Y 4. AP 6/1: P 16/6/2000/pt. 4

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 2000

DEPOSITORY
SUPERINTENDENT
OF DOCUMENTS
0393A

JUN 29 1999

ST. JOHN'S LAW LIBRARY

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

SONNY CALLAHAN, Alabama, *Chairman*

JOHN EDWARD PORTER, Illinois
FRANK R. WOLF, Virginia
RON PACKARD, California
JOE KNOLLENBERG, Michigan
MICHAEL P. FORBES, New York
JACK KINGSTON, Georgia
JERRY LEWIS, California
NANCY PELOSI, California
NITA M. LOWEY, New York
JESSE L. JACKSON, JR., Illinois
CAROLYN C. KILPATRICK, Michigan
MARTIN OLAV SABO, Minnesota

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

CHARLES FLICKNER, JOHN SHANK, and CHRISTOPHER J. WALKER, *Staff Assistants*,
LORI MAES, *Administrative Aide*

PART 4

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

Printed for the use of the Committee on Appropriations

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

ST. JOHN'S LAW LIBRARY
3 5952 01222 7287

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 2000

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

SONNY CALLAHAN, Alabama, *Chairman*

JOHN EDWARD PORTER, Illinois
FRANK R. WOLF, Virginia
RON PACKARD, California
JOE KNOLLENBERG, Michigan
MICHAEL P. FORBES, New York
JACK KINGSTON, Georgia
JERRY LEWIS, California

NANCY PELOSI, California
NITA M. LOWEY, New York
JESSE L. JACKSON, JR., Illinois
CAROLYN C. KILPATRICK, Michigan
MARTIN OLAV SABO, Minnesota

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

CHARLES FLICKNER, JOHN SHANK, and CHRISTOPHER J. WALKER, *Staff Assistants*,
LORI MAES, *Administrative Aide*

PART 4

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS



Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

56-751 WASHINGTON : 1999

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-058513-9

COMMITTEE ON APPROPRIATIONS

C. W. BILL YOUNG, Florida, *Chairman*

RALPH REGULA, Ohio
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
TOM DELAY, Texas
JIM KOLBE, Arizona
RON PACKARD, California
SONNY CALLAHAN, Alabama
JAMES T. WALSH, New York
CHARLES H. TAYLOR, North Carolina
DAVID L. HOBSON, Ohio
ERNEST J. ISTOOK, JR., Oklahoma
HENRY BONILLA, Texas
JOE KNOLLENBERG, Michigan
DAN MILLER, Florida
JAY DICKEY, Arkansas
JACK KINGSTON, Georgia
RODNEY P. FRELINGHUYSEN, New Jersey
ROGER F. WICKER, Mississippi
MICHAEL P. FORBES, New York
GEORGE R. NETHERCUTT, JR., Washington
RANDY "DUKE" CUNNINGHAM, California
TODD TIAHRT, Kansas
ZACH WAMP, Tennessee
TOM LATHAM, Iowa
ANNE M. NORTHUP, Kentucky
ROBERT B. ADERHOLT, Alabama
JO ANN EMERSON, Missouri
JOHN E. SUNUNU, New Hampshire
KAY GRANGER, Texas
JOHN E. PETERSON, Pennsylvania

DAVID R. OBEY, Wisconsin
JOHN P. MURTHA, Pennsylvania
NORMAN D. DICKS, Washington
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
STENY H. HOYER, Maryland
ALAN B. MOLLOHAN, West Virginia
MARCY KAPTUR, Ohio
NANCY PELOSI, California
PETER J. VISCLOSKY, Indiana
NITA M. LOWEY, New York
JOSÉ E. SERRANO, New York
ROSA L. DELAURO, Connecticut
JAMES P. MORAN, Virginia
JOHN W. OLVER, Massachusetts
ED PASTOR, Arizona
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
CHET EDWARDS, Texas
ROBERT E. "BUD" CRAMER, JR., Alabama
JAMES E. CLYBURN, South Carolina
MAURICE D. HINCHEY, New York
LUCILLE ROYBAL-ALLARD, California
SAM FARR, California
JESSE L. JACKSON, JR., Illinois
CAROLYN C. KILPATRICK, Michigan
ALLEN BOYD, Florida

JAMES W. DYER, *Clerk and Staff Director*

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 2000

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

THURSDAY, MARCH 4, 1999.

CHAIRMAN CALLAHAN'S OPENING STATEMENT

Mr. CALLAHAN. Good afternoon. We are going to start off with the members of Congress who we want to come ahead and testify. Welcome to our Committee.

Mr. PORTMAN. Thank you, Mr. Chairman.

Mr. CALLAHAN. Thank you for appearing before us. Good morning.

TROPICAL FOREST CONSERVATION ACT OF FY 2000

WITNESS

HON. ROB PORTMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. PORTMAN. Thank you, Mr. Chairman, members of the Subcommittee, for letting me appearing before you and for your help already on the Conservation Act.

This was the bill, Chairman Callahan knows, that John Kasich, Lee Hamilton, and I introduced in November of 1997. John Porter of this Subcommittee was very involved in the development of the legislation and over the years, and the development of the context in the legislation as well. It was followed by legislation that was introduced in the Senate by Senators Lugar, Biden, Chafee, and Leahy.

It expands on the Bush Enterprise for the Americas Initiative, EAI. And it provides a creative market-oriented approach to protect the world's most threatened tropical forests on a sustained basis.

The legislation was overwhelmingly approved by the House last March by a vote of 356 to 61, including, I believe, all members of the Subcommittee and maybe all members of the Committee. It was then signed into law last summer, on July 29th, 1998.

Although the bill authorized $50 million to be spent in Fiscal Year 1999, you may recall, Mr. Chairman, that it was too late in the process. The Subcommittee had already completed its work by the time the bill was finally enacted into law in July. And although the Subcommittee gave us a lot of suggestions in the process, in the

end, we were not able to have it included in the Fiscal Year 1999 budget. It authorizes $50 million for Fiscal Year 1999 and then $125 million in Fiscal Year 2000 that you are looking at now.

The President's recent budget request is for $50 million for this year, so, in essence, going back to the amount for the first year of the program. I hope the Subcommittee will be receptive to funding it because it is a very important environmental issue that is market-oriented. It really makes sense, and I think fits in with your overall approach that you take in the Subcommittee.

As all of us are learning, these tropical forests do provide a wide array of benefits, literally affecting the air we breathe, the food we eat, and the medicines that cure disease. They harbor, we believe, 50 to 90 percent of the Earth's terrestrial biodiversity. Among other things, they act as carbon sinks, absorbing massive quantities of carbon dioxide from the atmosphere, thereby reducing in a cost-effective way greenhouse gases.

They regulate rainfall, which is something those of you from California, Mr. Packard and Ms. Pelosi, can appreciate. And we know enough about that now to know that it has an impact on our climate as well as reducing greenhouse gases.

They are also breeding grounds for new drugs that can cure disease. And most of the new drugs that come from this biodiversity we talked about earlier. Just since 1950, we are told that half the rain forests have been destroyed, again just since 1950. And between 1980 and 1990, there were, on average every year, 30 million acres lost.

So rain forests the size of the State of Pennsylvania were destroyed every year between 1980 and 1990. As far as we know, that has continued into the '90s. So every year we are having a huge amount of rain forests being destroyed, which affects all of us.

This legislation builds on the success of the Enterprise for the Americas Act, again enacted in the Bush administration, because it links two important facts of life. One is that these very important tropical rain forests are disappearing at a very rapid rate. And, second, they happen to be located in countries that have a lot of debt to the United States. They tend to be less developed countries that have a real hard time repaying that debt.

In fact, half the tropical forests are located in just four countries: Indonesia, Peru, Brazil, and the Congo. And, in the aggregate, these countries have over $5 billion of outstanding U.S. debt. So it gives us an opportunity, and that is what we are trying to seize upon in a constructive and conservative way.

It does give the President authority to cancel U.S. AID or Public Law 480 debt owed by an eligible country in exchange for creation of a fund in local currency. And that would preserve, maintain, or restore tropical forests.

It is different from Enterprise for the Americas because it enables any qualified country of the world with PL480 and U.S. aid debt to take advantage of this, which we think makes a lot of sense and not just in Latin America or the Caribbean. It also narrows the criteria of the Enterprise for Americas so the protection of tropical forests is the primary focus. We want to coordinate the resources as much as we can to protect what we think is in all of our interests.

The Debt for Nature Exchanges achieves a number of important goals. I will mention two of them. First—I think this is very important as you look at the jurisdiction that you had, which is so broad in development issues—it gets at the underlying cause of so much of this deforestation by helping their economies.

And just to go in and solve environmental problems that can come up again and again is not as effective as actually getting some of that debt off their books which helps them to relieve some of the economic pressures that are enforcing this rain forest deforestation that we talked about.

Second, it provides funds for tangible conservation efforts in the eligible country. And it does so through leveraging. So one dollar of debt reduction that we have to score based on the 1990 Credit Reform Act here in the Congress, one dollar of subsidy from your Subcommittee, frankly, will end up with 2, 3, 4, 5, 6, up to 10 or 15 dollars of conversation effort depending on how it is structured. We can talk about it later if you are interested, but that is kind of the magic of this approach. And you can get a much better bang for the buck.

The local governments end up putting in in local currency a lot more to protect the forests than it costs to the U.S. government. For a country to qualify, Mr. Chairman, it has to meet the same criteria established by Congress under the Enterprise for Americas Act so it cannot be a country that is not democratically elected.

It has to cooperate on international narcotics control, cannot support terrorism, or violate internationally recognized human rights. We have taken care of that issue.

It also has to meet minimum financial criteria to meet its new obligations under the new restructured terms of the debt. And it must meet the same criteria in Enterprise for Americas regarding progress on economic reforms.

In preparing the legislation, we looked a lot at the issue of accountability because we wanted to be sure that these funds would actually be used in an appropriate way.

There is a pretty good track record under the Enterprise for the Americas. It facilitates debt matrix exchanges in 7 Latin American and Caribbean countries, providing up to $154 million in conservation efforts in, again, local funds. And these funds had been used for reforestation, soil and water conservation, and so on.

Overall we think it is working pretty well. The Tropical Forest Conservation Act we think again is an accountable cost-effective way to respond directly to the global crisis that we face in tropical forests. And the groups that have had the most experience in preserving these forests agreed.

This was supported by the Nature Conservancy, here today, Conservation International, World Wildlife Fund, and so many others who have worked on this effort for years. They will benefit also from this in the sense that third parties are able to buy down the debt as well as the direct subsidy on a country by country basis, as done in Peru.

Mr. Chairman, I just again hope that you will consider the request from the administration favorably and at least do what they have done.

Mr. CALLAHAN. We will give it certain rights. And I congratulate you on giving this Committee some direction. It is so seldom that we get legislation passed through the House and Senate signed by the President that gives this Committee direction that it is rewarding to see that you did take the initiative to bring this matter to the attention of the House and the Senate and to provide us with justification through authorization.

Ms. PELOSI. Mr. Chairman, I know that we are on a tight schedule, but I just want to commend this gentleman for his leadership on this issue. I was pleased to speak on the floor and commend you publicly for this important legislation. So hopefully Mr. Chairman can help Mr. Portman on this.

Thank you, Mr. Portman.

Mr. CALLAHAN. Any other questions?

Mr. PORTMAN. Thank you very much.

Mr. CALLAHAN. Mr. Visclosky? As you know, we have I think 20 to 25 witnesses and people wanting to get out of town. So we are asking people to limit their appearances to five minutes.

[The information follows:]

Subcommittee on Foreign Operations, Export Financing, and Related Programs
Tropical Forest Conservation Act FY 2000 Appropriations Request
Congressman Rob Portman
March 4, 1999

Thank you, Mr. Chairman and members of the subcommittee, for the opportunity to testify in support of funding for the Tropical Forest Conservation Act of 1998, legislation I introduced in November 1997 with John Kasich and Lee Hamilton. Our companion legislation was introduced in the Senate by Senators Lugar, Biden, Chafee, and Leahy.

The Tropical Forest Conservation Act expands President Bush's Enterprise for the Americas Initiative – EAI -- and provides a creative market-oriented approach to protect the world's most threatened tropical forests on a sustained basis. The bill was overwhelmingly approved by the House last March by a vote of 356 to 61, passed the Senate under unanimous consent and was signed into law on July 29, 1998 -- P.L. 105-214.

Although the Tropical Forest Conservation Act authorized $50 million for FY 1999, you may recall it was not funded because it was enacted late in the session, after this subcommittee had completed its work on the appropriations bill. The Tropical Forest Conservation Act authorizes $125 million in FY 2000, and the President's recent budget request includes $50 million for it. I hope that the subcommittee will be receptive to funding this important environmental initiative in fiscal 2000.

Tropical forests provide a wide range of benefits, literally affecting the air we breathe, the food we eat, and medicines that cure disease. They harbor 50 - 90% of the Earth's terrestrial biodiversity. They act as "carbon sinks", absorbing massive quantities of carbon dioxide from the atmosphere, thereby reducing greenhouse gases. They regulate rainfall on which agriculture and coastal resources depend, which is of great importance to regional and global climate. And

they are the breeding grounds for new drugs that can cure disease.

Since 1950, experts sadly suggest the world has lost half of its tropical forests. Between 1980 and 1990, 30 million acres of tropical forests -- an area larger than the State of Pennsylvania -- were lost every year.

The Tropical Forest Conservation Act builds on the EAI's successes in the early 1990s, and links two significant facts of life -- important tropical forests are disappearing at a rapid rate and they are located in less developed countries that have a hard time repaying their debts to the United States. In fact, about 50% of the world's tropical forests are located in four countries -- Indonesia, Peru, Brazil and the Congo -- and these countries have in the aggregate over $5 billion of U.S. debt outstanding.

The Tropical Forest Conservation Act gives the President authority to reduce or cancel U.S. A.I.D., and or P.L. 480 debt owed by an eligible country to the United States in exchange for the creation of a fund in the local currency that preserves, maintains and restores tropical forests. It is different than the EAI program because: it enables any country in the world -- not just any country in Latin American and the Caribbean -- that has a globally or regionally important tropical forest to participate; and it narrows the criteria of EAI so that protection of tropical forests is the primary focus.

These "debt-for-nature" exchanges achieve two important goals -- ***first***, they relieve some of the economic pressure that is fueling deforestation; and ***second***, they provide funds for conservation efforts in the eligible country. There is also the power of leveraging -- one dollar of debt reduction in many cases buys two or more dollars in environmental conservation. In other words, the local government will pay substantially more in local currency to protect the forest

than the cost of the debt reduction to the U.S. government.

For any country to qualify, it must meet the same criteria established by Congress under the EAI, including that the government has to be democratically elected, cooperating on international narcotics control matters, and not supporting terrorism or violating internationally recognized human rights.

Furthermore, to ensure the eligible country meets minimum financial criteria to meet its new obligations under the restructured terms, it must meet the EAI criteria requiring progress on economic reforms.

In preparing this legislation, we looked carefully at the issue of accountability -- how these funds would actually be used. There is a track record under EAI. It has facilitated debt-for-nature exchanges in seven Latin American and Caribbean countries, providing up to $154 million in local conservation funds. Funds have been used for reforestation, soil and water conservation, biodiversity and other conservation projects. We understand that, overall, the program is proceeding well.

The Tropical Forest Conservation Act is a cost-effective way to respond to the global crisis in tropical forests, and the groups that have the most experience preserving tropical forests agree. It is strongly supported by The Nature Conservancy, Conservation International, the World Wildlife Fund, the Environmental Defense Fund and others. Many of these organizations have worked with us very closely over the last two years to produce a good bipartisan initiative.

Mr. Chairman and members of the subcommittee, I hope that you will favorably consider providing the funds that are needed for this legislation that preserves and protects important tropical forests worldwide in a fiscally responsible fashion.

THURSDAY, MARCH 4, 1999.

SOUTHERN CAUCASUS

WITNESS

HON. PETER J. VISCLOSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. VISCLOSKY. Mr. Chairman, I am here to talk about your favorite subject. And that is the South Caucasus. I understand that my entire statement is entered into the record.

Mr. CALLAHAN. Definitely.

[The information follows:]

Testimony of U.S. Representative Peter J. Visclosky
before the
Foreign Operations Subcommittee
Committee on Appropriations
U.S. House of Representatives

March 4, 1999

Mr. Chairman and Ms. Pelosi, thank you for giving me the opportunity to testify before you today on an issue important to all those who are interested in bringing peace to troubled areas of the world. Today, I wish to speak to you about the significance of maintaining level funding for the Southern Caucasus region of the Newly Independent States in general and of Armenia in particular. Furthermore, I want to stress the critical importance of retaining, contrary to the Administration's position, section 907 of the Freedom Support Act that restricts U.S. aid for Azerbaijan. These steps would send a clear message that the United States Congress stands behind the current peace process and encourages Azerbaijan to accept the terms set forth in the latest peace proposal issued by the Organization for Security and Cooperation in Europe's Minsk Group. In the end, it will help end a conflict that threatens to destabilize the area between the Black Sea and the Caspian Sea.

Thousands of lives have been lost and more than a million people have become refugees in the struggle between Armenia and Azerbaijan over Nagorno-Karabakh that has lasted more than a decade. The Organization for Security and Cooperation in Europe's (OSCE) Minsk Group negotiated a cease fire in 1994 but there has been little progress toward a final resolution since. Last November, the Minsk Group presented a plan that called for a common state as a basis for direct negotiations. Armenia and Nagorno-Karabakh accepted this proposal while Azerbaijan rejected it for reasons that are still unclear.

For the past several years, this subcommittee has prudently funded assistance programs to the Southern Caucasus to encourage regional cooperation in the Minsk Group's peace efforts. In FY98, the committee began the practice of reserving one-third of the NIS funding for the region and 60 percent of those funds for Armenia, Azerbaijan and Georgia. This amounted to $250 million, $87.5 million of which was earmarked for Armenia and $70 million of which was directed toward helping refugees and internally displaced persons (including those in Nagorno-Karabakh). That same year, Congress exempted projects to support democracy and export promotion from section 907's general prohibition on aid to Azerbaijan (humanitarian aid was already allowed). In addition, Congress predicated an earmark of $43.75 million for Azerbaijan on a favorable report from the Administration that Azerbaijan had taken certain definitive measures toward peace.

Last year, the Administration asked Congress to repeal section 907 based on the suggestion that such a pejorative measure hampered American efforts to act as an impartial broker of a peace settlement. The Administration posited that section 907 undermines U.S. neutrality and efforts to promote an east-west energy corridor from the Caspian to the Black Sea that would avoid both Russia and Iran. Congress rejected this proposal and affirmed its bipartisan support for Section 907

when it turned back an attempt to repeal it last year. Congress eventually provided $228 million for the Southern Caucuses, of which $79.9 was earmarked for Armenia, $23.8 million for Azerbaijan, and $40 million was allowed for international peace restoration efforts. The committee directed that no less than twenty-five percent of Southern Caucasus funding be provided for Armenia.

In the past year, the situation in the Southern Caucasus has deteriorated. There have been assassination attempts against the leaders of Georgia and Azerbaijan. In Armenia, a presidential election narrowly escaped producing an unreconstructed Communist as that country's leader. The sovereignty, stability and security of each of these nations are consistently threatened from within and without their borders. Furthermore, the once promising oil fields in the Caspian Sea have yielded only disappointment for American companies, and for the Clinton Administration, which expected substantial profits. The only hope for the people of the region to escape grinding poverty is for an end to the armed conflict among them.

Now the Clinton Administration comes before you again to request that Section 907 be eliminated. Furthermore, it asks for an increase in aid to Azerbaijan, to $33.5 million, and a decrease in assistance for Armenia, to $71.5 million. However, the Administration can point to no progress toward peace by Azerbaijan as a reason for rewarding it in such ways. Azerbaijan has not lifted its blockade of Armenia that has had devastating economic and social effects on the Armenian people.

Azerbaijan has little incentive to take demonstrable steps to end the conflict if the Administration continues to enrich it. Azerbaijan has already received more than $180 million in assistance from American non-governmental organizations. It is arguable whether this aid is getting through to needy Azeris. Last year's subcommittee conference report acknowledged reports of diversion and theft of humanitarian assistance by Azeri officials. The State Department's own country report on human rights practices in Azerbaijan noted that economic growth there is offset by a highly organized system of corruption and patronage.

Armenia is now entering its tenth year of a blockade while the Administration seeks to repeal the one protection afforded it by the Congress. The flow of food, fuel, and medicine continues to be hindered by the blockade, creating a humanitarian crisis in Armenia. A repeal of Section 907 would only serve to legitimate Azerbaijan's illegitimate acts of aggression.

Consequently, Mr. Chairman, I respectfully request that the subcommittee maintain its practice of reserving one-third of NIS funding for the Southern Caucasus; sixty percent of those funds for Armenia, Georgia, and Azerbaijan; and no less than twenty-five percent of Southern Caucasus funds for Armenia alone. Furthermore, Section 907 should remain in place until Azerbaijan takes serious, demonstrable steps to ending the conflict, starting with an end to the blockade. Azerbaijan has the power in its own hands to do this and the Administration has the authority to render Section 907 moot. It is up to them to act.

Thank you, Mr. Chairman.

Mr. VISCLOSKY. I want to stress to you, Ms. Pelosi, and the other members of this Subcommittee, the importance I attach to not repealing Section 907. Armenia has been blockaded for ten years, and it has been destructive. And I think it would not be constructive as far as the peace process. It would send a negative signal if we eliminated that program.

My testimony also refers to the funding levels. But, again, I recognize that your time is limited. The entire statement is entered into the record. But I do appreciate the fairness and open-mindedness with which you have approached this issue in the past. And I know you are very familiar with it, as is Ms. Pelosi.

Mr. CALLAHAN. We are familiar with it. And certainly 907 you and I disagree on, whether or not that has been constructive to the peace process or not. We have done everything as a Committee to facilitate that peace process, even creating a slush fund, availability of monies, in the event that we could finally reach some agreement that would lift 907 and at the same time facilitate and have money positioned for reconstruction efforts, primarily in Armenia, in Karabach, but we will look very seriously at your recommendations and certainly respect them. But I just respectfully disagree that continuation of 907 is a way to achieve peace.

Mr. VISCLOSKY. I recognize——

Mr. CALLAHAN. There will be ample time for debate on that issue, I am sure, either in the full Committee or if a repeal is put in there, there certainly will be opportunity, as there was last year, for full debate on the——

Mr. VISCLOSKY. I understand.

Mr. CALLAHAN. We certainly respect your position and know where you are coming from and appreciate very much your appearing.

