political tourism is almost an attractive alternative to funding European extremists or intervening in elections in Central America. Now that the Cold War is over, the slightest ghost of justification for NED has disappeared. Congress should recognize that and eliminate funding for the endowment.

Notes

[1] Congressional Record, 103rd Cong., 1st sess., July 28, 1993, p. S9637.

[2] Congressional Record, July 28, 1993, p. S9642.

[3] Martin Morse Wooster, "This Is No Way to Promote Democracy," Wall Street Journal, July 17, 1991, p. A6.

[4] David Corn, "Beltway Bandits: Better Dead Than N.E.D.," Nation, July 12, 1993, p. 56.

[5] Michael Massing, "Trotsky's Orphans," New Republic, June 22, 1987, p. 22.

[6] Congressional Record, July 28, 1993, p. S9635.

[7] Eleanor Kennelly, "Labor: After the Fall," Insight, July 27, 1992, p. 8.

[8] Congressional Record, July 28, 1993, p. S9635.

[9] Mary McGrory, "Dollars for Democracy," Washington Post, August 5, 1993, p. A2.

[10] Shirley Christian, "Group Is Channeling Funds to Parties Opposing Pinochet," New York Times, January 15, 1988, p. A1.

[11] See, for example, Stephen Engelberg, "U.S. Grant to 2 Czech Parties Is Called Unfair Interference," New York Times, June 10, 1990, p. A8.

- [12] John Spicer Nichols, "Get the NED Out of Nicaragua," *Nation*, February 26, 1990, p. 268.
- [13] David Pallister and Andy Weir, "Britons Get Reagan `Slush Money,'" *Financial Times*, December 9, 1985.
- [14] Robert S. Greensberger, "U.S. Group Aided Arias' Costa Rica Foes," *Wall Street Journal*, October 14, 1989, p. A11.
- [15] Stanley Meisler, "Allocation of Funds in France Embarrassing," *Los Angeles Times*, February 6, 1986, p. 25
- [16] Paul E. Kanjorski, "Group Cloaked in Secrecy Meddling in Foreign Affairs," *Atlanta Constitution*, May 24, 1991, p. A17.
- [17] Pallister and Weir.
- [18] McGrory, p. A2.
- [19] Nichols, p. 267.
- [20] Kennelly, p. 8.
- [21] Vladimir Bukovsky, "Drowning Democracy," *National Review*, September 23, 1991, p. 32.
- [22] For a full account of the NED's history of financial mismanagement, see General Accounting Office, "Promoting Democracy: The National Endowment for Democracy's Management of Grant Needs Improvement," March 1991; and U.S. Information Agency, Office of the Inspector General, "Review of National Endowment for Democracy, Its Core Grantees and Selected Discretionary Grantees," March 31, 1993.
- [23] *Congressional Record*, July 28, 1993, p. S9634.
- [24] James A. Phillips, "The National Endowment for Democracy: An Important Weapon in the War of Ideas," *Heritage Foundation Executive Memorandum no. 360*, July 8, 1993.