Ms. PELOSI. Mr. Chairman, do not think I am going to respond on every witness because I am not, but 907 is an area where we are in disagreement. And I support Mr. Visclosky's position and thank him for his strong leadership on this on the floor. And we make this fight in the Subcommittee, on the full Committee.

And I think now that the price of oil is so low and the premium that is being placed in oil in the Caspian Sea being diminished, more than ever, it is necessary for us to continue.

Mr. VISCLOSKY. Mr. Chairman, I do appreciate your fairness. You have been absolutely fair.

Ms. PELOSI. He has been very fair.

Mr. CALLAHAN. Thank you.

Mr. VISCLOSKY. Sure.

Mr. CALLAHAN. Any other members of the panel?

[No response.]

Mr. CALLAHAN. Thank you very much.

Mr. VISCLOSKY. Thank you very much.

Mr. CALLAHAN. Mr. Walsh?

THURSDAY, MARCH 4, 1999.

CHILD SURVIVAL PROGRAMS

WITNESS

HON. JAMES T. WALSH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. WALSH. Thank you, Mr. Chairman. I always get nervous when people say, "I will be brief," but I will be brief.

Mr. CALLAHAN. You are going to be brief. [Laughter.]

Mr. WALSH. That is a medieval instance of torture.

Thank you very much for giving me the opportunity to come in and say what I always say when I come in before this Subcommittee about certain issues. Let me also congratulate you, sir, and ranking member Nancy Pelosi on the effort that you put into this Child Survival Program. I think it is a great investment. It has become a program that both of you are recognized for, and it is very effective.

I also, as Chairman of the Friends of Ireland, would like to put in a statement in support of the international fund for Ireland. We are not out of the woods yet in Ireland on the peace process. It is close. Hopefully within the next month or so, we will see the final waltz in that long dance. But it is not over yet. And these funds really have helped to create an economic stability within the north. And it is critical to the success of this process.

I would also like to put in a strong word of support for UNICEF and for the work that they do and also for the Peace Corps. I had the occasion to return to my village in Nepal this past December and meet with some volunteers while I was there. And it is really, really great to see a new generation with the same level of altruism and idealism and commitment and to see that they can make a difference.

We can see here in our own country when these folks come back. They get involved. They roll up their sleeves. And they help us solve problems here, too. I know you have budget caps and priority difficulties. We all do. But if you would give these programs consideration, I would appreciate it.

[The information follows:]

JAMES T. WALSH
MEMBER OF CONGRESS
25TH DISTRICT, NEW YORK

ASSISTANT MAJORITY WHIP

CHAIRMAN
FRIENDS OF IRELAND

Congress of the United States
House of Representatives
Washington, DC 20515-3225

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES
VA, HUD, AND INDEPENDENT AGENCIES
CHAIRMAN
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
VICE CHAIRMAN
MILITARY CONSTRUCTION

Statement of Congressman James Walsh Before the House Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs

March 4, 1999

Once again, I appreciate the opportunity to testify before my Appropriation colleagues here today on a number of critical foreign assistance programs that I strongly believe deserve priority consideration by your Subcommittee. In particular, I want to emphatically reiterate my steadfast support for increasing the funding levels for key Child Survival activities, UNICEF, the International Fund For Ireland and the Peace Corps.

At the beginning I want to commend Chairman Callahan, Ranking Member Nancy Pelosi and the rest of your Subcommittee for your continued strong commitment and stewardship of important child survival programs. I recognize that Chairman Callahan and this Subcommittee has taken the lead in creating and supporting a specific Child Survival and Disease account in your appropriations bill and I appreciate your critical role in providing $5 million in additional funds for UNICEF in last year's budget.

In the upcoming fiscal year there is strong justification for further increases in child survival, UNICEF, basic education, vitamin A and micronutrient programs and other key health programs. Your leadership on these areas continues to remain critical and I am hopeful that we can expand support for these programs in FY 2000. In particular, I am dismayed by the decision of the Clinton Administration to reduce UNICEF funding by $4 million in its budget request. UNICEF has worked diligently since the aftermath of World War II to meet children's needs and to protect children's rights around the globe. UNICEF has been instrumental in saving and improving the lives and health of children throughout the world time and time again and I believe continued modest growth for this program is certainly justifiable. I would therefore urge the Subcommittee to provide $110 million for UNICEF in FY 2000 - an increase of $5 million over last year's funding level.

2351 RAYBURN BUILDING
WASHINGTON, DC 20515-3225
(202) 225-3701 (202) 225-4042 FAX
E Mail: rep.jamestwalsh@mail.house.gov

1340 FEDERAL BUILDING
SYRACUSE, NY 13261
(315) 423-5627 (315) 423-5669 FAX

21 LINCOLN STREET
AUBURN, NY 13021
(315) 255-0643 (315) 255-1269 FAX

49 CHURCH STREET
CORTLAND, NY 13045
(607) 758-3818

PRINTED ON RECYCLED PAPER

Another crucial program that deserves significant additional resources is tuberculosis (TB). Thanks to your Committee's leadership, the Administration has launched a TB Control initiative. We will never control TB in our own country until we control it globally. Today, 40% of patients that have been diagnosed with TB in the U.S. are born overseas. In fact, international TB experts estimate over $1 billion may be needed to control TB globally. This remains a personal issue for me as I tested positive for TB when I was a Peace Corps volunteer in Nepal in the early 1970's. In Nepal right now, 6 out of every 10 people are still infected with TB. Tuberculosis is now the leading infectious killer of adults, killing 2 to 3 million people each year. Women are particularly vulnerable as TB kills more women than all causes of maternal mortality combined and creates more orphans than any other disease. With the ever-increasing threat of multi-drug resistant strains of TB, I commend your Subcommittee for its efforts to date to control tuberculosis and I strongly support increasing our investment in international TB control programs to $60 million for the next fiscal year.

Another important foreign aid priority of the U.S. needs to be a continued American commitment to provide support for the International Fund for Ireland. With the delicate peace process in Ireland hanging in the balance, it is imperative that we maintain this critical program that encourages contact, dialogue and reconciliation between all the various Irish factions. The International Fund For Ireland (IFI) enables us to support this dialogue and reconciliation. The IFI is a well-run program that has increased employment and stimulated private sector investment in disadvantaged communities, regardless of their religious affiliation. In fact, an independent analysis of IFI by a consortium of well-respected consultants, led by KPMG, concluded that the IFI has been successful in achieving its two objectives of promoting economic and social advance, and contact, dialogue and reconciliation. The Fund has assisted over 3,600 projects since its inception and these contacts have led to the creation of over 31,000 jobs.

In my position as Chairman of the Friends of Ireland Caucus, I have had the opportunity to see first-hand the benefits that these funds have provided to distressed areas that have suffered the most from the violence of the last 25 years. The IFI has been successful in reaching out to all sections of the community and has been very successful in promoting cross-border business activities. The IFI remains a tangible expression of our desire to promote peace and reconciliation in Northern Ireland and it

would be tragic if we took any action at this sensitive stage of the peace process that would be seen as undermining our commitment to Ireland. I therefore urge my colleagues to provide, at a minimum, the FY 1999 funding level of $19.6 million for the International Fund for Ireland.

Finally, I want to express my strong support for the President's request of $270 million for the Peace Corps. As the Peace Corps gets ready to move forward into the next century the agency is embarking on a bold, new initiative to expand the number of Peace Corps volunteers from 6,700 to 10,000 over the next three years. I strongly support this initiative and believe that this investment will yield positive long-term benefits both for our Volunteers and for America's role as a benefactor helping the underprivileged in developing countries around the world.

Currently, there are over 6,700 Peace Corps Volunteers serving our nations in 80 countries throughout the world. From my Peace Corps experience in Nepal I have seen how Volunteers make a difference in the lives of countless people in the communities where they serve. Peace Corps Volunteers work to improve the social and economic infrastructure of developing countries and have earned enormous goodwill for the United States, our values, and our culture. The special skills Volunteers learn are increasingly important in our own multi-cultural society.

Smart management and streamlined operations have become a trademark of the Peace Corps under the visionary leadership of Peace Corps Director Mark Gearan. Management reforms instituted by Director Gearan, such as a 13% reduction in the number of U.S. based Peace Corps personnel or a 14% decrease in the annual cost per Volunteer, have made the Peace Corps a model government agency. Peace Corps Director Mark Gearan deserves most of the credit for changing the way business is done at Peace Corps headquarters. Interest in joining the Peace Corps has soared in recent years - rising 40 percent. The Agency is clearly prepared to capitalize on this resurgence of interest in Peace Corps services and I hope your Subcommittee will be generous and provide the $270 million needed to enable the Agency to meet its goal of 10,000 Peace Corps Volunteers by FY 2003.

Again, I appreciate the opportunity to testify before your Subcommittee and I wish you the best of luck in the tough decisions you will have to make in the upcoming fiscal year.

Mr. CALLAHAN. We certainly will. As you know, with our child survival account, we now are very happy that the administration is even recognizing——

Ms. PELOSI. The Callahan——

Mr. CALLAHAN. If it will get more money, we will call it the Bill Clinton——

[Laughter.]

Mr. CALLAHAN. We are happy now that the administration agrees with the Committee, which is where the Child Survival Fund actually was born. And we certainly also agree with you on the importance of the Peace Corps and UNICEF as well. And I do not think you are going to be disappointed at all with how this Committee handles your requests.

Mr. WALSH. Thank you, Mr. Chairman.

I do not need to say anything more.

Ms. PELOSI. Ditto. I guess I should say I might put up with the Chairman's remarks.

Mr. CALLAHAN. Thank you. Thank you very much.

Mr. WALSH. Thank you very much.

Mr. CALLAHAN. Martin, do you want to bring up Mr. Salzberg?

Mr. SABO. Sure. Mr. Chairman, if I might put my statement in the record. Let me introduce Mr. John Salzberg, who is here representing the Center for Victims of Torture, which is located in Minneapolis and they do great work. I will turn it over to John so you can hear from him.

Mr. CALLAHAN. Mr. Salzberg, you are very fortunate to be introduced by a member of this Subcommittee. You have already won, no matter what you say.

Mr. SALZBERG. Well, thank you, Mr. Chairman.

Mr. CALLAHAN. We will submit your entire statement for the record.

[The information follows:]

Congressman Martin Olav Sabo
Introductory Statement for
John P. Salzberg, The Center for Victims of Torture
Before
House Foreign Operations, Export Financing and Related Programs
Subcommittee
of the Appropriations Committee
March 4, 1999

Mr. Chairman and Members of the Committee, it is a great pleasure for me to make some brief comments prior to the testimony by John Salzberg. John is here today representing the Center for Victims of Torture located in my Congressional District. Established in 1985, it is the first and only comprehensive treatment center for victims of foreign governmental torture in the United States. It has treated nearly 600 survivors of politically motivated torture from all regions of the world.

As one can only imagine, torture has extremely damaging effects on the victims' mental well being. It is common for them to suffer from nightmares, flash backs, anxiety attacks, depression and other forms of mental illness. Without treatment, the victims may not be able to become productive members of our communities.

Through its treatment program, the Center is making a real difference in the public health and welfare of our communities. Torture survivors are living happier lives, becoming gainfully employed and are making significant contributions to our communities. As an indication of the high esteem held by the Center in Minnesota, the state legislature has provided funding for the Center to mainstream treatment services for victims of torture. It has also asked the Center to provide advisory services to public schools on how to work with students who have been afflicted by torture. I hope these programs will be emulated in other states.

The Center relies primarily on private contributions and foundations to support its programs. Few of its clients are covered by public or private health insurance. The Center does receive a grant from the United Nations Voluntary Fund for Victims of Torture and I want to express my appreciation to this Subcommittee for providing appropriations to the Fund in fiscal year 1999.

I would also like to endorse the Center's recommendation that the Subcommittee appropriate the full amount authorized for Fiscal Year 2000 by the Torture Victims Relief Act, which Congress passed and the President signed into law in October 1998.

I am now pleased to introduce Mr. Salzberg and I thank you for your time.

THURSDAY, MARCH 4, 1999.

CENTER FOR VICTIMS OF TORTURE

WITNESS

JOHN SALZBERG, CENTER FOR VICTIMS OF TORTURE

Mr. SALZBERG. I want to thank Congressman Sabo for his kind remarks. We feel at the center especially fortunate and proud of him as our member of Congress. His support for our work is very much appreciated.

Mr. Sabo's statement describes some of the work that we do in Minneapolis. I would not, however, want you to think this problem is peculiar to Minnesota. In fact, we estimate there may be as many as 400,000 victims of foreign governmental torture residing in the United States.

As Ms. Pelosi knows and Congressman Porter knows, these are not abstract statistics. Ms. Pelosi has in her district a treatment center Survivors International in San Francisco. Mr. Porter has near his district the Kovler Center Chicago.

We know, however, that most victims of torture remain in the country of origin. The U.N. Special Rapporteur on Torture states that torture exists in more than 70 countries.

Frequently governments target grassroots leaders who are defending human rights and democratic practices. They single out people, such as opposition party representatives, trade unions, religious leaders, and human rights defenders.

Repressive governments seek to disable these courageous leaders and, in addition, in still fear in the nation. Torture is the single most effective weapon against democracy.

United States under both Democratic and Republican administrations has been unequivocal in their opposition to torture and their resolves to take measures to prevent its occurrence. We believe that assisting foreign treatment centers for victims of torture is not only morally right but is an effective method to lessen the incidence of torture and promote human rights and democracy abroad.

The centers provide irrefutable medical and psychological evidence to tortures occurring. Domestic courts, international human rights mechanisms, and diplomatic representations utilize such efforts. Our own Department of State's annual country reports is a good example. These reports help to shame governments in relenting in their use of torture.

We also believe these centers provide a strategic purpose of restoring faith in the principles of human rights and democracy and the legitimacy of their leaders. These leaders who have been tortured or threatened with torture are better able to resolve their advocacy of human rights and democracy.

These views are not just our own. They are those of the United States Congress. In the 105th Congress, you adopted, those of you who were members of the 105th Congress, the Torture Victims Relief Act, Public Law 104, 105–320, which affirmed the principles I just described.

Bipartisan congressional sponsorship of this legislation led to its enactment. I am pleased to say Ms. Pelosi and Congressman Sabo were some of the members who sponsored that legislation.

The act authorizes in Fiscal Year 2000 $7.5 million for AID to support foreign treatment centers, $3 million as the contribution to the U.N. voluntary fund for victims of torture, and also $7.5 million for the Department of Health and Human Services to support treatment services for victims of torture.

On October 30th, the President signed the legislation into law and stated, "This act authorizes continued and expanded contributions to treatment centers, both in the United States and around the world, for persons who suffer from the mental and physical anguish of having been tortured."

Furthermore, on Human Rights Day, December 10th, the President committed $3 million in Fiscal Year 1999 money as the U.S. contribution to the U.N. voluntary fund for victims of torture.

Finally, in his budget for Fiscal Year 2000, the President requested the full amount authorized by the act for the U.N. Fund and for the Department of Health and Human Services.

At this time, it is unclear whether AID has requested funds to implement the Torture Victims Relief Act. However, Congress authorized funds to AID for this purpose because it knew that the U.N. Fund would not bring sufficient resources to meet the international need.

Our request is that this Subcommittee appropriate for Fiscal Year 2000 the amount authorized in the Torture Victims Relief Act: $7.5 million for AID to support foreign treatment centers, and $3 million for the contribution to the U.N. Fund. We also ask the Committee to ask the administration to file a report by January 15th, 2000 on implementing these appropriations.

While the $7.5 million to support treatment services in the United States is under the jurisdiction of another subcommittee, we urge each of you individually to support request as well. By supporting those who have suffered so much, we are affirming our belief in their efforts to achieve democracy in their own countries.

I thank you for giving me your time and attention and sincerely appreciate your consideration of our request.

[The information follows:]



THE CENTER FOR VICTIMS OF TORTURE

Testimony before the Subcommittee on Foreign Operations, Export Financing

and Related Programs

March 4, 1999

John P. Salzberg, Ph.D.

Chairman Callahan, I wish to thank Congressman Martin Sabo for introducing the Center for Victims of Torture and me to the Subcommittee. We are especially fortunate to have him as our Member of Congress His steadfast support for our work is very much appreciated.

Mr. Sabo outlined the work we are doing in Minnesota to help victims of foreign governmental torture who have come to our state. I would not, however, want you to think this is a problem peculiar to Minnesota. In fact, we estimate there may be as many as 400,000 victims of torture in the entire United States. As Ms. Pelosi and Mr Porter are aware, these are not abstract statistics. They have in or adjacent to their districts, two of the oldest treatment centers for victims of torture in the United States. Survivors International in San Francisco was established in 1990 and has treated survivors from more than 40 countries. The Marjorie Kovler Center in Chicago was established in 1987 and has many clients from Bosnia and Guatemala.

We know, however, that most victims of torture remain in their country of origin. The UN Special Rapporteur on Torture has stated that torture exists in more than 70 countries. Frequently, governments target grassroots leaders who are defending human rights and democratic practices. They single out people such as political opposition party representatives, trade unionists, religious leaders and human rights defenders. Repressive governments seek to disable these courageous leaders and, in addition, instill fear and apathy throughout the nation. Torture is the single most effective weapon against democracy.

The United States under both Democratic and Republican administrations has been unequivocal in its opposition to torture and its resolve to take measures to prevent its occurrence. We believe that assisting foreign treatment centers for victims of torture is not only morally right, but is an effective method to lessen the incidence of torture and promote human rights and democracy abroad. The centers provide irrefutable medical and psychological evidence that torture is occurring. Domestic courts, international human rights mechanisms, and diplomatic representations utilize such evidence. Our own Department of State's annual country reports on human rights are a good example. These reports help to shame governments into relenting in their use of torture.

717 EAST RIVER ROAD • MINNEAPOLIS, MINNESOTA 55455 • TELEPHONE (612) 626-1400 • FAX (612) 626-2465
A NON-PROFIT CORPORATION WITH TAX-EXEMPT STATUS

Perhaps even more significant, we believe these centers serve a strategic purpose of restoring faith in the principles of human rights and democracy and the legitimacy of their democratic leaders. Those grassroots leaders who have been tortured or threatened with torture are better able to resume their advocacy of human rights and democracy.

The 105th Congress in adopting the Torture Victims Relief Act (PL 105-320) affirmed these principles which I have just described. The Act calls for "a comprehensive strategy to protect and support torture victims and their treatment providers..." and states that "By acting to heal the survivors of torture and protect their families, the United States can help to heal the effects of torture and prevent its use around the world." Bipartisan Congressional sponsorship of the legislation led to its enactment.

The Act authorizes in FY 2000 $7.5 million for AID to support foreign treatment centers, $3 million as the contribution to the UN Voluntary Fund for Victims of Torture, and also $7 5 million for the Department of Health and Human Services to support treatment services for victims of torture in the United States. On October 30th, President Clinton signed the legislation into law and stated "This Act authorizes continued and expanded U.S. contributions to treatment centers, both in the United States and around the world, for persons who suffer from the mental and physical anguish of having been tortured."

On Human Rights Day, December 10th, he committed $3 million in FY 99 as the U.S. contribution to the UN Voluntary Fund for Victims of Torture. (In 1998 the UN Fund gave grants to 114 projects in 53 countries.) Finally, in the budget request for FY 2000 the President requested the full amount authorized by the Act for the UN Fund and for the Department of Health and Human Services. At this time it is unclear whether AID has requested funds to implement the Torture Victims Relief Act. Congress authorized funds to AID for this purpose because it knew that the UN Fund alone would not bring sufficient resources in terms of the international need.

Our request is that this Subcommittee appropriate for FY 2000 the full amount authorized in the Torture Victims Relief Act - $7.5 million for AID to support foreign treatment centers for victims of torture, and $3 million for the contribution to the UN Fund. We also ask that the Committee ask the Administration to file a report by January 15, 2000 on implementation of these appropriations.

While the $7.5 million to support treatment services in the U S. is under the jurisdiction of another subcommittee, we urge each of you individually to support that request as well. By supporting those who have suffered so much, we are affirming our belief in their efforts to achieve democracy in their own countries. In a very real sense, supporting victims of torture in the U.S. is not only good domestic policy but it is also good foreign policy.

I thank you for giving me your time and attention and will sincerely appreciate your consideration of our requests.

BIO
John P. Salzberg

1992-present	Washington Representative, The Center for Victims of Torture
1988-92	Consultant to NGO Committee on Religious Freedom, United Nations, New York
1988-1990	Project Consultant/Assistant Professor, American University, Washington, D.C.
1983-1987	Executive Director, William Penn House (a Quaker seminar center)
1982-83	Program Officer, Science and Human Rights Office, American Association for the Advancement of Science
1979-1981	Regional Officer, Bureau of Human Rights and Humanitarian Affairs, Department of State
1973-1979	Special Consultant, Subcommittee on International Organizations and Movements, Committee on International Relations, U.S. House of Representatives
1971-1973	United Nations Representative, International Commission of Jurists
1973	Ph.D., International Relations, New York University
1958	B.A., Oberlin College

The Center for Victims of Torture
717 East River Road
Minneapolis, MN 55455

Federal Grants and Contracts Report

	Grant/Contract Numbers	Grant/Contrac Amounts	Grant/Contract Dates
Federal Grants			
Dept. of Health and Human Services National Institute of Mental Health *subcontract through the University of Minnesota*	3R01-MH48998-0352	25,000.00	9/1/96-8/31/97
U.S. Agency for International Development	936-5466	249,682.00	/29/95-2/28/97
Dept. of Health and Human Services Office of Refugee and Resettlement	90 RM 00019/01	200,000.00	8/1/98-6/30/99
Federal Contract			
Dept. of Health and Human Services Office of Refugee and Resettlement *subcontract through Immigration and Refugee Services of America*	90 RM 0003	54.750.00 54,750.00 52,000.00	0/1/96-9/30/97 0/1/97-9/30/98 0/1/98-9/30/99
Department of Justice Immigration and Naturalization Service *conducted training for INS officers*	n.a.	38,500.00	12/97
Department of Justice Victims of Crime Act (VOCA) funds *subcontract through Department of Public Safety/Crime Victims Ombudsman/ Minnesota Center for Crime Victims Services*	n.a.	10,000.00	10/1/98 - 6/30/99

Mr. CALLAHAN. I thank you. Who has the $7.5 million jurisdiction?

Mr. SALZBERG. Which? For U.S. programs?

Mr. CALLAHAN. Yes.

Mr. SALZBERG. That is Mr. Porter's subcommittee.

Mr. CALLAHAN. Porter's subcommittee?

Ms. PELOSI. Where he is holding forth there. And I may have to run up in a little bit. I have mentioned that this came up here.

Mr. CALLAHAN. Thank you.

Well, once again we appreciate having some direction from the Congress in the form of an authorization bill, but that makes our decision a little easier. So we appreciate it very much.

Ms. PELOSI. I would want to commend you, Mr. Salzberg, for your leadership in all of this. As you know, they say that to victims of torture the most excruciating form of torture is to tell them that nobody cares; while they are being tortured, nobody knows or cares; or nobody will care later on. And we have to do everything we can to make sure that that is not real. And so thank you for your leadership in all of this, Dr. Salzberg.

Mr. SALZBERG. I appreciate it. Thank you.

Mr. CALLAHAN. Thank you.

Mr. Hall? We will receive your written testimony.

Mr. HALL. Good.

THURSDAY, MARCH 4, 1999.

UNITED NATIONS FUNDING

WITNESS

HON. TONY P. HALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. HALL. It is rather long. Thank you for allowing me to come before your Committee, Mr. Chairman, Mrs. Pelosi, and members of the Committee. I consider this Subcommittee one of the most important committees in Congress.

Ms. PELOSI. We share that view.

Mr. CALLAHAN. We agree so far, Congressman.

Ms. PELOSI. You are off to a good start.

Mr. HALL. And we have made great strides in the last 25 years alone. The number of people who know the pain of severe hunger has gone from one in three to one in five. Citizens of developing countries have added 20 years to their expected life span, increased their literacy rate by one-third, and infant mortality rates have been cut by more than half. And the percentage of children immunized against killer diseases has gone from 5 percent to 80 percent, saving 3 million lives each year.

And it is not that we are doing such a great job. We are. We have been a leader in the world. But many developing countries are now doing much better at creating the economic climate that is needed to ensure jobs and private investment.

We are the world's indispensable leader. There is no question about it. Other nations follow what we do. And when we cut, they cut, too. Ironically the World Bank has said recently: Just as AID

is poised to become its most effective, the volume of AID is declining and is at its lowest level ever.

We are losing a tremendous opportunity I think in this country by not funding the programs in the U.N., not funding bilateral aid to the point that we used to.

I mean, this is one thing we know how to do. We know how to feed people, shelter, immunize. We know how to create micro enterprise, development assistance, all kinds of things. You know, we might not know how to work on Kosovo or Middle East, Iraq. We have not been able to figure that one out. But this we know how to do. It is one of the easiest things we know how to do, and it is a time when we could really step up to the bat.

I think that we need to really reassert our leadership position in the world. And first I would say we need to increase our overall foreign aid contribution significantly.

Our investment has dropped by half during this decade. And we now contribute just eight-one hundredths of one percent of our gross national product if we compare that with the full one percent we contributed to fighting poverty and despair during World War II.

Second, we need to pay our bills and our arrears to the United Nations. And I know that this Committee is not in charge of that appropriation, but I intend to really be involved with this one. I know with many of you and with us for too long now, we should be separating these issues, especially of population and abortion. And we should have separate votes on these. And hopefully we will get a clean bill on it this year.

I do not know. But because we do not pay our arrears and our bills, it squanders this tremendous moral high ground that America has won. And, yet, we are losing it. And it is embarrassing that we do not pay our bills.

Third, we need to increase the amount of food we donate through our Food for Peace and other programs. And we have found a way to use American food to promote peace around the world, even during recessions. And now when our economy is really moving ahead, how can we do less?

I want to suggest a few places to start the crucial work of restoring America's leadership. First, we should reinforce the organizations on the front lines of our work with developing nations. The administration's budget request proposes cutting three of these, the only three U.N. organizations headed by Americans—this makes no sense—UNDP, UNICEF, and the World Food Program.

The 20 percent cut to our contribution for the UNDP comes with no explanation and makes no sense. And I have seen the UNDP at work. I have seen them recently in Burma just about a month ago. It is one of the best UNDP projects I have ever seen.

Shaving our support for UNICEF is just the opposite of what we should be doing and because our World Summit for Children commitments require sustained funding increases. And you deserve special thanks, Mr. Chairman, for the increases you have won for UNICEF, for child survival.

And we also do not need to cut the World Food Program and funding it. It needs to monitor food and to make sure it is not diverted by soldiers.

Second, I urge you to support and fund the targeted aid that has proven it works by restoring a $40 million cut in the child survival count. And you have done a tremendous job, this whole Committee but especially the Chairman.

And hopefully you can add $32 million to basic education funds, and invest in strategies to stop the spread of infectious diseases, including adding 60 million to the fight against TB, which is less than what we are spreading to help the District of Columbia fight its Y2K computer program.

I also urge you to support the administration's $161 million request for debt relief. Two statistics say it all. African nations now spend $12 billion a year repaying old debt, and just $2 billion would school all African children. Heavily indebted countries on average pay twice the amount they receive in aid keeping current on their old debt.

And I would also urge you to add the $29 million needed to fund the Peace Corps bill, certainly increase micro credit funding to about $160 million, and follow up on our commitments relative to Africa, the Seeds of Hope Act of 1998.

I know that you feel under-appreciated, but your work does save lots of lives. And we could really, really be the leader by far, I mean, surpass any country in the world. And we have the opportunity now to do it. We have cut our appropriations in half in this decade.

You know, as I look at the polls in America—and it is interesting; I have seen polls the last couple of years—people feel that our food and our programs are getting through. They support it overwhelmingly.

So, with that, I submit my long, very long document that I have before you. And I would be glad to try and answer some questions.

[The information follows:]

WRITTEN TESTIMONY OF

CONGRESSMAN TONY P. HALL

before the

HOUSE COMMITTEE ON APPROPRIATIONS

SUB-COMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

March 4, 1999

Mr. Chairman and Representative Pelosi, thank you for your leadership in funding our foreign aid programs, and for the opportunity to address this panel of distinguished colleagues.

Through your efforts, the U.S. Government is slowly reversing a slide in our commitment to easing suffering. Our unprecedented cuts in foreign aid are watering down the formula for spreading peace and democracy that has proven successful since the Marshall Plan.

In the 51 years since then, there has been a wealth of good news from developing countries. Worldwide, one person in five knows the pangs of persistent hunger today -- compared with one in three 25 years ago. Since 1960, developing countries citizens' have added 20 years to their expected lifespan, increased their literacy rate by a third, cut their infant mortality rate by more than half, and nearly doubled the number of children enrolled in grade school.

Since 1980, the childhood immunization rate has gone from five percent to 80 percent. These simple vaccines against six diseases that can be easily prevented now save three million lives each year. Since 1990, the number of measles deaths has dropped by 95 percent in the majority of developing countries, and 12 million fewer children are born retarded by iodine deficiencies.

Our investment in development aid gets proven results, and our ability to design and implement effective projects has matured. Equally important, developing countries have created a climate where aid can have long-term impact -- polices such as opening

trade, securing private property rights, and adopting sound fiscal policies. These are essential for long-term success in fighting poverty, and in the poor countries where these policies are in effect, two dollars in private investment follows every dollar spent on aid.

Ironically, as an historic World Bank report put it recently, "just as aid is poised to become its most effective, the volume of aid is declining and is at its lowest level ever." And our lost opportunities are compounded by the signal America's foreign aid budget cuts send to other nations. Where U.S. dollars once helped to leverage other nations' investments, those nations now are following our lead toward inappropriately low levels of development aid.

In just this decade, our investment has dropped by half. Overall, aid now stands at its lowest level since World War II, at barely one-fifth of one percent of all donor nations' GNP. The United States' investment in foreign aid is even less: just eight-one hundedths of one percent of GNP. Contrast that with the full one percent of our GNP we spent fighting poverty and despair in Europe alone in the years after World War II ended.

The U.S. is the world's indispensable nation, and while the increases in foreign aid you have provided in the past two years are greatly appreciated, they don't come close to restoring our leadership. And they are undercut -- both morally and in real financial terms -- by our continuing failure to pay our arrears in United Nations dues.

Nor have the increases you have provided been matched by a restoration of our food aid, which provides a foundation for our development initiatives to build upon. Through our Food for Peace program, we now feed 40 million fewer people than we did just a decade ago. And our contributions to the World Food Program also have plummeted, in effect cutting 48 million people off from the emergency aid the United Nations is struggling to give famine victims and others in desperate need of food.

These declines are not warranted by progress in developing nations, where needs remain acute. The world's poorest countries will need 80 percent more food than they have now within the next ten years. Today, 1.3 million people lack clean water and 1.5 million have no housing whatsoever.

As ever, children are the hardest hit. The 500,000 children whose deaths during childbirth could be prevented each year need their mothers to take precautions that they either cannot afford, or do not understand. The 300,000 children drafted as soldiers need protection and help returning to their families whole enough to become productive members of their communities. And the world's "AIDS orphans," who number five million in Africa alone, are threatening to turn the clock back 20 years on what our investments in child survival have achieved.

Sadly, in the past year, tens of millions of people from Russia, Indonesia and other more developed nations have joined the ranks of the poor and hungry. Our food aid and foreign aid helps them somewhat -- but the greatest impact of our leadership and investment may be in leveraging the commitments of Europe, Japan and others who should do more to help.

The reason to help the poor is written in the faces of the many people I have seen in my visits to developing countries. But it is equally clear in the faces of Americans.

We cannot keep foreigners' suffering from spilling over our borders. Diseases spread with growing ease; tuberculosis' resurgence in the United States is probably just the first example of this. Illegal immigrants who are driven by desperation to America are another familiar example. So is narcotic trafficking, whose kingpins prey on impoverished farmers and others who have few alternatives to the drug trade.

The financial crises in Asia are dealing a direct blow to some American industries, including steel producers and hog farmers. We can expect even more casualties if we neglect policies that turn people who live in developing countries into our trading partners and the consumers of American products.

Another threat from abroad is terrorism, against which we spent nearly three billion dollars last year alone. I support measures to strengthen our embassies' security, but I fear much of it will be money wasted unless it is accompanied by investments that ease the poverty that makes it easy for terrorists to recruit their foot soldiers.

We should not deceive ourselves into thinking that we can create a gated community for ourselves, one that keeps away the sickness and evil that poverty breeds. Instead, we should invest in proven strategies to fight disease, and to choke poverty before its grip gets any broader.

I would appreciate your consideration of several organizations and initiatives that I believe are particularly worthy of increased funding.

Front-Line Organizations

First, if we are serious about reasserting our leadership in helping developing nations progress, we have to do right by the organizations that prove their effectiveness every day in poor nations. Organizations that pioneered some of the most successful approaches to easing suffering and increasing opportunity; organizations that make sure those approaches really work; organizations like the United Nations Development

Program, UNICEF, and the World Food Program -- which are headed by Americans -- and the International Fund for Agricultural Development.

I am disappointed that in a time of tremendous economic vigor, the Clinton Administration has seen fit to cut its support for these organizations. It is, in effect, thumbing its nose at Congress by gouging organizations we support in order to fund an organization that a majority in Congress clearly does not support. I urge you to not only correct the balance, but to emphasize our commitment by increasing the funding levels for these four organizations.

United Nations Development Program It makes no sense to gouge the UNDP as the Administration proposes. The 20 percent cut recommended is not accompanied by any charge that the UNDP is falling short of U.S. expectations; in fact, it is leading the way on initiatives that support our values and priorities.

I recently visited some of the best development projects I've ever seen in the "Dry Zone" of rural Burma. They were UNDP projects, and they have even won the support of Burma's democracy leader, Daw Aung San Suu Kyi -- who until recently had been skeptical about humanitarian projects. In North Korea, the UNDP is taking the lead in reforming a failed Communist agriculture system that has contributed to its continuing famine -- one which has claimed more than two million lives, and cost the United States and others donating emergency aid hundreds of millions of dollars.

The UNDP also is coordinating relief and recovery efforts in the aftermath of Hurricane Mitch; leading the way in eradicating river blindness from large swaths of land that are home to a million Africans; and doing other work to save and transform the lives of the poor.

The UNDP deserves our support, and I hope that you will not be a party to cannibalizing its work. Please restore the U.S. contribution to $100 million in FY2000, and consider an increase in our support.

UNICEF. I also would request that you maintain our core commitment to UNICEF, set at $105 million last year, and add an additional $5 million to fund the goals undertaken at the World Summit for Children just a few years ago. As this Subcommittee knows, sustained funding growth is needed to implement these goals. I urge you to build upon your achievements last year and provide $110 million to UNICEF this year.

Again, I cannot understand why the Administration would submit a $4 million cut to the one U.N. organization that Americans know and support, the one that saves more

than two million children from death each year and help give tens of millions more a fighting chance for a healthy and productive life.

World Food Program. Finally, please restore the cut in U.S. funding for the World Food Program. While the food we contribute to the WFP has gone from 8.5 million tons to 2.8 million tons in just five years, the number of people the WFP is feeding remains high. In fact, last year the WFP fed 23 million more than the 53 million it aided in 1997. On-going wars and the odd, La Niña weather pattern make it likely that 1999 will see no drop in the number of people hit hard by food shortages.

Last year the WFP, the premier hunger-fighting organization in the world, responded with grain and other staples to starving and malnourished people in 23 countries -- and undertook "food for work" development projects in 35 countries. In places like North Korea, thanks largely to the United States, it met its goals. In Sudan, it responded to famine with just 20 percent of what it needed; only last-minute contributions that came too late for hundreds of thousands of people improved its overall statistics.

The WFP needs food, but it also needs funding so that it can monitor the way food is distributed. Nothing shreds public support for famine relief faster than evidence soldiers and others are stealing it from those in desperate need.

Shorting WFP in the foreign operations appropriation needlessly compromises its programs' integrity and sends other donor nations the wrong signal. I urge you to increase funding for the World Food Program over last year's levels, to respond to the heightened number of crises and to ensure that its operations are managed properly.

International Fund for Agricultural Development. Finally, the International Fund for Agricultural Development deserves your support and full funding. IFAD is one of the few multilateral institutions that has consistently focused on these problems -- and on solutions to them -- at the grassroots level.

IFAD has been a pioneer in microcredit, and its expertise is needed more than ever by Central American farmers struggling to recover from Hurricane Mitch's devastation; by Asia's rural poor, who are bearing the brunt of its financial crisis; and by former Soviet states that are pursuing a transition to democracy and open markets.

Your support will help IFAD remain a nimble and effective ally in the fight against hunger and malnutrition, and I urge you to do all you can to ensure its funding is equal to the big jobs it faces.

56-751 99 - 2

Child Survival Account

Mr. Chairman and Ms. Pelosi, you have been tremendous partners in protecting and expanding funds within the Child Survival and Diseases Account and for UNICEF. I especially appreciate your including funding for basic education within this protected account. Your increases to both have saved the lives of hundreds of thousands of children.

I disagree with the Administration's cut of $40 million from this account, and hope you will correct that shortsighted decision. I also urge you to increase basic education by $32 million.

You have my continuing support as you seek to ensure that child survival funds are used in the most effective way -- by directing more resources to traditional and proven child survival strategies, and particularly through UNICEF and the non-profit organizations on the front lines in helping poor children.

Infectious Diseases

In the area of infectious diseases, you both deserve tremendous credit for your determination to increase funding. I want to add my special thanks to you, Mr. Chairman, for adding $50 million to this account last year. I applaud your vision and offer my support for doing more, especially for the fight against tuberculosis.

As you know, we now invest about $12 million in combating the spread of TB internationally -- but the need far outstrips even that. TB is the biggest infectious killer in the world today, claiming two to three million lives every year. TB often strikes people in their most economically productive years, entrapping entire families in poverty. TB kills more women than all other causes of maternal mortality combined and it infects half of the world's refugees. A full one-third of the world's population is infected with TB -- including 15 million Americans.

TB is an airborne disease that ignores national borders. The only way to protect Americans from it is by controlling the spread of the disease abroad. Thankfully, a safe and inexpensive cure to TB exists. A six-month course of drug therapy can cure TB for as little as eleven dollars in many parts of the world -- making it one of the most cost-effective health strategies there is.

Because the need is so great and the consequences of not acting are so grave, I respectfully request that you set aside $60 million in FY2000 to jump-start TB control

programs in the 22 countries with the highest incidence of TB. That sum -- which is roughly equal to what the Federal government will spend this year to protect the city of Washington, D.C. from the Y2K computer bug -- would help stop the spread of this plague before it gains a firmer footing on American soil. However much havoc Y2K might wreak, I think we all can agree that TB's damage could be even more lasting and expensive to reverse.

Debt Relief Initiative

As you'll soon be hearing, if you haven't already, many of the churches and charities in our country are banding together to build support for relief to countries that are crippled by debt. Their payments on past debt are, on average, twice the amount that many poor countries receive in aid. They are trying to dig their way out of a hole, but even countries that have adopted sound policies are finding themselves only getting deeper.

Debt's chains block countries from making investments that could help their people help themselves. In sub-Saharan Africa, nations are making payments of $12 billion each year on old debt -- six times the amount it would take to school all African children. Few countries default on their debt, because the consequences are harsh; but when they do, it is ordinary citizens who pay the price -- including U.S. taxpayers, who make up for the tax deductions banks are permitted to take when they write down debt.

Debt relief proposals before you this year will propose diverting some payments on old debt to funds that could be invested in carefully targeted development initiaties. The President's budget provides $161 million in funding for bilateral and multilateral debt reduction initiatives. I urge you to support that, and to look for ways to respond further to the growing calls for debt relief.

Peace Corps Expansion

Another measure that will be before you soon is funding Congressman Tom Campbell's bill expanding the Peace Corps. As a volunteer and someone who frequently sees Peace Corps volunteers in action, I can tell you there are no better representatives of America's concerns, no better ambassadors for peace.

The United States soon will mark its fourth decade of bringing bright, dedicated, energetic people together, and arming them with the tools to fight poverty and build democracy. The Peace Corps is one of the best known and best loved of all of our foreign aid programs, and the line of would-be volunteers has never been longer.

Congressman Campbell's legislation would respond to the many Americans who want to serve by adding $29 million to this year's appropriation. Dollar for dollar, increasing the number of Peace Corps volunteers would be the best investment in meeting the needs of the world's poor. I urge you to support and fund his initiative.

Microcredit Projects

Microcredit is another approach that is money well spent. It leverages far more than we invest, both in financing and in goodwill. With repayment rates of some 97 percent, this seed money for hard-working people who are poor enjoys broad, bipartisan support.

As you know, the 105th Congress included language in the Omnibus Appropriations bill strongly recommending that US AID direct half of its overall microcredit funding to programs serving the very poor. This is the goal that US AID set for itself in 1994, and yet its loans to this deserving group still total just 40 percent of its overall funding for microcredit. Practitioners have found that unless the very poor are specifically targeted, they fail to receive microcredit loans -- even though they are the ones who need help the most.

I ask for your leadership in seeing that the language we adopted is put into practice by US AID; and I urge you to expand microcredit funding in FY2000 by setting aside $160 million for microcredit next year, with at least $80 million of that going to programs serving the very poor in loans under $300.

Africa Seeds of Hope Initiatives

The initiatives authorized by 1998's Africa: Seeds of Hope Act were designed to complement our country's trade and investment policies and they deserve full funding. The projects include allocating $50 million in microcredit assistance -- half of that for poor entrepreneurs.

Despite impressive gains by some countries, sub-Saharan Africa is the only place in the world where malnutrition has gotten worse since 1970. One in three young children suffers from malnutrition. One child in five still dies before age five. And half of Africa's children are not immunized against polio, tetanus and measles.

Conclusion

Mr. Chairman, Ms. Pelosi, your work is cut out for you, but I am confident that with such diligent colleagues on the job we can continue to restore America's leadership in aiding developing nations.

Your efforts are underappreciated, but they save countless lives and further America's interests, and I thank you for them.

Mr. CALLAHAN. Thank you.

No one has to be told of your true involvement in making life less miserable for millions of people throughout the world, sacrifices that you have made, the extent that you have gone to to educate yourself and this Congress with respect to the need, with respect to the total amount of foreign assistance.

I think under the circumstances, we have been as generous as we can be. We have fulfilled all of the requests I think of the administration, albeit most of it was done in the supplemental last year.

You say that we cut it back, but the administration has come to us with higher priorities with respect to foreign assistance. For example, last year they thought $18 billion was needed to provide financial relief for many countries in the Far East through the International Monetary Fund.

And I think also the administration is very shrewd. They submit to us a balanced budget. And they say: Here is a balanced budget. And we are for a balanced budget. And then at the same time, they say: Cut child survival or cut the immunization programs, cut UNICEF, or cut the basic educational part of child survival, you know, they are saying, because they know full well we are going to fund them. We are going to do the responsible thing there.

So then it is those of us who are responsible for appropriations to bust the budget. So we are disappointed, as you are, that the administration recognizes our vulnerability. And that is we are not going to deny this historical assistance to these agencies. We are going to fund them.

At the same time, we have to recognize that we are going to be allocated only a designated amount of money which we are going to have to live with. But I would say 90 percent of the programs you mentioned are not going to be decreased, even though the administration has requested the cuts.

We do have a disagreement over debt forgiveness. And certainly Nancy and I have the same type of disagreement. But what we do not want to do is to give these countries the opportunity to have a clean financial statement to be able to borrow more money to put in some Swiss bank.

We are disappointed that some of the leaders of these countries whose people are suffering are the ones responsible for the suffering because they borrowed money and now they cannot show any tracks as to how the money was spent. Now we are saying have the United States forgive all of this debt and give them an ability to borrow more money. So we have some issues that are going to have to be debated with respect to debt forgiveness.

I think when we come before your Committee for an hour, the route we are going to take with respect to rules, 90 percent of the things that you are interested in are going to receive very favorable consideration by this Committee.

Ms. PELOSI. Thank you, Mr. Chairman.

Three quick points. First I want to commend Mr. Hall for his tremendous leadership. He is indeed the conscience of this Congress, and he is so respected that his suggestions carry a great deal of weight.

Second, I want to say how pleased I was to hear his courageous statement that he thought we should separate the vote on family planning, et cetera, from our funds paying our dues to the U.N. and the other international obligations that we have. I think that was a very courageous statement for Mr. Hall to make knowing where he is coming from on that issue.

And, third, I want to say that so many times I have said in Labor-HHS, my other committee, to the people coming from the NIH: What are you doing internationally? And we have U.S. AID in here. We say: What are you doing to collaborate with the NIH and CDC about these international health issues?

This morning in the hearing on the National Institute for Allergies and Infectious Diseases, we had some breakthroughs announced about rotovirus, which kills approximately 130 million infants and babies a year. The numbers affected are so staggering.

What Mr. Porter who is the chair of that committee, and I were suggesting is that perhaps in a child survival account, we could take recognition of the scientific breakthroughs that are happening with some of these infectious diseases so that we can suggest, propose, whatever, to U.S. AID that although they said the scientific breakthroughs were a miracle, if we cannot get this out to the children, it is really a moral failure on our part.

So hopefully this Committee can be the vehicle, and similarly for tuberculosis and others. There have been at least two major breakthroughs scientifically where the only obstacle now is to spread it out to the children in need in the developing world. Fifty thousand people in the United States die of one of the rotoviruses alone, matching what it is in the developing countries.

Mr. HALL. You know, part of the program is to fund a good portion of the AID and the relationship of the drugs that they have helped fund relative to research. And some of our jungles and rain forests have really gone to save a lot of lives. And there has been tremendous breakthrough.

I mean, my son had leukemia. And he received a lot of those breakthrough drugs. I wish I could say it did him some good, but I do know that they have saved many, many children.

Mr. CALLAHAN. Thank you very much.

Mr. HALL. Thank you, Mr. Chairman.

Mr. CALLAHAN. Terry Peel?

Mr. PEEL. Thank you.

Mr. CALLAHAN. Terry, you have sat on this side of the table. You know the five-minute rule and what it means.

THURSDAY, MARCH 4, 1999.

UNICEF

WITNESS

TERRY PEEL, SENIOR ADVISOR, U.S. COMMITTEE FOR UNICEF

Mr. PEEL. Thank you very much, Mr. Chairman, Ms. Pelosi. It is nice to be back here again. I feel rather nostalgic being back on the other side of the table, though. I appreciate you letting me tes-

tify this morning in my role as a senior adviser to the U.S. Committee for UNICEF.

I want to thank this Committee for the role it has taken over the years in making UNICEF a very important issue. Because of your leadership last year, for the first time since 1993, there was an increase in funding for UNICEF. Funding was increased by $5 million.

I am disappointed to say that the administration did not follow through on that and they have actually come in with a request for $101 million, or a $4 million decrease. I am hoping that during this process, you will rectify that problem, Mr. Chairman.

Mr. CALLAHAN. Probably will.

Mr. PEEL. Good. I am glad to hear it.

A week ago today I was getting off a plane coming back from Colombia. I went down to Colombia to see what were the results of what UNICEF is doing down there in terms of the earthquake disaster. If I can just take a second, I will show you some pictures that I took. I probably should have kept my daytime job as an appropriator, instead of a photographer, but we will try it.

[Photograph.]

Mr. PEEL. You can see here this is a boy who is on top of what used to be his house. This is in the town of Armenian in Colombia. Two hundred, fifty thousand people are homeless in this area in Colombia. A hundred thousand of them are children, 1,000 people are dead, 5,000 people were seriously injured.

What really UNICEF has been able to do is to come in early with projects like this water project here and sanitation. And because of the sanitation and water projects, people have not come down with cholera, have not come down with other diseases. So the good part of this emergency situation is that UNICEF has quickly stepped in here.

[Photograph.]

Mr. PEEL. This is Maria and her brothers and sisters in front of a clean water fountain. This is their house in the background. But at least they do have clean water.

One of the projects UNICEF is dealing with is children who have been traumatized by this earthquake. They have seen families and friends destroyed and killed as buildings came down. This photograph shows a program that UNICEF has working with these traumatized children.

[Photograph.]

Mr. PEEL. This is Christian. Christian has drawn a picture here that shows a police station across from his house that collapsed, killing 40 people; a firehouse that collapsed on a woman walking by, killing her; and his vision for a new tomorrow, which is the sun and a heart. There is a better life ahead for the people in Colombia. Quite a smart kid. And he was also working with a UNICEF education project. All of the schools were destroyed in that area.

[Photograph.]

Mr. PEEL. This was a little girl, Sunyiata, who is having some milk and bananas. This is a nutrition program that UNICEF has. And they are getting supplemental feeding here. It is necessary during this disaster period when there is not enough of the right kind of food that is available every day.

[Photograph.]

Mr. PEEL. UNICEF is working with teen volunteers in this disaster area. And this happens to be a picture of two Boy Scouts. These Boy Scouts are helping to take care of a baby that was born in a temporary shelter just a few days before the picture took place. And these teens are working with the little kids in the area, education, and all kinds of different things on a volunteer basis.

The Girl Scouts, Boy Scouts, and volunteer teenagers wear T-shirts, that say, "Return to Happiness". So they are trying to get people in the right frame of thinking about what happens after this disaster is over.

Well, the reason I brought these pictures to tell you about these things is because this is the kind of work that UNICEF is able to do because of the United States contribution to UNICEF. Without a solid contribution to the general fund for UNICEF, UNICEF would not be able to do the kind of operations that you see here.

Mr. Chairman, the American people do not want to see children dying of preventable diseases. And even though UNICEF has been able to save 2.5 million children a year from diseases that are preventable and tens of millions of children have better health, the situation is still very dangerous.

Twelve million children a year die of preventable diseases. A hundred, sixty million children are malnourished around the world. That is the situation that we need to take care of. And that is why I urge you today to consider and to provide UNICEF with $110 million this fiscal year so they can move toward obtaining the goals of the World Summit for Children. If we work together with UNICEF, we can help the most disadvantaged children around the world.

And I think if we do that, we will, in fact, do what these teens are saying on their t-shirts. It will give us the opportunity to "return to happiness."

Mr. CALLAHAN. I do not know that we can pursue your request for 110, but we are going to facilitate your request more favorably than the administration did.

You mentioned Colombia. Just roughly, how much money did UNICEF spend in Colombia——

Mr. PEEL. Well, I think——

Mr. CALLAHAN [continuing]. As a result of the earthquake?

Mr. PEEL. I think that they probably spent less than a million dollars on all of these things.

Mr. CALLAHAN. What about Nicaragua and Honduras?

Mr. PEEL. I do not know how much. I would have to find that out.

[The information follows:]

As of May 1, 1999, UNICEF had expanded the following amounts: Nicaragua $2,800,000; Honduras $1,972,174.

Mr. CALLAHAN. Were they active there?

Mr. PEEL. Yes. They are active in all locations. In Colombia, they were particularly active because they were the first people in because they have a very active program in this area of Colombia. And they were able to bring in portable sanitation facilities and water pipes and help with the housing situation.

People are living in cattle barns there. Whole towns that I saw were just completely flat. Just drive into town. It is just crumpled buildings.

Mr. CALLAHAN. Well, we appreciate your testimony and sure know you still have great respect, have more respect now than you had when you were there. [Laughter.]

Mr. PEEL. Thank you, Mr. Chairman.

[The information follows:]

United States Committee for
unicef
United Nations Children's Fund

Office of Public Policy
and Advocacy
1775 K Street, N.W.
Suite 360
Washington, D.C. 20006
(202) 296-4242
Fax (202) 296-4060

STATEMENT OF TERRY R. PEEL

SPECIAL ADVISER

UNITED STATES COMMITTEE FOR UNICEF

BEFORE THE SUBCOMMITTEE ON FOREIGN OPERATIONS,

EXPORT FINANCING, AND RELATED PROGRAMS

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 4, 1999

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you today in my capacity as Special Adviser to the U.S. Committee for UNICEF.

Before I discuss the request for FY 2000, I first want to thank the Subcommittee for directing the Administration in FY 1999 to provide the first increase in the U.S. Government's voluntary contribution to UNICEF's general resources since FY 1993. This Subcommittee has consistently worked to make the well-being of children a priority of U.S. international assistance.

I am disappointed to say that instead of building upon the efforts of this Subcommittee, the Administration has proposed to reduce the contribution to UNICEF by $4 million in FY 2000, taking it back to a level of $101 million. This is particularly troubling when the Administration is seeking an increase of $1.5 billion overall in core international affairs programs. Why can't a small portion of that funding go to UNICEF's work for vulnerable children?

The Administration's budget request for UNICEF is going in the wrong direction. It fails to take into account both the progress that has been made, and the challenges that remain, to make the goals of the 1990 World Summit for Children a reality for children around the world.

This Subcommittee understands that the contribution to UNICEF saves children's lives. Through UNICEF-led efforts, each year 2.5 million children's lives are saved, and tens of millions lead healthier, more productive lives.

Over 80 percent of children in developing countries are being covered by immunization services. This is preventing deaths associated with neonatal tetanus and measles deaths.

Oral rehydration therapy now is used in the vast majority of diarrhea cases among children, saving the lives of 1.5 million children every year. Acute respiratory infections, the second major childhood killer after diarrhea, are now being combated through programs in two-thirds of the countries where pneumonia is a major problem.

Despite these remarkable achievements, progress must be accelerated if the targets agreed at the World Summit for Children are to be met at the global level. Every year, an estimated 12 million children under the age of five years die, mostly of easily preventable causes. About 160 million children are severely or moderately malnourished.

The American people don't want children to die preventable deaths. Acknowledging this, the Subcommittee has provided the leadership to direct foreign assistance dollars to UNICEF and to bilateral programs that support child survival. The funding provided to UNICEF in FY 2000 will help UNICEF to intensify its efforts to reduce under-five and maternal mortality. This will be done by focusing on preventative health and nutrition interventions like immunization, hygiene, sanitation, and micronutrient supplementation.

Mr. Chairman, UNICEF is also being called upon to meet the needs of children in humanitarian emergencies. Part of UNICEF's mandate is to provide special protection for the most disadvantaged and defenseless children, including victims of war, internal conflict, and natural disasters. Indeed, UNICEF was first created in 1946 to meet the emergency needs of children in war-torn Europe and China.

Only four years ago, UNICEF was working in some 15 countries gripped by humanitarian crises. Today that number has risen to more than 55 countries. Examples include Angola, Sierra Leone, Democratic Republic of the Congo, Rwanda, Sudan, Afghanistan, Indonesia, and Kosovo. UNICEF is responding to natural catastrophes like the hurricanes that struck parts of Central America and the Caribbean, as well as the earthquake that hit Colombia.

Mr. Chairman, last week at this time I was just returning from a trip to see the results of the earthquake in Colombia. UNICEF has played an important part in that relief effort helping the more than 250,000 people made homeless by the disaster – more than 100,000 of whom are children.

I can tell you first-hand that UNICEF's quick action in providing sanitary facilities, water and supplemental food for children stopped further devastation. Without this assistance, families and especially children would have been subject to cholera, other diseases and malnutrition.

UNICEF is also helping children in Colombia return to a normal life by assisting with the trauma they have witnessed and providing them educational opportunities while schools are rebuilt and opened.

There are virtually whole villages near the center of the earthquake that have been destroyed. My visit was focused in the area of the City of Armenia. To see children looking through the rubble of their former house, or hear them tell of the blood they saw when buildings crushed friends and family, is very dramatic.

One of the most effective means of dealing with the trauma is a low-cost volunteer system UNICEF has developed. UNICEF trains Girl Scouts, Boy Scouts and other teens who then go out into the community to work with the children who are living in tents and other temporary structures. The children like these teenagers, and the teenagers are learning a great deal from the experience.

The funding this Subcommittee provides for the UNICEF general fund allows UNICEF to step in and help children in an emergency situation. Children's lives have been saved and others will be better off because of the funding UNICEF has used in Colombia. In my opinion it is money well spent.

My trip to Colombia underscored for me that UNICEF is getting the job done and is making excellent use of the funding this Subcommittee has provided.

As you know, UNICEF is unique among the voluntary agencies of the United Nations in that it receives about one-third of its budget from the private sector. The funding the United States Government provides helps to leverage the private sector fundraising for UNICEF in the United States, spurring the efforts of organizations like Kiwanis International that have formed fundraising partnerships with UNICEF.

The Administration's request for UNICEF for FY 2000 does not do justice either to UNICEF's excellent record or to the needs of children that UNICEF is

called upon to meet. When it comes to protecting and promoting international children's programs, this Subcommittee provides the leadership.

On behalf of the citizens across our country who care deeply about UNICEF's essential work for the world's children and the children, like the ones I met in Colombia, who benefit from this work, I respectfully urge you to provide $110 million as the U.S. Government's voluntary contribution to UNICEF in FY 2000. InterAction joins with other U.S. supporters of UNICEF in requesting that the Subcommittee take this action. This step will enable UNICEF to move closer to its goals of helping the most disadvantaged children around the world.

Thank you.

Ms. PELOSI. Thank you, Terry, for your beautiful presentation. Last time, remember, Mr. Chairman, when we went to the luncheon, he had the pictures from Africa. I think there is going to be a book at the end of this, "Terry Peel: Children of the World." It speaks so eloquently to your compassion and your great leadership and effectiveness.

Mr. CALLAHAN. Thank you, Terry.

Mr. PEEL. Thank you.

THURSDAY, MARCH 4, 1999.

MICRO CREDIT

WITNESS

HON. BILL LUTHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. CALLAHAN. Mr. Luther? Welcome. As you probably heard, we do enforce the five-minute rule, but we are a little bit more generous with members. But we do have a long agenda. We will accept your written statement for the record.

Mr. LUTHER. Thank you very much, Mr. Chairman. I will be as brief as possible. And thank you very much, members, for all of the good work that you do on this Committee. I am aware of that, and I enjoyed listening to some of the testimony here today.

[Photograph.]

Mr. LUTHER. I am here today to voice my support for an initiative which is funded within this budget. As you know better than anyone, micro credit is the process of providing very small loans to very poor people for the start-up or expansions of small business ventures. And I know you have heard it, high repayment rates, 95 percent and above, that micro enterprise programs enjoy. And the cost efficiency of the program says they recycle previous foreign aid dollars.

What I want to do is emphasize the fact that micro credit allows borrowing families to protect and provide for their children, much as child survival funds do. Most micro credit borrowers are women who reinvest the money they have saved from their micro credit ventures in their family's health and basic education.

Micro credit is a proven method of ending the worst aspects of poverty in some of the most destitute places in the world. Unfortunately, despite its proven track record, micro credit has not been utilized to its full potential.

Funding for micro credit within the United States Agency for International Development has not kept pace with the growing capacity to lend. According to a number of practitioners, capacity for expanded micro credit work exists in Latin America, Asia, and, especially Africa.

In addition, despite the fact that U.S. AID set the goal in '94 of directing half of all overall micro enterprise funds to programs serving the poorest people in loans of 300 or less by the end of '96, only about 41 percent is currently reaching this target population.

I know you are in a difficult position on this Committee, but I ask that you consider protecting and expanding funding for micro credit in Fiscal Year 2000 and especially that you protect micro

credit funding for the very poor in loans of 300 or less. Specifically, I would ask that you set aside 160 million for micro credit next year with at least half of that amount, again, 80 million, directed toward programs that serve the poorest people in the world.

Thank you, Mr. Chairman, members, for considering my request.

[The information follows:]

BILL LUTHER
SIXTH DISTRICT, MINNESOTA
ANOKA, WASHINGTON AND CENTRAL DAKOTA COUNTIES

COMMITTEE ON COMMERCE
SUBCOMMITTEE ON TELECOMMUNICATIONS, TRADE AND CONSUMER PROTECTION
SUBCOMMITTEE ON FINANCE AND HAZARDOUS MATERIALS

REGIONAL WHIP

Congress of the United States
House of Representatives
Washington, D.C. 20515-2306

117 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-2306
(202) 225-2271
FAX (202) 225-3368

1811 WEST DRIVE
SUITE 150
WOODBURY, MN 55125
(651) 730-4949 (V/TTY)
FAX (651) 730-0507

tell.bill@mail.house.gov
http://www.house.gov/luther

Statement of Rep. Bill Luther
Foreign Operations Subcommittee
Open Witness Hearings
March 4, 1999

Thank you Mr. Chairman and Members of the Subcommittee for providing me the opportunity to testify before you today.

I would like to begin by thanking you for your steadfast protection of child survival funding each year and especially for increasing funding for the Child Survival and Diseases Account by $50 million in 1998. You have been a great leader on this issue and I am grateful for the millions of young lives around the world you have impacted for the better. Thank you also for your strong support for funding of UNICEF and tuberculosis control.

I am here today to voice my support for another initiative which is funded within your foreign aid budget. As you know, "Microcredit" is the process of providing very small loans to very poor people for the start up or expansion of small business ventures. I know you have heard about the high repayment rates - 95 percent and above - that microenterprise programs enjoy, and the cost-efficiency of the programs as they recycle precious foreign aid dollars. But I would like to emphasize the fact that microcredit allows borrowing families to protect and provide for their children, much as child survival funds do. Most microcredit borrowers are women who reinvest the money they save from their microcredit ventures in their families' health and basic education.

Microcredit is a proven method of ending the worst aspects of poverty in some of the most destitute places in the world. Unfortunately, despite its proven track record, I do not believe that microcredit has been utilized to its full potential. Funding for microcredit within the United States

Agency for International Development has not kept pace with the growing capacity to lend. According to a number of microcredit practitioners, capacity for expanded microcredit work exists in Latin America, Asia and especially Africa. In addition, despite the fact that USAID set the goal in 1994 of directing half of overall microenterprise funds to programs serving the poorest people in loans of $300 or less by the end of 1996, only about 41 percent is currently reaching this target population.

As appropriators, you have the unenviable task of having to decide which programs will be prioritized within the foreign aid budget. I know that you are in a difficult position, but I ask that you consider protecting and expanding funding for microcredit in fiscal year 2000, and especially that you protect microcredit funding for the very poor in loans of $300 or less. Specifically I would ask that you set aside $160 million for microcredit next year, with at least half of that amount ($80 million) directed toward programs that serve the poorest people in the world.

Thank you Chairman Callahan and Members of the Subcommittee for considering my request.

Mr. CALLAHAN. Thank you, Bill.

What did the administration request for micro credit this year?

Mr. LUTHER. Similar to last year.

Mr. CALLAHAN. One thirty-five? What did we do last year?

Mr. LUTHER. One thirty-five.

Mr. CALLAHAN. One thirty-five last year?

Mr. LUTHER. That is correct.

Mr. CALLAHAN. And then the administration has requested 135 this year?

Mr. LUTHER. That is correct.

Ms. PELOSI. Mr. Chairman?

Mr. CALLAHAN. Yes?

Ms. PELOSI. If I may say that the gentleman's request is, an excellent one and a reasonable one because I do believe that there is the absorptive capacity among the NGOs serving the countries and continents that were suggested to absorb and to make these loans. I hope that we could get a higher figure than 135.

Mr. CALLAHAN. Thank you.

It certainly is a program that this Committee is very supportive of.

Mr. LUTHER. Yes. I am aware of that. And I thank you for that. And I think that 50 percent target for the poorest of the poor if that could be employed again——

Ms. PELOSI. Very important.

Mr. LUTHER. I appreciate that so much. Thank you.

Mr. CALLAHAN. Thank you.

Any questions?

[No response.]

Mr. CALLAHAN. Thank you very much.

Mr. LUTHER. Thank you.

Mr. CALLAHAN. No other members are here. All right. We will go first to Ms. Austin, Joyce Austin with Helen Keller Foundation. Ms. Austin? Good morning to you.

Ms. AUSTIN. Good morning.

Mr. CALLAHAN. We will accept your statement for the record.

Ms. AUSTIN. Thank you very much.

THURSDAY, MARCH 4, 1999.

FUNDING FOR BLIND CHILDREN AND VITAMIN A PROGRAMS

WITNESS

JOYCE AUSTIN, MEMBER, BOARD OF TRUSTEES, HELEN KELLER INTERNATIONAL

Ms. AUSTIN. Mr. Chairman, members of the Committee, I am pleased to be here today representing Helen Keller International. The specific purpose of my appearance before the Subcommittee is twofold. First, I want to encourage you to include language supporting funding for blind children in your Committee report. And, second, I want to encourage continued funding for Vitamin A programs.

As a member of the Board of Trustees of Helen Keller International, I am also here to illustrate some of the important work

that we are doing to help blind children around the world and to prevent others from going blind.

Helen Keller International is a United States-based private, voluntary organization once guided by and now dedicated to the spirit of Helen Keller. It has been a world leader in blindness prevention and rehabilitation since 1915 and currently manages activities in over 30 countries throughout Asia, Africa, and the Americas.

In addition to my service with Helen Keller International, I am a lawyer and a retired executive with the NAFTA Process Planning and Coordinating Organization in New York City, where I still reside.

Moreover, through my earlier city, state, and federal government experience, I have seen great strides in the appropriation process. And I am aware of how important it is for private citizens to become involved.

Mr. Chairman, I want to thank the Committee for the dedication it has displayed on behalf of children. Your previous support of child survival and of blind children, in particular, has had a lasting impact on many lives. Specifically, as a result of cataract funding received by Helen Keller, over 1,000 children have benefitted from sight-restoring surgeries, which means that you have helped avert over 50,000 years of blindness. This important work must continue.

According to the World Health Organization, there are 1.5 million blind children, 7 million children suffering from low vision, and 10 million children with refractive errors throughout the world. It is estimated that 500,000 more children go blind each year. That is one child for every minute of every day. Unfortunately, many of these children also die before they reach maturity. The causes of childhood blindness vary from place to place and change over time.

Cataracts and Vitamin A deficiency are among the major culprits. Thanks to the Committee's recommendation in previous years, progress has been made. For example, Helen Keller International was able to help the Ministry of Health in Morocco establish two childhood blindness centers. These centers have served as a model for 13 additional centers that have been established in Mexico, the Philippines, South Africa, and Bangladesh, thus serving children on three continents.

Surgical technology and expertise offer children afflicted with cataracts a chance to progress from darkness into the light. As parents and their children see the surgical interventions and consistent followup care can open up doors to mainstream schools and improve quality of life, demand for these services will increase.

In addition to our work fighting cataracts in children, Helen Keller also has a long history of partnership and success working with U.S. AID to combat nutritional blindness, an enormous problem that is prevalent in the developing world.

It is estimated that 250 million children of preschool age around the world lack sufficient Vitamin A in their diet. Two million of these children will die each year, and 350,000 will become blind.

This tragedy can be combatted either by distributing capsules of Vitamin A, fortifying foods or promoting the consumption of Vitamin A-rich foods through gardens and education. Restoring adequate Vitamin A stores to these 250 million children will not only

prevent blindness, but it will also reduce the numbers who subsequently die of infectious disease by almost one-quarter.

Helen Keller International was instrumental in the effort that demonstrated the relationship between Vitamin A, saving sight, and saving lives. As a result, we began capsule distribution in the 1970s and since 1987 have distributed over 12 million Vitamin A capsules. Helen Keller International continues to remain at the forefront of the development of innovative programs to help children save their sight.

Mr. Chairman, I would like to thank the Committee for your attention to this important issue. Together through the implementation of these simple, cost-effective health interventions, we can dramatically improve the vision and save the lives of many children around the world.

As a member of the Board of Trustees of Helen Keller International, I am acutely aware of the need for support of blind children. In the past, you have recommended one million dollars in child survival funds to be used for children who are blind. I respectfully urge you to support that level of funding in your Committee report for the year 2000.

Thank you for your consideration.

[The information follows:]

HELEN KELLER
INTERNATIONAL

RULE XI STATEMENT

In accordance with Rule XI of the Rules of the House of Representatives, Helen Keller International states that its witness has not received any Federal grant or contract during the current fiscal year or either of the two previous fiscal years. The entity represented by the witness, Helen Keller International, has received grants totally approximately $1,403,381 during the current fiscal year, approximately $20,303,516 during fiscal year 1998, and $5,199,000 during fiscal year 1997. The grants were related to programs for blind children and for programs to prevent blindness.

JOYCE PHILLIPS AUSTIN

510 East 23rd Street
New York, NY 10010

Curriculum Vitae

Place of Birth: New York City; Widow

Education: New York City Public Schools; Hunter College, BA: Fordham University School of Law, JD

Professional Experience:
Member of New York Bar-Retired
Formerly, Executive Vice-President, Federation of Protestant Welfare Agencies
Assistant Director, Sheltering Arms Children's Service
Executive Assistant to Regional Director, N.E. Regional Office, Office of Economic Opportunity
Assistant to the Mayor (Robert F. Wagner) City of New York
Assistant Deputy Commissioner, NYS Department of Commerce*
Executive Secretary, New York Woman's Council, NYS Department of Commerce*
Attorney Advisor, Regional Counsel's Staff, Office of Price Stabilization

*"On Loan" to the Governor's Counsel for work on legislation during the 30 Day bill periods

Current Memberships:
American Bar Association; New York County Lawyers Association; Fordham Law Alumni Association
Parish of Trinity Church, Wall Street
Board, Helen Keller International
Board, The Consortium of Endowed Episcopal Parishes
Chair, Social Responsibility in Investments Committee, Episcopal Church of the United States of America
Member, Economic Justice Loan Committee, Episcopal Church in the United States of America
Member, The Friends of CUNY (City University of New York)
Member, The Cosmopolitan Club, The National Arts Club

Awards:
Hunter College, Hall of Fame
Episcopal Diocese of New York, The Bishop's Cross
Federation of Protestant Welfare Agencies, The Keystone Award
The City College, CUNY, The John H. Finley Award of the Associate Alumni
Fordham University School of Law, The Louis J. Lefkowitz Public Service Award

2/99

HELEN KELLER
INTERNATIONAL

STATEMENT BY

JOYCE PHILLIPS AUSTIN
MEMBER, BOARD OF TRUSTEES
HELEN KELLER INTERNATIONAL

BEFORE THE

SUBCOMMITTEE ON FOREIGN OPERATIONS
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 4, 1999

Joyce Phillips Austin, Helen Keller International, March 4, 1999

Mr. Chairman, I am pleased to be here today representing Helen Keller International. The specific purpose of my appearance before the Subcommittee is twofold. First, I want to encourage you to include language supporting funding for blind children in your Committee report and, second, I want to encourage continued funding for vitamin A programs. As a member of the board of trustees of Helen Keller International, I am also here to illustrate some of the important work that we are doing to help blind children around the world, and to prevent others from going blind.

Helen Keller International is a United States-based private voluntary organization once guided by – and now dedicated to the spirit of – Helen Keller. It has been a world leader in blindness prevention and rehabilitation since 1915 and currently manages activities in over thirty countries throughout Asia, Africa and the Americas. In addition to my service with Helen Keller International, I am a lawyer and a retired executive of a not-for-profit planning and coordinating organization in New York City where I still reside. Moreover, through my earlier city, state and federal government experience I have seen both sides of the appropriations process and am aware of how important it is for private citizens to become involved.

Mr. Chairman, I want to applaud the Committee for the dedication it has displayed on behalf of children. Your previous support of Child Survival, and of blind children in particular, has had a lasting impact on many young lives.

Specifically, as a result of cataract funding received by Helen Keller International, over 1,000 children have benefited from sight-restoring surgeries, which means that you have helped avert over 50,000 years of blindness. This important work must continue.

According to the World Health Organization there are 1.5 million children affected by blindness, 7 million children suffering from low vision and 10 million children with refractive error throughout the world. It is estimated that 500,000 more children go blind each year – that is one child for every minute of every day. Unfortunately, many of these children also die before they reach maturity.

The causes of childhood blindness vary from place to place and change over time: Cataract and vitamin A deficiency are among the major culprits. Thanks to the Committee's recommendation in previous years progress has been made. For example, Helen Keller International was able to help the Ministry of Health in Morocco establish two Childhood Blindness Centers for cataract surgery, outcome monitoring and low-vision assistance. These Centers have also served as a model for 13 additional centers that have been established in Mexico, the Philippines, South Africa and Bangladesh, thus serving children on three continents.

These centers are equipped with essential medical instruments for pediatric ophthalmology and bring together a network of local professionals, including, ophthalmologists, optometrists, opticians, the Ministry of Health, and various NGOs. They allow local ophthalmologists to receive training in childhood cataract

surgery according to an accepted global protocol. Doctors and nurses also learn to detect and refer childhood cataract cases for treatment. And children receive comprehensive, long-term follow-up care, corrective eyewear, and low vision aids from these centers as well. Small stipends are available to the parents of patients, for transportation and overnight lodging; thereby, eliminating two major obstacles to surgery and follow-up care.

Surgical technology and expertise offers children afflicted with cataract a chance to progress from darkness into the light. As parents and their children see that surgical interventions and consistent follow-up care can open doors to mainstream schools and improve quality of life, demand for these services will increase.

Dr. Sergio Ruiz, the pediatric ophthalmologist who coordinates our Childhood Blindness Initiative in Mexico, explains that when kids have congenital cataract, they are very quiet, they sit still, and they seem afraid to move around a lot. In contrast, after they have surgery, they "get wild" and are soon running around just like the other kids. He says, "It is a very remarkable change in their lives."

I wish I could introduce you in person to one of the young people whose sight you have helped us restore. But I will try through words. Zachariua lives with his parents and eight brothers in Morocco on the outskirts of a small town called Mechra Bel Ksiri. This town is in an area that has no water system or electricity. In

1996 when Zachariau was four years old his parents began to notice that he was having difficulty seeing. His oldest brother had already been operated on for congenital cataract so they consulted the ophthalmological service in Rabat. The doctors diagnosed him with the same condition as his brother and subsequently performed a successful cataract removal operation on him using a virectomy machine that had been provided by Helen Keller International. His parents later explained that they experienced "great relief" when Zachariau recovered his sight.

In addition to our work fighting cataract in children, Helen Keller International also has a long history of partnership and success working with USAID to combat nutritional blindness, an enormous problem that is prevalent in the developing world. It is estimated that 250 million children of pre-school age around the world lack sufficient vitamin A in their diet. Two million of these children will die each year and 350,000 will become blind.

This tragedy can be combated either by distributing capsules of vitamin A, fortifying foods or promoting the consumption of vitamin A-rich foods through gardens and education. Restoring adequate vitamin A stores to these 250 million children will not only prevent blindness, but it will also reduce the number who subsequently dies of infectious disease by almost one-quarter.

Helen Keller International was instrumental in the effort that demonstrated the relationship between vitamin A, saving sight and saving lives. As a result, we began capsule distribution in the 1970s and since 1987 have distributed over 12

million vitamin A capsules. Helen Keller International continues to remain at the forefront of the development of innovative programs to help children save their sight.

As I have mentioned, refractive error negatively impacts over 10 million children around the world. To address this increasingly dramatic and widespread problem, Helen Keller International developed the ChildSight® Program. ChildSight® provides screenings, refractions, and eyeglasses to children in need of improved vision. This cost-effective program began in Brazil in 1993 as a result of our "cataract free zones" and has since expanded to include entire states and provinces in Mexico and Morocco. From 1995 through 1997, over 90,000 Mexican and Moroccan children have had their vision screened and 5,500 have received prescription eyeglasses at no cost to their families.

In conclusion, Mr. Chairman, I'd like to thank the Committee for your attention to this important issue. Together through the implementation of these simple cost-effective health interventions we can dramatically improve the vision and save the lives of many, many children around the world. As a member of the board of trustees of Helen Keller International, I am acutely aware of the need for support of blind children. In the past you recommended $1,000,000 in Child Survival funds be used for children who are blind. I respectfully urge you to support that level of funding in your Committee report for the year 2000.

Thank you for your consideration.

Mr. CALLAHAN. Thank you, Ms. Austin.

And thank you for volunteering to serve on this board. As you know, Helen Keller has strong roots in Alabama, my home state. And this Committee, as you are well-aware, is very sympathetic to the causes that you represent. And I see no reason why the Committee will not continue to do as it has in the past to make the recommendations as to child survival.

Ms. AUSTIN. Thank you. It is an honor to serve on the Board of Helen Keller and an honor to be present today. Thank you.

Mr. CALLAHAN. I sleep well at night knowing all of these people who would be suffering for years to come now have sight. And with such rapid advancement of technology and research now to correct vision deficiencies, your work is going to be even more rewarding in the near future.

Ms. AUSTIN. Thank you.

Mr. CALLAHAN. Any questions?

[No response.]

Mr. CALLAHAN. Thank you very much.

THURSDAY, MARCH 4, 1999.

GLOBAL CAMPAIGN TO ERADICATE POLIO

WITNESS

HERBERT A. PIGMAN, ROTARY INTERNATIONAL

Mr. CALLAHAN. Mr. Pigman, welcome. Good to see you, sir. Rotary International. We will accept your statement for the record and tell you that I talked the other night with your Rotary people in Mobile and former chairman of I guess the national Rotary there. And we also have communications occasionally with one of your predecessors, Mr. Herb Brown of Tampa.

The Committee is very supportive of your program. It is a model for other service organizations to copy. We congratulate you.

And I mentioned the last time I spoke to the Rotary Club in Mobile when they gave me the Paul Harris Award, every year you come before my Committee you give me a map. And every year, the map gets greener and greener because those are the areas where you have helped to eliminate polio.

So welcome to the Committee.

Mr. PIGMAN. Thank you, Mr. Chairman and members of the Committee.

I did bring my map.

Mr. CALLAHAN. Yes, you did. It is not green now; it is red.

Mr. PIGMAN. It is diminishing red.

Well, the global campaign to eradicate polio continues to be one of the great success stories in public health. And the funding which this Committee has provided to U.S. AID for the past three years has played a very significant role in that.

And I am here on behalf of Rotary and its 400,000 members in the United States as well as a coalition here in the United States comprising UNICEF, Committee for U.S. AID, March of Dimes, Academy of Pediatrics, and the Task Force for Child Survival to ex-

press the hope that your Committee can provide that level of funding for Fiscal Year 2000.

[Chart.]

Mr. PIGMAN. This was the situation in 1988 when the global campaign to eradicate this disease was launched, the only polio virus circulated on all continents at that time. And after concerted effort, here is the picture today with polio confined, essentially, to South Asia and to sub-Saharan Africa and just one part of Europe, the border at Iran, Iraq, Syria, and Turkey. So if the necessary resources are provided on a timely basis, it looks very probable that the target year of 2000 can be achieved.

[Chart.]

Mr. PIGMAN. Here is a brief time line for that. We are dealing with some 39 to 50 polio-endemic nations at the moment. We expect that by June of this year, polio will be eliminated from the last European focus. And that means that the Americas, the Western Pacific, China, and all of Europe will be free of this virus.

By the end of '99, we expect it to be eliminated from East Africa; by June 2000, West Africa, French-speaking Africa, free; and then by December 2000, which is the target date, the countries in question are Nigeria, Democratic Republic of Congo, and Angola, two of those because of conflict situations.

[Chart.]

Mr. PIGMAN. The major reservoirs today are shown here. They are South Asia, Nigeria, Ethiopia, and Democratic Republic of Congo. In addition, there are about eight conflict countries. But the record shows that in conflict countries, it has often been possible to establish cease fires. That has been done on 15 different occasions, enabling polio vaccine to be distributed through national immunization days across the front lines. Last year 450 million children were reached by immunization days, three-quarters of the world's children under 5.

The funding picture for the next three critical years shows the very substantial input by the United States. The United States is fueling this program from a donor nation standpoint. It has provided 40 percent of the external funding needs for the past 3 years.

We expect this shortfall of $370 million to be made up through a combination of sources, including the possibility of a global appeal to the private sector, corporations, foundations, individuals.

I will leave for you, Mr. Chairman, this chart of polio-specific grants.

[Charts.]

Mr. PIGMAN. It shows the 40 percent United States contribution but also shows that Australia, Belgium, Canada, Denmark, Finland, Germany, Italy, Japan, Korea, Netherlands, and about six other countries are buying into this global strategy.

There are also very strong indications by the new Director General of WHO, Harlem Brundtland, that this is one of her priorities, along with malaria and tobacco. And that new leadership is having a very positive effect on the accelerated strategy to defeat this disease.

The United States is spending $230 million a year to protect its infants against the importation of this virus. That money will be saved when we can cease immunization, which is expected to be

sometime after certification of the demise of the virus about the year 2005.

It will be the second disease to be eradicated from the planet. And the first one was smallpox, as you know, 1979. The savings from that eradication now approach $20 billion.

So this is an excellent investment. And we commend to you and your Committee continued wonderful support through the U.S. AID, which is doing an excellent job deploying its money in Asia and in Africa.

[The information follows:]

ROTARY INTERNATIONAL

THE ROTARY FOUNDATION

One Rotary Center
1560 Sherman Avenue
Evanston, IL 60201-3698 USA

Testimony of

Herbert A. Pigman

Chairman, Polio Eradication Advocacy Task Force

Rotary International

Before the

Committee on Appropriations

Subcommittee on Foreign Operations,
Export Financing, and Related Programs

United States House of Representatives

4 March 1999

Phone: 847-866-3000 FAX: 847-328-8554

Chairman Callahan, Congresswoman Pelosi, members of the Subcommittee, thank you for this opportunity to testify on behalf of Rotary International in support of the polio eradication activities of the U.S. Agency for International Development. Rotary International is a global association of more than 29,000 Rotary clubs, with a membership of over 1 2 million business and professional leaders in 159 countries. In the United States today there are some 7,500 Rotary clubs with 400,000 members. All of our clubs work to promote humanitarian service, high ethical standards in all vocations, and international understanding.

Today we speak on behalf of a broad coalition of child health advocates, including Rotary, the March of Dimes Birth Defects Foundation, the American Academy of Pediatrics, the Task Force for Child Survival and Development, and the U.S. Committee for UNICEF, to seek your continued support for the global program to eradicate polio Allow me first, on behalf of Rotary International and our coalition, to express our sincere gratitude For the past three years, you have recommended that $25 million be allocated for the polio eradication activities of the Agency for International Development, and the full Congress has ratified your recommendations

This investment has made the United States the leader among donor nations in the drive to eradicate this crippling disease The target year is 2000 for eradication, with certification by 2005.

Fewer than two years remain to defeat this disease in the 50 nations where the polio virus still causes death and disability. The eradication of polio, achieved through your leadership, will not only save lives, but will also save our country's financial resources.

ERADICATING POLIO WILL SAVE THE UNITED STATES AT LEAST $230 MILLION ANNUALLY

Last year the Chairman of the House Committee on International Relations commissioned the General Accounting Office to investigate the soundness of WHO cost estimates for the eradication or elimination of seven infectious diseases. The GAO concluded that the eradication of smallpox has saved the United States some **$17 billion** to date. The United States was a major force behind the successful eradication of the smallpox virus, and has recouped its entire investment in smallpox eradication every 2 1/2 months since 1971. Even greater benefits will result from the eradication of polio.

Although polio-free since 1979, the United States currently spends at least $230 million annually to protect its newborns against the threat of importation of the polio virus, in addition to its investment in international polio eradication. Globally, over 1.5 billion US dollars are spent annually to immunize children against polio. This figure does not even include the cost of treatment and rehabilitation of polio victims, nor the immeasurable toll in human suffering which polio exacts from its victims and their families. Once polio is eradicated and immunization against it can be discontinued, tremendous resources will be unfettered to focus on other health priorities.

PROGRESS IN THE GLOBAL PROGRAM TO ERADICATE POLIO

Thanks to your appropriations, the international effort to eradicate polio has made tremendous progress during the past two years.

- For 1998, it is expected that only about 4,000 polio cases will be reported, this despite rapid improvements in the ability to detect polio cases. Worldwide, reported cases have decreased from over 38,000 cases in 1985--a decline of over ninety percent! Acute Flaccid Paralysis (AFP) surveillance, which is critical to the process of certification of a polio-free world, is improving, and health authorities in polio-endemic countries are better able to assess the challenges remaining to eradication.

- In 1985, when Rotary began its PolioPlus Program, 100 nations suffered under the burden of polio. Today only half that number remain polio-endemic.

- The global eradication strategy is working. Some seventy-five countries conducted NIDs in 1998, immunizing over 450 million children against polio--nearly 75% of the world's children under the age of five.

- During its third year of NIDs, India was able to immunize over 130 million children on one day - the largest public health event in history. Pakistan, Bangladesh, and other neighboring countries coordinated their NIDs with India's to achieve the maximum effect over the entire region.

- Despite economic difficulties and civil conflict, more than 40 African countries conducted National or Sub-National Immunization Days during 1997/1998, as part of the continent-wide "Kick Polio Out of Africa" campaign championed by South African President Nelson Mandela, reaching nearly 70 million children. Polio-free zones are emerging in both Northern and Southern Africa.

- With the help of the world community, all remaining polio-endemic nations, including those in the midst of severe civil conflict, have now started down the path to polio eradication by undertaking NIDs or Sub-National Immunization Days.

- The three-year "Operation MECACAR" (Middle East, Caucasus, Central Asian Republics) immunization campaign has been deemed a success, virtually eliminating polio from 19 contiguous countries stretching from the Middle East to Russia. For 1998, polio cases reported from WHO's European region have been confined to Southeastern Turkey.

- China has reported no laboratory-confirmed indigenous polio cases for three years, and what was hopefully the last case of polio in the entire Western Pacific was detected in Cambodia in March 1997. We and our partners believe that the Western Pacific can be certified polio-free early in the year 2000.

THE ROLE OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID was one of the driving forces behind the eradication of polio in Latin America and the Caribbean. Since the certification of polio eradication in the Americas in 1994, AID has turned its attention to the polio-endemic countries of Africa and Asia, and to finding ways to use American expertise to enhance immunization services globally. A major breakthrough was the development of the heat-sensitive vaccine vial monitor, which is saving an estimated $10 million annually by reducing vaccine wastage. AID developed the monitor in conjunction with a private US firm, at the request of World Health Organization and UNICEF, and it is now used on every vial of oral polio vaccine produced world-wide.

In April 1996, with the support of the 104th Congress and in response to the strong urging of your Subcommittee, AID launched its own Polio Eradication Initiative, to coordinate agency-wide efforts to help eradicate polio by the year 2000. For the past three years, despite decreases in the overall Child Survival budget, Congress has directed that $25 million be devoted to AID's international polio eradication efforts. Some of AID's achievements last year, and their planned Polio Eradication Initiative activities in 1999, include:

- As in FY 1998, AID's Africa Bureau will provide $16 million in 1999 for the Polio Eradication Initiative in Africa. These funds will flow through WHO, UNICEF, and BASICS for NID operational support, surveillance, communication, social mobilization, planning, training, evaluation and cold chain in approximately 23 countries. In 1999, special attention will again be given to polio eradication efforts in the Democratic Republic of the Congo. AID is also concentrating its financial and technical resources on the other major reservoirs of polio in Africa, including Angola, Ethiopia, and Nigeria.

- As in 1998, AID will designate nearly $4 million to support India's NIDs and strengthen nationwide surveillance. AID's technical and programmatic expertise have been critical to the success of India's National Immunization Days to date. Through grants to UNICEF, WHO, and Rotary, AID has helped support India's cold chain, surveillance, training, and social mobilization efforts. AID has also been taking a leadership role in teaching Indian state health authorities how to use the polio eradication campaigns to improve overall immunization coverage. India remains the world's largest reservoir of the disease.

- An additional $5 million will again be programmed through AID's Center for Population, Health and Nutrition. These funds will be used for surveillance and training in 4 South Asian and some 10 European countries, through the WHO Regional Offices, and to support communication and research concerning vaccination issues. Support is also being provided to the Voice of America and WORLDNET Television, for broadcasting on polio eradication, surveillance, and other immunization topics, and some funds are also earmarked for emergency vaccine transport.

- AID, through the US-Japan Common Agenda, has encouraged Japan to take a more active role in international polio eradication activities. One result of the Common Agenda is that Japan is now sending trained volunteers into the field to assist with country-level surveillance

activities, just as AID has involved US Peace Corps volunteers in these activities. AID has also supported a new initiative to engage Private Voluntary Organizations (PVOs) already active in polio-endemic countries in the polio surveillance effort.

OTHER BENEFITS OF POLIO ERADICATION

Increased political and financial support for childhood immunization has many documented long-term benefits. Polio eradication is helping countries to develop public health and disease surveillance systems useful in the control of other vaccine-preventable infectious diseases. Already, much of Latin America is free of measles, due in part to improvements in the public health infrastructure implemented during the war on polio. As a result of this success, measles has been targeted for eradication in the Americas by the year 2000. The disease surveillance system--the network of laboratories and trained personnel built up during the Polio Eradication Initiative--is now being used to track measles, Chagas, neonatal tetanus, and other deadly infectious diseases. The campaign to eliminate polio from communities has led to increased public awareness of the benefits of immunization, creating a "culture of immunization" and resulting in increased usage of primary health care and higher immunization rates for other vaccines It has improved public health communications and taught nations important lessons about vaccine storage and distribution, and the logistics of organizing nation-wide health programs. Lastly, the unprecedented cooperation between the public and private sectors serves as a model for other public health initiatives.

RESOURCES NEEDED TO FINISH THE JOB OF POLIO ERADICATION

The World Health Organization now estimates that approximately $890 million in external funds is needed to help polio-endemic countries carry out the polio eradication strategy during the critical years 1999-2001. The estimated shortfall for the three years 1999-2001 now stands at nearly $370 million. In the Americas, some 80% of the cost of polio eradication efforts were borne by the national governments themselves. However, as the battle against polio is taken to the poorest, least-developed nations on earth, and those in the midst of civil conflict, many of the remaining polio-endemic nations can contribute only a small percentage of the needed funds. In some countries, up to 100 percent of the NID and other polio eradication costs must be met by external donor sources. We are asking that the United States continue to take the leadership role in meeting this shortfall.

The United States' commitment to polio eradication has stimulated other countries to increase their support. Belgium, Canada, Germany, Finland, Italy, and Norway are among those countries which have followed America's lead and have recently announced special grants for the global Polio Eradication Initiative. Japan and Australia are major donors in Asia and the Western Pacific, and Japan has also expanded its support to polio eradication efforts in Africa. Denmark, Germany and the United Kingdom have made major grants that will help India eradicate polio by the target year 2000. In addition, last summer U. K. Prime Minister Tony Blair announced a grant of US$30 million to ensure that Kenya, Tanzania, and Uganda also meet the eradication goal.

By the time polio has been eradicated, Rotary International expects to have expended approximately $500 million on the effort--the largest private contribution to a public health initiative ever. Of this, $334 million has already been allocated for polio vaccine, operational costs, laboratory surveillance, cold chain, training and social mobilization in 120 countries. Over the past 18 months, realizing the increased role which external donors need to play in order to ensure that polio eradication is not jeopardized due to lack of resources, The Rotary Foundation has committed an additional $40 million to its PolioPlus fund. More importantly, we have mobilized tens of thousands of Rotarians to work together with their national ministries of health, UNICEF and WHO, and with health providers at the grassroots level in thousands of communities.

FISCAL YEAR 2000 BUDGET REQUEST

For FY 2000, we are again requesting that your Subcommittee specify $25 million for global polio eradication in USAID's budget, through their Polio Eradication Initiative, for the delivery of vaccine and the development of the infrastructure necessary to implement the program. This would maintain funding at the same level as the past three years, providing much-needed stability to the program and ensuring that the USA remains the decisive factor in the success of the global initiative In addition, we are seeking report language similar to that included in the FY 1999 Committee report, specifying that this funding is meant to be in addition to the resources for the regular immunization program of AID, and is intended to supplement other related activities.

Humankind is on the threshold of victory against polio, and we must not miss this window of opportunity. Poliomyelitis will be the second major disease in history to be eradicated. The world celebrated the eradication of smallpox in 1979, and no child anywhere in the world will ever suffer from smallpox again. It is estimated that today as many as 20 million people around the world are living with paralysis from polio. With your continued support, soon no child will ever be struck down by polio again.

Polio eradication is an investment, but few investments are as risk-free or can guarantee such an immense return. The world will begin to "break even" on its investment in polio eradication only two years after the virus has been vanquished. The financial and humanitarian benefits of polio eradication will accrue forever. This will be our gift to the children of the twenty-first century.

Thank you for this opportunity to testify.

ROTARY INTERNATIONAL

THE ROTARY FOUNDATION

One Rotary Center
1560 Sherman Avenue
Evanston, IL 60201-3698 USA

STATEMENT

The Rotary Foundation of Rotary International

Herbert Pigman is testifying today on behalf of The Rotary Foundation of Rotary International. The mission of The Rotary Foundation is to support the efforts of Rotary International to achieve world understanding and peace through international humanitarian, educational and cultural exchange programs.

The Rotary Foundation of Rotary International was the recipient of one Federal grant in recent years: a U.S. Agency for International Development Child Survival (CSVIII) grant, for the period 1 October 1992 to 30 September 1996. This grant, in the amount of $2,650,200, was for polio immunization projects in India and Nigeria, as well as administrative expenses, and is now closed. In addition, for FY 1998 the India National PolioPlus Committee received US$400,000 in USAID Child Survival funding, through UNICEF, and is expected to receive the same amount in FY 1999.

Phone: 847-866-3000 FAX: 847-328-8554

ROTARY INTERNATIONAL

THE ROTARY FOUNDATION

One Rotary Center
1560 Sherman Avenue
Evanston, IL 60201-3698 USA

Herbert A. Pigman

General Secretary of Rotary International, 1979-1986 and 1993-1995

Herb Pigman served as General Secretary of Rotary International and of The Rotary Foundation of Rotary International from 1979 to 1986 and again from 1993 to 1995. As Rotary International's managing officer, he supervised the Rotary International staff located at Rotary's World Headquarters in Evanston, Illinois, USA, and service centers in eight other countries.

He began his 35-year career with Rotary International in 1956 as an editor of The Rotarian magazine. As Under Secretary from 1964 to 1975 he was responsible for Rotary's program development, publications, and international meetings. From 1976 to 1978 he was executive assistant to the president. In 1979 he was elected General Secretary, serving until his retirement in 1986 after 30 years' service.

In 1986-89, he directed the Rotary International Immunization Task Force for the PolioPlus Program. The Task Force helped to launch Rotary's child immunization operations in 90 countries of Asia, the Pacific, Latin America, and Africa. He was Rotary's liaison with UNICEF, the World Health Organization, and with national health ministers. More than 1 billion children in developing countries have been immunized against polio with Rotary's help, an effort recognized by the World Health Organization in the awarding of its Gold Medal.

He currently serves as chairman of the Polio Eradication Advocacy Task Force, which encourages governments to commit financial resources needed to eradicate polio by the year 2000. He is also a member of The Rotary Foundation Permanent Fund Leadership Team.

He is a graduate and former trustee of Franklin College of Indiana, from which he holds a degree in journalism and an honorary doctorate in the humanities. He is a member of the Indiana Academy. He and his wife, Betty, who have five children, live in rural Warren County, Indiana, where he pursues farming and newspaper publishing. Herb is a past president of the Rotary Club of Evanston, Illinois. He is a member and past president of the Rotary Club of Boswell, Indiana, USA.

Mailing Address: Prairie View Farm
5303 W 850 N
Ambia, Indiana 47917 USA
Tel: 765-869-5821, Fax: 765-869-4821

Mr. CALLAHAN. We thank you, Mr. Pigman. And you may write a note to your 400,000 Rotarians and tell them that Mrs. Kilpatrick, Mr. Porter, Mr. Lewis, and Mr. Callahan guarantee them that continued funding is coming.

Mr. PIGMAN. That is very good news.

Mr. PORTER. Mr. Chairman?

Mr. CALLAHAN. Thank you.

Yes?

Mr. PORTER. Could I ask Mr. Pigman if any decision has been made by Rotary regarding what they are going to target after 2003, when this long, long project to eradicate polio has been finally completed?

Mr. PIGMAN. Well, we have been at polio now for 20 years. And that question often arises, Mr. Porter. We have diverted it because we want to keep our focus on eradicating polio, a position which is supported by the medical experts.

Let us get this job done. Let us establish this victory, which is very much needed. I would hope that the tremendous volunteer army that Rotary deploys on this will not be disarmed after polio is defeated, but I am not prepared at this time to say what the new salient will be.

Mr. CALLAHAN. I am optimistic that it will be.

Mr. PIGMAN. Well, there are many challenges out there.

Mr. CALLAHAN. Yes.

Mr. PIGMAN. Thank you, Mr. Chairman.

Mr. CALLAHAN. Thank you.

Mr. PIGMAN. One further thing. Mr. Chairman, members of the Committee, we would welcome your participation and observation at one of the national immunization days, which there will be some 40 in the world. I will provide you with a copy of that schedule. I think nothing is more convincing than to see one of these.

In India last January, 133 million children were immunized in a single day in a volunteer army that was ten times greater than the force that landed on Normandy in one day.

Mr. CALLAHAN. We welcome the information. I am sure some of us would like to attend.

Mr. PIGMAN. Thank you.

Mr. PORTER. That was in India?

Mr. PIGMAN. In India, yes.

Mr. CALLAHAN. Thank you very much.

Mr. Siemens with Kiwanis International.

THURSDAY, MARCH 4, 1999.

IODINE DEFICIENCY DISORDERS

WITNESS

STEPHEN SIEMENS, KIWANIS INTERNATIONAL

Mr. SIEMENS. Thank you very much.

Mr. CALLAHAN. Thank you, sir.

Mr. SIEMENS. The sun is shining, and it is a beautiful day. And we are glad to come and share for a couple of minutes the international work beings done by Kiwanis International. I am happy,

Mr. Chairman, to appear before the Subcommittee today in support of programs to eliminate the causes of preventible mental retardation of children.

Because of the actions taken last year by this Subcommittee, Kiwanis International in partnership with UNICEF has been able to take new steps in our efforts to virtually eliminate iodine deficiency disorders around the world.

I am Steve Siemens from Des Moines, Iowa. And I am the Chairman of the Kiwanis International Worldwide Service Project. Seated beside me today from Natchitoches, Louisiana is the President Elect of Kiwanis International, Nettles Brown.

Mr. Brown is the incoming President of Kiwanis International, which has a quarter of a million members in the United States, more than 600,000 clubs in every state in the nation.

Today nearly 600,000 young and adult members of the Kiwanis family have declared the world their community and have joined in partnership with the United Nations Children's Fund to help virtually eliminate iodine deficiency disorders around the globe.

In my lifetime I do not know that I will ever have an opportunity to change the world. This project is an opportunity for me along with others to virtually make a difference. That excites me.

More than 500 million children in more than 115 countries are estimated to be at risk of a lack of iodine. Iodine deficiency disorder, or IDD, results in high levels of stillbirth, mental retardation, physical disabilities, thyroid problems, and the prevalence of goiters in children and in adults.

Recent studies have indicated that a lack of iodine in the diet can reduce by 15 points the IQ of whole populations. Yet, the solution to the iodine deficiency disorder is simple. It has been available since the 1920s. IDD was virtually eliminated in the United States by iodizing salt.

Iodization of salt prevents these disorders, reverses many existing conditions, and will improve mental capabilities and productivity in iodine-deficient populations. For a few pennies per person, we are able to iodize salt in other parts of the world.

Kiwanis' contributions to this date have prevented over eight million children from being born mentally disabled each year. Thousands of Kiwanis clubs have already worked together to make gifts totalling—and this has happened in the last five years—half of the $75 million that we are committed to raise.

Countries that eliminate IDD not only help their children but also reduce the dependency on the country and foreign assistance. It has been estimated that every dollar invested in the elimination of IDD will reduce social costs more than $20.

Mr. Chairman, we have a true working partnership with UNICEF. UNICEF has made it possible for Kiwanis members and their supporters to demonstrate what the private sector can do for children. And because of the actions taken by this Subcommittee last year, we are able to welcome the U.S. Agency for International Development as another partner in our effort.

U.S. AID has followed your Committee's recommendations and will be announcing shortly that they will provide $2 million towards the Kiwanis-UNICEF effort to eliminate IDD. It is also my

understanding that the U.S. AID is looking at a high-priority IDD UNICEF-Kiwanis project in the former Soviet Union.

Mr. Chairman, I would ask the Committee to consider taking three actions in support of eliminating the cause of preventable mental retardation in children.

First of all, continue the efforts that were begun last year to make it known to the American people the importance of eliminating this disorder.

Second, support our partner, UNICEF, by providing them with 110 million in funding for their overall programs for the upcoming fiscal year.

Finally, I encourage you to recommend that the U.S. Agency for International Development continue to provide additional funding to support the Kiwanis-UNICEF iodine deficiency program. The more funds that are available for this program, the faster we can solve the problem. This year U.S. AID is providing two million from the Child Survival and Disease Programs Fund.

Mr. Chairman, I urge you to support the continuation at the $2 million level of funding for this project. I also hope that you will recommend an additional one million be made available from the accounts for the former Soviet Union to provide urgent IDD needs in that area of the world.

You have sitting on the table here a visual. It is a gavel that if you use might inflict some pain. I want to show you a visual that motivates me. It is children. And it is a person that we have been able to make a difference for in her life. This is because of the opportunity to iodize some salt and to do a very, very simple thing that is within our hands, within our grasp.

I know there are lots of other issues, but that is a legacy that we at Kiwanis International want to leave in the lives of people. And it is a legacy that you are a part of. I know that you and the members of your Committee will share our joy in being a part of eliminating the single largest preventable cause of mental retardation in the world.

I thank you very, very much for your consideration and the opportunity to share these thoughts.

[The information follows:]



KIWANIS INTERNATIONAL
KIWANIS INTERNATIONAL OFFICE, 3636 WOODVIEW TRACE, INDIANAPOLIS, INDIANA 46268-3196, USA
317- 875-8755 Toll Free 800 - 549-2647 (U.S & Canada) FAX. 317 - 879-0204 E-mail: kiwanismail@kiwanis.org

STATEMENT BY
STEPHEN K. SIEMENS
CO-CHAIR, WORLDWIDE SERVICE PROJECT CAMPAIGN COMMITTEE
KIWANIS INTERNATIONAL

BEFORE THE
SUBCOMMITTEE ON FOREIGN OPERATIONS
COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES
MARCH 4, 1999

Mr. Chairman, I am happy to appear before the Subcommittee today in support of programs to eliminate the causes of preventable mental retardation in children. Thanks to actions taken last year by this Subcommittee, Kiwanis International in partnership with UNICEF has been able to take new steps in our efforts to virtually eliminate iodine deficiency disorder around the world.

I am from Des Moines, Iowa and am Chairman of the Kiwanis International WorldWide Service project.

With me today, from Natchitoches, Louisiana is the President-elect of Kiwanis International, Nettles Brown. Mr. Brown is the incoming President of Kiwanis International, which has a quarter of a million members in the United States with more than 6000 clubs located in every State of the nation.

Kiwanis members around the world have established children as their primary interest and have adopted the service program "Young Children: Priority One" to address the needs of girls and boys prenatal to age five. Today, nearly 600,000 youth and adult members of the Kiwanis family of clubs have declared the world their community and have joined in partnership with the United Nations Children's Fund (UNICEF) to help virtually eliminate Iodine Deficiency Disorders (IDD) around the globe.

More than 500 million children, in more than 115 countries are estimated to be at risk of Iodine Deficiency Disorder. IDD results in high levels of stillbirths, mental and physical disabilities, and thyroid problems as exhibited by the prevalence of goiters in children and adults. In addition, recent studies have indicated that a lack of iodine in the diet can reduce by 15 points the IQ of whole populations, and that micronutrient malnutrition in its various forms results in reducing national GDP by as much as 15%.

Yet the solution to IDD is simple and has been available since the 1920's. IDD was virtually eliminated in the United States and many other Western nations years ago through the iodisation of salt.

Iodisation of salt can prevent these disorders, reverse many existing conditions, and improve mental capabilities and productivity in iodine-deficient populations. For only a few pennies per person, we are able to iodize salt in other parts of the world.

Kiwanis contributions to date have prevented over 8 million children from being born mentally disabled each year. Thousands of Kiwanis clubs have already worked together to pledge and make gifts totaling half of the $75 million committed by Kiwanis to help eliminate IDD. The Kiwanis contribution will provide the resources needed to trigger the local investments and programs required to virtually eliminate IDD by the year

2000. Countries that eliminate IDD not only help their children but also reduce dependency on country and foreign assistance. It has been estimated that every dollar invested in the elimination of IDD will reduce social costs by more than twenty dollars

Mr. Chairman we have a true working partnership with UNICEF. UNICEF has made it possible for Kiwanis members and their supporters to demonstrate what the private sector can do for children. Because of the actions taken by this Subcommittee last year, we are now able to welcome the US Agency for International Development as another partner in our effort. USAID has followed your Committees recommendation and will be announcing shortly that they will provide $2 million toward the Kiwanis/UNICEF effort to eliminate IDD. It is also my understanding that U.S. AID is looking at high priority IDD UNICEF/Kiwanis projects in the Former Soviet Union. It would be my hope that during the year some funding under the account for the Former Soviet Union can be used to also address IDD needs in that area of the world.

Mr. Chairman, your Committee's efforts to highlight the needs of IDD have attracted the interest of the United Nations Foundation. The foundation has recently announced the award of $1 million for the Kiwanis/UNICEF effort.

Mr. Chairman, I would like to ask the Committee to consider taking three actions in support of eliminating the cause of preventable mental retardation in children.

First, continue the efforts that were begun last year to make it known to the American people the importance of eliminating this disorder.

Second, support our partner, UNICEF, by providing them with $110 million in funding for their overall programs in the upcoming fiscal year.

Finally, I encourage you to recommend that the U. S. Agency for International Development continue to provide additional funding to support the Kiwanis-UNICEF iodine deficiency program. The more funds made available for this program, the faster we can cure the problem. This year USAID is providing $2 million from the Child Survival and Disease Programs Fund. Mr. Chairman, I urge you to support the continuation of this level of funding from this Fund. I also hope that you will recommend an additional $1 million be made available from the accounts for the former Soviet Union to provide for urgent IDD needs in that area of the world.

Mr. Chairman, many other world health issues require billions of dollars and many years of effort to reach their objectives. But the elimination of IDD is within our grasp. Support from Kiwanis, UNICEF and US AID can eliminate this problem by the end of the year 2000. It's a legacy that we

at Kiwanis International will be proud of, and I know that you and the Members of your Committee will share our joy in being part of eliminating the single largest preventable cause of mental retardation in children.

Thank you for your consideration.

STEPHEN K. SIEMENS
KIWANIS CLUB OF DES MOINES, IOWA
CO-CHAIR, WORLDWIDE SERVICE PROJECT CAMPAIGN COMMITTEE

Steve Siemens of Des Moines, Iowa, is co-chair of the Kiwanis Worldwide Service Project Campaign Committee. He is a past distinguished President of the Kiwanis Club of Des Moines and a past distinguished Lieutenant governor of the Nebraska-Iowa District. He received a Kiwanis Presidential Citation for his leadership as district governor in 1996-97.

Before his appointment to the Worldwide Service Project Committee, Steve served as a member of the International Committee on Club Operations and Member Retention. He is a Diamond-level Hixson Fellow of the Kiwanis International Foundation and is an honoree on the foundation's Tablet of Honor.

Steve is president of his own company, Siemens People Builders, and travels extensively to provide motivational and training services in a variety of settings. He has been a featured seminar leader at six Kiwanis International Conventions and has served as keynote speaker at many district conventions and conferences throughout Kiwanis International.

Steve has taught at two colleges and served as president of Iowa Christian College at the young age of 29. In addition to Kiwanis, he has been active in many civic and philanthropic causes. He is a past board Chairman of the Iowa Easter Seal Society and a past chairman of the Fellowship of Christian Athletes state board. He continues to serve as a volunteer leader in several community, school, and church organizations.

Steve and his wife, Barb, are the parents of three children and have two grandchildren.

Mr. CALLAHAN. We thank you, Mr. Siemens; you, too, Ms. Rosen, for joining us today. And, as you are aware, the Committee has in the past been very supportive of your program. And we encourage the Kiwanians worldwide to expand their program and also encourage other service organizations to join with you and Rotarians in providing these worldwide services to relieve human misery.

Thank you very much.

Mr. LEWIS. Mr. Chairman?

Mr. CALLAHAN. Yes, sir?

Mr. LEWIS. I want to say that I have been off the Committee for some time, as you know, and it is a pleasure to be back.

Picking up on a note that was made by my colleague, John Porter, privately a while ago, Rotarians, on the one hand, had 133 million children in India, the last battle or steps to win the battle against polio in this effort to deal with children and mental retardation. I wonder why the media just will not pay a little bit of attention to these fantastic things that Americans like you are involved in.

I want you to know I appreciate it very much.

Mr. SIEMENS. Thank you. And that is a good question and a good comment.

I was governor of our district in Kiwanis. We raised $2 million in one day to eliminate iodine deficiency disorder from the world. We could not get one newspaper, one television station to come and to give us any press. Point well-taken.

Mr. PORTER. Mr. Chairman? You say that the goal is preventable mental retardation in children. I assume that IDD is one part of that goal.

Mr. SIEMENS. That is the focus. That is the goal.

Mr. PORTER. What is your timetable?

Mr. SIEMENS. Right now we have $20 million worth of requests that we would fund today if we had the money. Our goal is to raise 75 million by the end of 2000 and virtually get it——

Mr. PORTER. And that would do it by the end of 2000?

Mr. SIEMENS. Yes.

Mr. PORTER. Are there not other areas where you have preventable mental retardation in children besides iodine deficiency?

Mr. SIEMENS. Probably, but we believe this is one that is of utmost importance. It is the leading cause, but it is also something that we can do something about that immediately changes the lives of those kids.

Mr. PORTER. Well, I commend you for a wonderful job. And we should give you all the help we can.

Mr. SIEMENS. Thank you.

Mr. CALLAHAN. Thank you, Mr. Siemens.

Mr. Hinchey is here. We normally let members, especially when we have adjourned for the week. Is he here now? Are you here?

Mr. HINCHEY. Yes.

Mr. CALLAHAN. Yes, sir?

Mr. HINCHEY. Mr. Chairman, thank you.

Mr. CALLAHAN. We are enforcing the five-minute rule, but for you, Maurice, we will expand it but hope you understand that a lot of other members have got to get out of town today.

Mr. HINCHEY. Yes, I do, Mr. Chairman, and I will hopefully be less than five minutes.

Mr. CALLAHAN. Good.

THURSDAY, MARCH 4, 1999.

UKRAINIAN DEMOCRATIZATION

WITNESS

HON. MAURICE D. HINCHEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. HINCHEY. I very much appreciate the opportunity to be able to come before you today and the other members of the Committee and talk about an issue that is important to me and I think important to the country and important to the world. And I do so on behalf of the Congressional Ukrainian Caucus, of which I am a member. It is a bipartisan caucus here made up of members primarily who have traced their ancestry to the Ukraine or who are interested in it for other reasons.

During the past year, Ukraine has taken a number of significant steps toward reforming its economy and establishing a strong and stable democratic government. Most recently the Ukrainian Parliament adopted a state budget for the year, which included the lowest annual budget deficit since Ukrainian independence.

In October of last year, a three-year plan was approved by the cabinet ministers to modernize the nation's accounting standards. This achievement will remove a major impediment to foreign investment to the Ukraine.

In addition, Ukraine is working to broaden its tax base, lower rates on its current system, while at the same time legislation has been completed to provide for a comprehensive new tax code, which will be presented to the Rada this spring.

In addition, Ukraine has undertaken a number of efforts to streamline its public administration, establish a fully functional treasury, increase the number of private enterprises, and reform its commercial markets.

Despite this encouraging progress, I, along with my colleagues in the caucus, am fully aware that much still needs to be done. Combatting corruption, which persists as a remnant to the former Soviet Union, remains a substantial challenge for the current Ukrainian government.

I believe that continued support from the United States will provide the best mechanism for addressing these concerns. The United States should play a key role in assisting Ukraine to further establish a pluralistic and democratic society based upon the principles of law and a free market system.

Last year, Mr. Chairman, as you know, Congress earmarked $195 million in foreign assistance to Ukraine. In addition to the economic reforms facilitated by this funding, Ukraine has reaffirmed its role as a vital strategic partner of the United States; evidenced by its refusal to participate with Russia in providing nuclear technology to Iran, for example.

This action along with its history of demilitarization and peacekeeping efforts allowed Ukraine to sign the agreement on peaceful

nuclear cooperation with the United States, thereby allowing American companies to consider contracts in Ukraine's nuclear fuel industry.

By continuing our support for Ukraine, we will enhance its ability to address many of the remaining issues inherent to establishing a solid investment climate in that country. This includes public administration reform, which is necessary to streamline many of the largely bureaucratic institutions in Ukraine, as well as the ability to reform government structures which operate to provide services to the population.

In addition, U.S. foreign assistance will facilitate further reform of Ukraine's civil code and commercial law. By identifying laws which address the needs of Ukraine's business environment, these policies will help to encourage an investment climate that attracts foreign as well as domestic investors.

Finally, our actions will be instrumental in developing anti-corruption programs, which will provide governmental integrity and reduce corruption through initiatives in regional and local governments.

The objectives of peace, stability, and democracy in central and eastern Europe have been enhanced particularly because our country remains actively engaged through our foreign assistance in a bilateral relationship with Ukraine.

As the Subcommittee continues to work on the Fiscal Year 2000 foreign operations bill, I and the rest of the Congressional Ukrainian Caucus encourage you, Mr. Chairman, to demonstrate your continued strong support for Congress' successful foreign assistance policy toward Ukraine for an additional year.

Let me just say on my own behalf, Mr. Chairman, I have had the opportunity to visit Ukraine. I have been to Kiev. I was there, in fact, as an observer during the first election that took place. This is a country that has come out of communism, come out of communist domination, domination by the tsar and by other countries, the Hapsburg empire, in part, before that, and is now for the first time having an opportunity to fully realize a democratic system.

It has carried off now successfully two elections. And it has been able to do so I think primarily because of the fact that we have been behind them, that we have been there, that our strong force has been there for them to rely upon. And if we take it away, I fear for what might happen.

Ukraine is a country that can go either way right now. It can emerge from this as a strong partner to the United States, helping us to stabilize central Europe, or it can just fall asunder. It can fall to pieces. And that would not be in our interest or the interest of the world.

So, for these reasons, Mr. Chairman, I appeal to you and the other members of the Subcommittee to do what you can to help us in this regard.

[The information follows:]

Testimony of
Representative Maurice D. Hinchey
Before the
House Subcommittee on
Foreign Operations,
Export Financing and Related Programs
of the Committee on Appropriations
of the House of Representatives
March 4, 1999

Mr. Chairman and members of the subcommittee, thank you for allowing me the opportunity to share my views with you on the FY 2000 Foreign Operations Appropriations Bill, and in particular on U.S. economic assistance to Ukraine.

On behalf of the Congressional Ukrainian Caucus, of which I am a member, I am here today to express my strong support for full funding of the President's FY 2000 request for assistance to Ukraine.

During this past year, Ukraine has taken a number of significant steps towards reforming its economy and establishing a strong and stable democratic government. Most recently, the Ukrainian Parliament adopted a state budget for the year which included the lowest annual budget deficit since Ukrainian independence. In October of last year, a three year plan was approved by the Cabinet Ministers to modernize the nation's accounting standards. This achievement will remove a major impediment to foreign investment in Ukraine. In addition, Ukraine is working to broaden its tax base and lower rates in its current system, while at the same time, legislation has been completed to provide for a comprehensive new tax code which will be presented to the Rada this spring. In addition, Ukraine has undertaken a number of efforts to streamline its public administration, establish a fully functional treasury, increase the number of private enterprises, and reform its commercial markets.

Despite this encouraging progress, I, along with my colleagues in the Caucus, am aware that much still needs to be done. Combating corruption, which persists as a remnant of the former Soviet Union, remains a substantial challenge for the current Ukrainian government. I believe that continued support from the United States will provide the best mechanism for addressing these concerns. The United States should play a key role in assisting Ukraine to further establish a pluralistic and democratic society based upon the principles of law and a free-market system.

Last year, as you know, Congress earmarked $195 million in foreign assistance to Ukraine. In addition to the economic reforms facilitated by this funding, Ukraine has reaffirmed its role as a vital strategic partner of the United States, evidenced by its refusal to participate with Russia in providing nuclear technology to Iran. This action, along with its history of denuclearization and peacekeeping efforts, allowed Ukraine to sign the

Agreement on Peaceful Nuclear Cooperation with the U.S., thereby allowing American companies to consider contracts in Ukraine's nuclear fuel industry.

By continuing our support for Ukraine, we will enhance its ability to address many of the remaining issues inherent to establishing a solid investment climate. This includes public administration reform, which is necessary to streamline many of the largely bureaucratic institutions in Ukraine, as well as the ability to reform government structures which operate to provide services to the population. In addition, U.S. foreign assistance will facilitate further reform of Ukraine's civil code and commercial law. By identifying laws which address the needs of Ukraine's business environment, these policies will help to encourage an investment climate that attracts foreign as well as domestic investors. Finally, our actions will be instrumental in developing anti-corruption programs, which will promote governmental integrity and reduce corruption through initiatives in regional and local governments.

The objectives of peace, stability and democracy in Central and Eastern Europe have been enhanced particularly because the United States remains actively engaged, through U.S. foreign assistance, in a bilateral relationship with Ukraine. As the subcommittee continues to work on the FY 2000 Foreign Operations Appropriations Bill, I, and the rest of the Congressional Ukrainian Caucus, encourage you to demonstrate your strong support for the continuation of Congress' successful foreign assistance policy toward Ukraine for an additional year.

Mr. CALLAHAN. Thank you, Maurice.

Certainly if we do not, the Senate does through the efforts of Senator McConnell. I understand there is also something to be submitted for the record by an official of the Ukraine.

Mr. HINCHEY. I thought there was, yes.

Mr. CALLAHAN. Well, whenever it is, we will accept it for the record.

Thank you.

Mr. PORTER. Mr. Chairman, Mr. Hinchey ought to recognize your new gavel.

Mr. HINCHEY. It is very impressive.

Mr. CALLAHAN. Those people who violate the rule, we are 25 minutes behind now. Thank you very much.

Mr. HINCHEY. Mr. Chairman, thank you.

Mr. CALLAHAN. You are welcome.

Dr. Chaisson? Dr. Chaisson, we will accept your entire statement for the record and ask that you abbreviate your statement to the Committee.

THURSDAY, MARCH 4, 1999.

GLOBAL TUBERCULOSIS CONTROL

WITNESS

DR. RICHARD CHAISSON, INTERNATIONAL UNION AGAINST TUBERCULOSIS AND LUNG DISEASE

Dr. CHAISSON. Yes. Thank you, Mr. Chairman. It is a pleasure to be back here to talk to you again very briefly about global tuberculosis control.

I am Richard Chaisson. I am Director of Tuberculosis Control for the City of Baltimore and a professor at Johns Hopkins. We heard a lot about a number of diseases today. I would just like to make a couple of brief points about the tuberculosis epidemic.

Tuberculosis, despite having the tools for control for the last 50 years, remains the leading infectious cause of death in the world. One out of every 25 deaths from any cause in the world is from tuberculosis, and a quarter of all premature deaths in the world are the result of tuberculosis. It is an extraordinary global epidemic.

Recently the global situation has gotten much worse, not better, with the emergence of AIDS-related tuberculosis and drug-resistant tuberculosis, particularly in Latin America, the former Soviet Union, and Asia.

Tuberculosis control remains one of the most cost-effective approaches to public health. Yet, the global effort has faltered. The result of that is here in the United States, is quite apparent. We have had success in the last decade in turning around our tuberculosis situation, and now we see that a growing proportion, 40 percent last year, of all TB in this country is from people born in other countries who migrate here, this has more than doubled in the last 8 years.

And foreign cases of tuberculosis are increasing dramatically and will soon represent most TB in the United States. This is a particular problem in cities with large immigrant populations, in

states with migrant populations, and states along the border with Mexico.

So there is a clear-cut need to control tuberculosis globally if we hope to control it locally. Thanks to the vision and forceful leadership of this Committee with this emerging and reemerging infectious disease initiative, USAID has made an outstanding start to controlling tuberculosis.

The tools that have worked in this country, which include leadership, coordination of a response of the application of known principles and innovation, are now being applied to the global situation through a global plan that USAID has spearheaded, which now other organizations in other nations are contributing to.

So the funds from USAID have leveraged a tremendous response from the international community, and a global plan is now underway. Perhaps in a few years we will be able to tell you success stories such as you have heard with the polio eradication.

To be very specific, what we would like to suggest is that a TB-specific appropriation in the amount of $60 million be included in the USAID budget to allow for the continued support of the global control program in collaboration with the CDC, the NIH, and the World Health Organization that additional funds be available for country-specific control plans in these high-incident countries that surveillance be continued, particularly surveillance for drug resistance, and that the continued support of training of foreign and domestic TB control experts, Fogarty International Center at the NIH, be supported.

And, finally, I will say in answer to a question that came up earlier that we have a very good idea of what the Rotary International can do in 2003, which is to turn their attention from the polio campaign to tuberculosis.

Thank you.

[The information follows:]

Dr. Richard E. Chaisson

on behalf of the

International Union Against Tuberculosis and Lung Disease

before the

House Foreign Operations, Export Financing, and Related Programs Appropriations Subcommittee

on

Thursday, March 4, 1999

SUMMARY RECOMMENDATIONS:

Provide a TB specific appropriation of $60 million in FY 2000, to allow for:

- ☐ **Continued support for United States Agency for International Development (USAID) to develop an integrated global tuberculosis control program in consultation with CDC, NIH; WHO and private voluntary organizations.**
- ☐ **Additional funding to develop and implement country specific plans for tuberculosis control programs for nations with a high prevalence of tuberculosis.**
- ☐ **Continued support for an international surveillance network to monitor tuberculosis.**
- ☐ **Continued support for training of TB control experts with the Fogarty International Center at the NIH.**

Mr. Chairman and members of the Subcommittee, I am Dr. Richard Chaisson.. I am Professor of Medicine, Epidemiology, and International Health at Johns Hopkins University and Director of Tuberculosis Services for the City of Baltimore. Today I am representing the International Union Against Tuberculosis and Lung Disease, the oldest NGO dedicated to the control of TB, operating continuously since 1920.

My comments today will focus on the impact of the global tuberculosis epidemic on the US, and the role of the U.S. Agency for International Development in its prevention and control.

Even though the tools for preventing and curing TB have been available for 50 years, the disease has become the leading infectious killer in the world, accounting for more than 3 million deaths per year.

- ☐ **More than one third of the world's population is infected with TB.**
- ☐ **TB is the leading killer of young women, surpassing all causes of maternal mortality.**
- ☐ **TB creates more orphaned children than any other infectious disease.**
- ☐ **TB is the leading killer of HIV-infected individuals, causing over 30% of AIDS deaths.**
- ☐ **TB already kills more people than AIDS, malaria and tropical diseases combined.**
- ☐ **As the number of TB cases has increased, a multi-drug resistant form has emerged that poses a major public health threat in the U.S. and around the world -- in fact, this development, left unchecked, threatens to make TB incurable again.**
- ☐ **Though the resurgence of TB that began in the U.S. in 1985 has slowed, a growing proportion of our cases occur in the foreign born. We will not control TB in the U.S. unless we control it worldwide.**

There are big challenges in tackling the global TB epidemic, but because of the forceful position you have taken on this issue, Mr. Chairman, we are making progress and for that I want to thank you.. As a direct result of the leadership taken by this Committee over the last two years in creating the Emerging and Re-emerging Infectious Disease Initiative, some very positive steps have been taken in the effort to control the spread of TB. We want you to know that we are pleased with USAID's response to this new initiative, and also want you to know that the agency has had an open dialogue with key governmental, public health and NGO authorities in drafting their TB control strategy.

The Union has helped spearhead much of the dialogue among the many essential partners involved, and we look forward to continuing to work with you and USAID on this vital global health concern.

Developing countries are hardest hit by TB, Southern Asia and sub-Saharan Africa in particular. There, tuberculosis is concentrated in the most economically productive age groups, people between the ages of 15 and 59. Tuberculosis is the leading cause of disability and premature death among men ages 45-59 (the most economically productive age group) and the second leading cause among men and women ages 15-44. So, not only is tuberculosis a health problem in these countries, it is an economic problem, as well. Countries throughout the world are losing their most productive workers to an easily preventable and completely curable disease. As an example, the mining industry in South Africa loses $100 million per year in direct costs from TB among its workers.

Despite the highly effective treatments of tuberculosis that are available, fewer than one-half of the people

in the world with tuberculosis are receiving any treatment. Developing nations have inadequate programs for the diagnosis of active tuberculosis, often treating only the sickest patients. Of those who seek treatment, fewer than half complete care. Thus less than a quarter of the individuals with active tuberculosis are successfully treated. Low treatment rates means that TB is still being spread unchecked. **This also contributes to the emergence of drug-resistant tuberculosis, a dangerous and ominous prospect.**

Another factor with a substantial impact on the increasing case rates in developing countries, especially in sub-Saharan nations, is infection with HIV, the virus that causes AIDS. An estimated 1/3 ~1/2 of the world's 31 million HIV positive people are also infected with TB. The immune suppressing nature of HIV makes its carriers especially vulnerable to developing tuberculosis and has all but eliminated 30 years of progress in the fight against tuberculosis in the nations most affected. While the overall number of HIV-TB infected individuals is overwhelming by itself, the impact of this dual infection has devastated tuberculosis control programs. Within a five-year period, the annual cases of tuberculosis in Zambia nearly tripled, and in Malawi and northern Thailand more than doubled.

In countries with TB programs overwhelmed by a growing caseload, poor treatment results in the emergence of drug-resistant tuberculosis. Multi-drug resistant or MDR-TB is when a strain of the TB bacterium becomes resistant to two or more of the drugs used to treat TB. People with MDR-TB spread MDR-TB, and the outcome of this is usually death, with spread to yet more people doomed to an untreatable disease.

In some countries there is already concern that the drug-resistant tuberculosis strains have become so common that they may soon replace drug susceptible strains as the main disease cause. It is estimated that globally 50 million people have a TB strain resistant to at least one TB drug.

In the U.S cases of "Strain W," a deadly TB strain resistant to 8 anti-TB drugs were originally reported in New York, New Jersey and Florida. Strain W TB has now been found in South Carolina, North Carolina, Maryland, Colorado, Ohio, Pennsylvania, Georgia, Nevada, California and Puerto Rico. Strain "W" has a mortality rate of 90%. Globally, there are a growing number of strains of TB that do not appear to respond to any of the current arsenal of anti-TB drugs.

Drug-resistant TB has grown as a global problem despite the well known fact that provision of inexpensive, supervised therapy will prevent it's occurrence. For example, in the Republic of Korea, following implementation of such measures, the overall prevalence of drug-resistant tuberculosis decreased by ½. In China, a World Bank funded program of DOT has dramatically reduced drug resistance and treatment failure in just a few years. Here in the US, effective TB control programs in my city of Baltimore and your state, Alabama, have prevented MDR TB from becoming a problem.

This worldwide tuberculosis crisis has important implications for the U.S. International travel and migration have created, if not a global village, a global bus station where both people and microbes mix. In the U.S. , 40% of all tuberculosis cases occur in foreign born individuals, a figure that has more than doubled since 1985. In addition, each year -- tens of millions of foreign visitors come legally to the U.S. A recently publicized incident of a Korean tourist spreading multi-drug-resistant tuberculosis to passengers on a commercial airliner and a child in suburban Washington underscores the significance of this issue. TB infections that are first acquired in Latin America or Asia often are spread to others here in the US

when a person travels or migrates. A number of our states with high rates of immigration face serious challenges with imported TB. The only rational and cost effective approach to this problem is to contribute to global control of tuberculosis.

TB Control is Cost Effective: While the facts present a grim picture, the reality is that TB is not only preventable and curable -- TB control is cost-effective. The World Bank has determined that modern TB treatments are among the most cost-effective health interventions available today -- comparable to that of childhood immunizations. For every dollar of tuberculosis prevention and control funds spent, a nation saves an estimated $3 to $4. This savings is even greater when compared to the cost of treating multi-drug-resistant tuberculosis.

The International Union Against Tuberculosis and Lung Disease (the American Lung Association represents the U.S. in this international NGO of 120 member countries) has developed an effective program combining technical and financial assistance for developing nations that results in TB cure rates over 80%. These programs combine the use of modern short course chemotherapy development and provision of training courses and material for health personnel; and research. Also key is that programs have been developed to take into account the less than ideal circumstances existing in most developing countries and are designed to work even in the most poorly developed health service systems.

The Only Thing Worse than NO TB Control Program is a BAD TB Control Program: To effectively eliminate the global TB threat it is critical to put in place a well-coordinated, and adequately funded global effort. If poorly-planned, poorly-managed and under funded programs are put in place there is considerable risk that more widespread multi-drug resistant TB will emerge -- a virtual health and economic ticking timebomb. Such is the example sadly seen in many parts of the former Soviet Union—the resulting catastophe of MDR TB is a global threat.

Global Health Experts Estimate over $1 Billion is Needed to Control TB: Over the last several years global health experts have determined that in order to control TB efforts must begin in the countries with the highest incidence. A conservative estimate of the cost of this type of effort top $1 Billion.

But a coordinated global response can succeed, as it has for other diseases such as smallpox. I am pleased to report that AID has funded a global planning process that will help insure that this reality is realized. This process will develop the framework by which countries, international financial institutions, NGO's and individual TB experts can most efficiently and effectively attack this problem.

RECOMMENDATIONS

Provide a TB specific appropriation in the amount of $60 million for FY 2000.

Major barriers to effective TB control programs exist in virtually all of the high incidence countries, including lack of funds, trained personnel and drug supply. The unique circumstances of each country require development and implementation of country specific programs.

Of the $100 million you provided AID for the Infectious Diseases Initiative, some $24 million has been targeted for TB specific activities. While this has provided a good start, and has helped to begin a truly global response, much more needs to be done.

The additional $60 million would allow AID to:

1) Continue support to develop an integrated global tuberculosis control program in consultation with CDC, NIH, WHO and private voluntary organizations.

2) Significantly expand funding to develop and implement country specific plans for tuberculosis control programs for nations with a high prevalence of tuberculosis.

3) Continue support for an international surveillance network to monitor tuberculosis.

4) Continue support for training of TB control experts with the Fogarty International Center at the NIH.

5) Continue support for innovative programs to improve TB control in high incidence areas.

I want to again thank you, Mr. Chairman, and members of your committee, for the support you have shown for efforts to attack this global health problem. With your continued support I am confident that the world community will follow the leadership of the United States and we will show great progress in our battle to control this disease.

The International Union Against Tuberculosis and Lung Disease, the American Lung Association, and it medical section the American Thoracic Society, are committed to the global control of tuberculosis. But we cannot succeed without the firm, unwavering commitment from the federal government. Thank you for this opportunity to comment.

The following information is provided in compliance with clause 2(g)(4) of House Rule XI of the Rules of the House of Representatives:

The International Union Against Tuberculosis and Lung Disease is an international non-governmental organization comprised health and professional societies from over 120 countries. The International Union Against Tuberculosis and Lung Disease is represented by the American Lung Association in the United States.

The American Lung Association received **$699,657.00** in federal in grants and contracts for fiscal year 1998 **$479,757.00** grants and contracts in fiscal year 1997 and **$685,606.00** in federal grants and contracts in fiscal year 1996. All funds for the past three fiscal years were grants from the Environmental Protection Agency.

The American Thoracic Society (ATS), medical section of the American Lung Association, is a medical specialty organization with 12,600 members. Approximately 25% of the members reside outside of the United States. Further, approximately 50% of the members are clinicians and do not conduct research.

Members of ATS do compete successfully for federal research grants. Currently, no data is collected on the source of funds received by members in biomedical research. To provide an estimate, research abstracts presented at the annual ALA/ATS international Conference were used as surrogate data. Of the 5,261 abstracts to be presented at the April 1998 meeting, 434 abstracts were submitted by ATS members who received federal support. No current data is available on the dollar amount of this support.

Dr. Chaisson received $600,000 in fiscal year 1996 and $600,000 fiscal year 1997 and $1,600,000 in fiscal year 1998 from the Centers for Disease Control and Prevention, the National Institute of Allergy and Infectious Disease and USAID for research on tuberculosis.

Mr. CALLAHAN. That is a good idea also. If they are as successful with their experience, maybe we could eradicate it worldwide. We certainly will entertain your suggestions and appreciate very much you coming forth.

Dr. CHAISSON. Thank you very much.

Mr. CALLAHAN. Mr. Kohr. Welcome. We are running short of time, and we are requesting that everyone submit their written statement and address the Committee. And we will accept your written statement.

I am sure this is not the last interaction we will have from you. So there is no need to get it crammed all into today.

Howard, good afternoon.

THURSDAY, MARCH 4, 1999.

U.S.-ISRAEL RELATIONSHIP

WITNESS

HOWARD KOHR, EXECUTIVE DIRECTOR, AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE

Mr. KOHR. Good afternoon, members of the Subcommittee. It is a privilege once again to be here before the Subcommittee to speak in support of a strong U.S.-Israel relationship and the assistance the United States provides Israel each year to advance our shared goals.

I speak as the Executive Director of the American Israel Public Affairs Committee, a nonpartisan membership organization of American citizens interested in promoting a close partnership between our nation and Israel.

In my brief remarks, I want to focus on three key areas of concern today: the proliferation of weapons of mass destruction, the peace process, and aid to Israel in the Wye River supplemental.

In this post-Cold War world, each year is tragically more dangerous than the one before. Each passing year means rogue states in the Middle East and elsewhere are closer to acquiring and developing weapons of mass destruction and the missiles needed to deliver them.

As DIA Director Lt. General Patrick Hughes recently testified, and I quote, "The proliferation of weapons of mass destruction technologies and missiles constitutes the single greatest threat to the United States vital national interest. Over the next years, several states will likely join the nuclear club. Chemical and biological weapons will be widely proliferated. And the numbers of medium-range theatre, ballistic, and cruise missiles will increase significantly, particularly in the Middle East," end quote. Those are frightening prospects.

Particularly with the assistance of Russia, China, and North Korea, Iran's active nuclear missile program gets that much closer to becoming reality. As dangerous as that reality is to United States troops and interests in the Middle East, imagine what that reality means to Israeli military planners, who do not yet have an operational missile defense system in place.

We hope to continue working with you and other members of this Subcommittee in trying to find ways to slow down Iran's unconven-

tional weapons program and in making sure that Iraq's program is not reconstituted.

On a more positive note, it is important to step back and assess all that has been achieved over the past several years in advancing peace between Israel and her neighbors. There is a real peace between Israel and Jordan marked by close diplomatic ties, trade, and tourism.

With the Palestinians, although the process is slowing down for now, a tremendous amount has already been accomplished.

There is today a vibrant Palestinian Legislative Council, a Palestinian Authority which has jurisdiction over 98 percent of the Palestinians living in the West Bank and Gaza, a Palestinian airport, a Palestinian Broadcast Corporation, a Palestinian stamp, to mention just a few. Twenty nine percent of the West Bank is under the full civil administration of the Palestinian authority.

And under the Wye Agreement, after full compliance by the Palestinians, Israel has agreed to cede an additional 11% of West Bank land, thus agreeing to provide the Palestinians with either full or joint control of over 40% of the West Bank even before the beginning of the substantive final status negotiations.

The one disappointment throughout this process has been the Palestinian unwillingness to take its security obligations more seriously. Five and a half years after Prime Minister Rabin and Chairman Arafat shook hands on the White House lawn, when Israel agreed to give up land for security, Israel has signed several agreements to give up more and more land, while the Palestinians keep promising to live up to the same commitments that they have routinely been ignoring.

Finally, a few words about the importance of the U.S. aid program to Israel's security and well being, and to the United States' vital national interest.

The threats of war and the promise of peace that Israel faces each day come at a substantial cost. The annual U.S. aid package to Israel is a key pillar to help maintaining peace and stability in the Middle East by providing Israel with the wherewithal to defend itself and maintain its qualitative edge.

U.S. aid directly strengthens our national security while improving the prospects for peace in the region. Economic aid has helped Israel repay the large number of military loans she had to take out as a result of the Camp David Accords; loans which, unlike those of other countries in the region, were never forgiven by the United States.

I want to publicly thank and commend you, Mr. Chairman, for the leadership role you took last year in helping to craft and implement Israel's aid restructuring proposal. Last year this subcommittee took the first step in realizing this ten year plan which, as the Prime Minister Netanyahu pledged to Congress, will eventually lead to the elimination of the United States' economic assistance.

While Israel will require less and less economic aid over time, this package provides additional military assistance to Israel, one-quarter of which may continue to be spent for the research and development of weapon systems in Israel in recognition of its growing and more costly security demands.

As you well know, this was not an easy or risk-free decision for the government of Israel to take, but it did so in large part because of its confidence in you, Mr. Chairman, and the members of this Subcommittee, that once an agreement was reached, it would be adhered to.

And we believe strongly that the agreement should continue to be adhered to. We look forward to working with you to ensure this agreement's continued and completed implementation.

Since that agreement was reached, of course, another unexpected agreement was signed last October as a result of the Wye River Summit. The so-called Wye River Memorandum was an important milestone in getting the stalled peace process back on track.

The United States, in addition to playing a central role in negotiating the Wye Memorandum, took a forthright obligation to help defray the risks and costs associated with its implementation.

Those risks and costs for Israel are considerable and are expected to far exceed the $1.2 billion that the Administration has requested. This aid, in additional to fulfilling a commitment made by the United States, will be critical to ensuring that the peace process is sustained.

United States diplomacy in the Middle East has been most successful when backed up by our financial support, especially when helping former adversaries adapt to a new, but risky relationship. We hope you will find a way to support the Wye package to provide an extraordinary, one shot infusion of assistance to those taking risks for peace.

In conclusion, the world, unfortunately, has not become a safer place with the end of the Cold War. In some respects, it is now more dangerous than ever. The Middle East, in particular, is one of the world's most dangerous areas, and yet one of the most important for U.S. interests.

Each member of this Subcommittee should share in the pride we all feel as Israel is completing her 50th year of independence because each of you has made a critical contribution to ensuring that Israel not only survives, but thrives, despite all the odds against her.

As we look ahead to the next 50 years, your support and understanding will be even more important as Israel, together with the United States, rises to meet threats and challenges far beyond those envisioned by her founding fathers.

We look forward to working together with you to help address those common threats.

Thank you very much.

[The information follows:]

TESTIMONY OF
HOWARD A. KOHR, EXECUTIVE DIRECTOR
AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE (AIPAC)
BEFORE THE
HOUSE APPROPRIATIONS FOREIGN OPERATIONS SUBCOMMITTEE
MARCH 4, 1999

Thank you, Chairman Callahan and members of this distinguished Subcommittee, for the opportunity to testify before you. As Executive Director of the American Israel Public Affairs Committee (AIPAC), I recognize the critical role this Subcommittee plays every year in ensuring that the U.S.-Israel relationship remains strong. I would like to extend special thanks to you, Chairman Callahan, for your leadership in promoting this vital relationship, and for the historic role you and your Subcommittee have played in providing aid and ensuring Israeli security.

Appearing with me are Brad Gordon, AIPAC's Legislative Director, and Ester Kurz, AIPAC's Director for Legislative Strategy and Policy. AIPAC believes in the critical importance of U.S. relations with Israel, and recognizes the prominent role that foreign aid plays in accomplishing America's foreign policy objectives--not only in Israel but around the world. In this regard, I want to express AIPAC's strong support for a viable foreign assistance program.

AIPAC, a domestic, non-partisan membership organization of American citizens, works on a daily basis with its members to nurture a close and consistently strong partnership between our country and Israel. On our Executive Committee sit the presidents of the 55 major American Jewish organizations, representing more than four-and-a-half million active members throughout the United States, as well as leaders of the country's pro-Israel community from all 50 states. AIPAC is the designated spokesman on Capitol Hill on behalf of the organized American Jewish community on issues relating to the U.S.-Israel relationship.

Mr. Chairman, I submit this testimony in strong support of earmarked economic and military aid to Israel--that nation's lifeline--and in support of the legislatively mandated terms under which this aid is provided. We strongly believe this aid to Israel is vitally important to U.S. national security interests, more than pays for itself in terms of overall benefits to the United States, and has proven effective throughout many years in advancing critical U.S. foreign policy goals. Furthermore, most of the funds spent on aid to Israel come right back to this country in the form of procurement from U.S. defense contractors or repayment of old military debts.

Mr. Chairman, we also strongly endorse the Israeli aid restructuring proposal that you were so instrumental in helping to realize. Last year, this Subcommittee took the first step in implementing this ten-year aid plan which better meets the needs of both the United States and Israel. While Israel will require less and less economic aid over time, this far-sighted package provides additional military assistance to Israel in recognition of its growing and more costly security demands. As you well know, this was not an easy or risk-free decision for the

Government of Israel to take, but it did so in large part because of its confidence in you, Mr. Chairman, and the other members of this Subcommittee. We look forward to working with you to ensure the aid plan's continued and complete implementation.

We also support the emergency supplemental assistance to Israel, Jordan, and the Palestinians ensuing from the Wye River Memorandum. As you know, Israel agreed, at the Wye summit, to take a serious security risk by withdrawing from another substantial part of the West Bank even before the start of final status negotiations. The United States committed to reducing this risk by helping Israel defray the costs of its courageous decision, and we firmly support that commitment.

Partnership with Israel

In an increasingly dangerous yet important part of the world, the United States and Israel have forged a unique and remarkable partnership. This relationship is based on a common set of values, a shared commitment to democracy and freedom, and comparable histories of providing safe haven to oppressed peoples. The U.S.-Israel partnership is also based on a staunch commitment to defend the mutual interests of both countries against ever-more ominous threats. Together, our two countries pursue a process of resolving conflicts within the Middle East through negotiations while at the same time maintaining the strongest military forces in the region to prevent aggression and instability.

Today, after a half-century of cooperation, the mutual interests of our two countries are once again being challenged. Weapons of mass destruction and the missiles to deliver them are becoming both more sophisticated and more widespread in the Middle East. To destroy the U.S.-sponsored peace process, terrorists are turning to increasingly brazen acts of violence against both American and Israeli targets. Religious extremists aim not only to eliminate Israel but to purge the region of all non-Islamic influences and pro-Western governments. The prospect of these extremists obtaining and using nuclear, chemical, or biological weapons is one of the greatest threats faced by the United States, Israel, and the entire world.

These shared threats have led the United States and Israel to unprecedented cooperation in deterring aggression, sharing intelligence and preparing joint defense systems and strategies:

- Strategic cooperation--including frequent joint military exercises, ongoing military exchanges, the prepositioning of U.S. military equipment in Israel, and the joint development of some of the world's most advanced weapons systems--helps deter aggression in the Middle East.

- In the fight against international terrorism and proliferation of weapons of mass destruction (WMD), cooperation between the United States and Israel is perhaps without parallel. On a daily basis, the two allies exchange information on the whereabouts, organization, and plans of terrorist groups in the Middle East, as well as the political and military activities of the region's hostile states.

- Israel serves as another set of "eyes and ears" for the United States. Israel provides vital intelligence on Iran's nuclear and missile programs, Iraq's concealment of vital documents, data, and facilities, and Iran's activities in support of Hezbollah in southern Lebanon, and other terrorist groups throughout the Middle East.

- Israel is our most active partner in researching and developing missile defense systems to counter the ballistic missile threat from rogue countries such as Iran.

In sum, our continued partnership with Israel is essential in securing American interests in the Middle East, including:

- maintaining and enhancing the political and economic stability of our allies in the region;

- securing a strong and democratic State of Israel;

- supporting the Middle East peace process;

- ensuring unfettered access to the region's critical energy sources; and

- deterring aggression by maintaining a strong American military presence in the region.

Assistance to Israel

The annual U.S. aid package to Israel is one of the essential pillars of the U.S.-Israel partnership designed to maintain peace and stability in the Middle East. As threats to U.S. interests in the region have mounted, the support our country provides Israel has become increasingly important. The value of having a reliable and strong democratic ally in the world's most volatile region is immeasurable. By helping Israel with the wherewithal to defend itself and to maintain its qualitative military edge, U.S. aid directly strengthens our national security while improving the prospects for peace in the region.

Enhancing U.S. National Security:

Aid to Israel enhances our national security by projecting American power and deterring potential aggressors without risking the lives of American soldiers. This aid is an essential and efficient means of countering the biggest threats in the Middle East, including: the proliferation of weapons of mass destruction; the use of terror to disrupt American-led peace making efforts; the potential disruption of access to Middle East oil; and efforts to impose radical Islamic government on the region.

The $2.9 billion in aid to Israel is highly cost-effective, especially compared to the costs of deploying troops around the world. By comparison, the United States annually spends about $80 billion for NATO defense in Europe, and $30 billion in the Asia Pacific region for defense, including $3 billion for maintaining 37,000 American troops in South Korea, and roughly $20

billion to keep U.S. forces in the Persian Gulf. The cost of the *four-day* Desert Fox bombing campaign of Iraq in December 1998 was $1 billion.

By keeping Israel strong, U.S. aid helps deter would-be aggressors in the region without a direct American military presence. Israel has long served as a counterweight to countries such as Iran, Iraq and Syria—all of which have a long history of provocation against their neighbors. In short, Israel is a reliable, pro-American stabilizing force in an otherwise volatile region.

Advancing Peace and Stability:

Aid to Israel supports American diplomatic efforts in promoting a peaceful resolution of the Arab-Israeli conflict. As Israel faces increasingly riskier decisions on the path toward peace, U.S. assistance enables Israel to negotiate from a position of strength. History has demonstrated that Israel is more likely to take historic steps for peace when it has full confidence in its key ally and supporter, the United States.

By ensuring that Israel can defend itself on the battlefield, U.S. aid also helps encourage potential enemies to come to the negotiating table. The continuity of U.S aid sends a powerful signal to these adversaries that a negotiated settlement with Israel is the only option since the U.S. commitment to the Israel is unwavering, regardless of which political party controls the White House or Congress.

U.S. aid also promotes peace by helping Israel defray both the financial costs and security risks it must bear from yielding territory. For Israel, the peace process is both ripe with opportunities and fraught with dangers, especially as it withdraws from strategic areas in exchange for intangible commitments from its neighbors. U.S. aid helps reduce these dangers for Israel.

Providing for Israel's Security:

Aid to Israel gives it the means to defend itself from escalating threats in the world's most dangerous region. Virtually all U.S. aid to Israel —economic and military— helps Israel meet its security needs. As other countries in the region enlarge and modernize their arsenals, Foreign Military Financing (FMF) assistance gives Israel the means to obtain the expensive, advanced American weaponry that it needs to defend itself. U.S. Economic Support Funds (ESF) help Israel repay military debts it incurred to purchase U.S. equipment in the past.

U.S. aid reduces the risk of war in the Middle East by sustaining Israel's qualitative military advantage over the combined military forces of its adversaries who have an overwhelming numerical advantage. By keeping Israel's army second to none in the region, this direct aid deters aggressors from attacking Israel without needing to deploy American forces, which Israel has never sought.

For a country that spends an enormous amount of money on national defense, both on a per-capita basis and as a percent of its overall GDP, U.S. aid has been indispensable. Over the

years, the United States has provided Israel with military equipment and supplies of the highest quality and in large quantities, often delivered rapidly at critical moments of national crisis. The FMF program has enabled Israel to build a cutting-edge Air Force equipped with the latest U.S.-made jet fighters and combat helicopters, and to supplement its powerful ground forces and modern navy. American assistance has likewise contributed to Israel's emerging defense against ballistic missiles and to the ability of its security forces to counter the menace of terrorism.

U.S. FMF will continue to be essential for Israel as it prepares to face the new security challenges of the next century. Israel's military leadership has drawn up a ten-year plan to prepare Israel's Defense Forces (IDF) for the new high-tech battlefield. This plan will require the IDF to be capable of fighting around the clock, in all weather conditions, against enemies at greater and greater distances. To do so, Israel must purchase some 100 new fighter aircraft, as well as precision munitions, missile defenses, helicopters, and new intelligence technologies.

Promoting Democracy:

Aid to Israel supports American ideals by helping the only democracy in the Middle East to defend itself and prosper. Israel is living proof that the strongest allies of the United States are those countries that share our values and democratic form of government. In a region dominated by authoritarian and military governments, Israel stands out as the *only* country with regular, competitive elections, a free press, and free speech. Even Palestinians agree. In a recent public opinion survey conducted by a Palestinian pollster among the Palestinian residents of the West Bank and Gaza, 75 percent said the status of democracy and human rights in Israel is "good" or "very good"--more than in any other country (only 32 percent felt the same way about the Palestinian Authority itself, and 26 percent about Egypt).

The special history of the U.S.-Israel relationship—and the proven strength of Israel's democracy—mean that the United States knows it can depend on Israel in a crisis. Israel is not only a steadfast ally that supports U.S. foreign policy and military actions, but votes with the United States at the UN more than any other country. In contrast, our relationships with other Middle Eastern countries are subject to unpredictable changes in policy and regime.

Success of U.S. Aid Programs to Israel

Aid to Israel is not only a prudent investment in advancing critical U.S. national interests, but also a program with a proven record of success. Military aid, as was discussed earlier, has helped Israel maintain its qualitative military edge against an increasingly sophisticated array of weaponry amassed by Israel's enemies. Economic aid has helped Israel repay the large number of military loans it had to take out as a result of the Camp David accords. Unlike other countries in the region, Israel's debts were never forgiven by the United States, and for several years, these Israeli debt repayment obligations were actually greater than the amount of economic aid Israel received from the United States.

Furthermore, in 1985, U.S. emergency economic assistance played a vital role in stabilizing Israel's economy and in helping realize a comprehensive stabilization package that put Israel's economy on the road to recovery. The loan guarantee package, which Congress approved in 1992 to help Israel meet the burden of resettling hundreds of thousands of Russian immigrants, has also proven a great success. Thanks to those guarantees, Israel was able to raise the capital it needed to expand its economy and finance the huge increase in imports needed to create jobs and housing for the new immigrants. A portion of the funds was also used by the Government of Israel for infrastructure projects (electric plants, roads, bridges, sewerage) to accommodate the burgeoning population.

As a result, and at no cost to the United States, Israel successfully absorbed 900,000 new immigrants over the past decade. Today they are vibrant citizens and are playing a key role in the expansion of Israel's economy.

Aid Restructuring Package:

Today, thanks to, among other factors, the 1985 economic stabilization plan and subsequent reforms, to the 1992 loan guarantee program and to the consistent support Israel has received from the United States, Israel's economy is growing. As a result, in July 1996, Israel's new Prime Minister Benjamin Netanyahu made a surprising pledge to a joint meeting of Congress that later in his term of office, Israel would begin the process of lessening its dependence on U.S. economic assistance. In the Prime Minister's words at the time, "there can be no greater tribute to America's long standing economic aid to Israel than for us to be able to say that we are going to achieve economic independence."

In 1998, the Government of Israel kept this pledge by initiating a bold and risky plan to reduce its reliance on American aid. Israel worked very closely with the Congress and the Administration, and particularly with you, Mr. Chairman and the members of this Subcommittee, in designing an aid program that better meets the needs of both countries. I urge you, Mr. Chairman, to continue to support this restructuring plan as one that is in the best interests of the United States and Israel. For the United States, Israel's proposal frees up increasingly larger amounts of money each year that can be used for other priorities. For Israel, the proposal refocuses aid to meeting increasing and costlier security demands. Israel is in less need of economic aid because of historic reforms implemented since the mid-1980s to make its economy more self-sufficient and because of its lessening aid repayment obligations. Its military needs, however, are dramatically increasing because of the looming threat of non-conventional weaponry being acquired by rogue states in the region.

Israel Aid Restructuring Plan: As outlined in the report language accompanying the FY 1999 House Foreign Operations Appropriations bill, economic aid (ESF) to Israel, which stood at $1.2 billion for more than a decade, will be phased out over a ten-year period beginning in fiscal year 1999. Reductions would be made in annual $120 million increments.

Half of the reduction each year ($60 million) will result in a net savings to the United States, while the other half will be added to military assistance (FMF).

At the end of the ten-year period, the plan envisions that Israel will receive a total of $2.4 billion in military assistance (FMF) and no economic assistance (ESF). This compares to a combined total of $3 billion Israel received from the United States through FY 1998.

Implementation of this plan will result in cumulative net savings to the U.S. government of $3.3 billion over the ten-year period.

Israel will continue to be able to spend about one-quarter of the total military aid it receives to research, develop, and procure weapons systems within Israel.

Significance of the Wye Package

Following the signing of the Wye River Memorandum last October, the United States agreed to provide supplemental assistance to Israel, the Palestinians, and Jordan over a 3-year period. Israel is to receive $1.2 billion in military assistance; the Palestinians $400 million in economic assistance; and Jordan $300 million in military and economic assistance. The President has submitted this $1.9 billion budgetary request to Congress. We strongly support its enactment.

Importance of the Agreement:

At Wye, Israel agreed to cede an additional 13 percent of West Bank land to the Palestinians subject to reciprocal measures by the Palestinian Authority which were essentially reiterations of unfulfilled obligations from previous agreements. This would give the Palestinians either full or joint control of 40 percent of the West Bank even before the beginning of substantive final-status negotiations. In addition, Israel agreed to increase six-fold the area to be placed under full Palestinian control–from 3 to 18 percent. During the first phase of the Wye Memorandum's implementation, Israel withdrew from 2 percent and tripled the area under full Palestinian control to 9 percent. Israel has committed to completing its withdrawal as soon as the Palestinians fully comply with their own commitments.

Clearly, Israel took considerable risks for peace in signing the Wye Memorandum. The Palestinian Authority's regrettable failure to eliminate in the territories under its control the terrorist infrastructure set up by the radical Islamic movements Hamas and Islamic Jihad means that the new Israeli withdrawals might provide these terrorist organizations with additional safe havens. Newly acquired Palestinian-controlled land will abut access roads to Israeli early-warning stations and training facilities, requiring their relocation. And additional areas of Israel's main aquifer will come under Palestinian control.

The Wye Memorandum provides the Palestinians with considerable achievements beyond the territorial gains. It eliminates obstacles for travel between Palestinian communities in the West Bank; provides corridors for "safe passage" travel between Gaza and the West Bank; enabled the Palestinians to open an airport in Gaza; establishes a Gaza industrial zone which is expected to create 20,000 jobs for the Palestinians; and includes an Israeli commitment to release 750 Palestinian prisoners.

Costs To Israel:

The United States, in addition to playing a central role in negotiating the Wye Memorandum, undertook a forthright obligation to help defray part of the costs associated with its implementation. According to the Government of Israel, these costs could exceed $2-3 billion and are already being incurred. These costs include: the army's need to relocate bases, training areas and other facilities now in the West Bank; the need for enhanced counterterrorism and surveillance efforts and for upgraded early-warning and other intelligence capabilities; the necessity of obtaining additional equipment and arms to compensate for the loss of strategic locations; and emerging security requirements linked to the need to maintain a qualitative military edge.

The Administration's $1.2 billion multiyear request for Israel is designed to help Israel pay for these extraordinary expenses while minimizing the additional security risks Israel has assumed by agreeing to withdraw from additional territory.. If approved by the Congress, Israel would receive $600 million in FY 1999, $300 million in FY 2000, and $300 million in FY 2001 in additional military aid. This aid, in addition to fulfilling a commitment made by the United States, will be critical to ensuring that the peace process is sustained. U.S. diplomacy in the Middle East has been most successful when backed up by financial support, especially when helping former adversaries adapt to new but risky relationships. Two decades of peace between Israel and Egypt, for example, would not have been possible without U.S. aid.

Aid To Jordan and the Palestinians:

The President proposed a total package of $400 million to help the Palestinians achieve greater economic viability. To help the peace process succeed, it is important for the Palestinian people to see real economic benefits. Providing this assistance will help realize that.

Under the leadership of the late King Hussein, Jordan played a key role in making possible the signing of the Wye Memorandum. By all accounts, the king's remarkable appearance at the Wye conference in the midst of his terminal cancer treatment turned the tide toward reaching an agreement.

Since signing its own peace treaty with Israel in 1994, Jordan has been a major force for regional peace and stability. King Hussein maintained a warm peace with Israel and signed a myriad of agreements in defense, economic, and cultural areas. He frequently sought to persuade PLO leader Yasir Arafat to be more forthcoming in peace negotiations with Israel, and mutual visits between Amman and Jerusalem at the highest levels have become routine. Since 1995, the king--at great risk to himself and his nation--became a valuable U.S. ally in confronting Saddam Hussein. A budding three-way relationship between Turkey, Israel, and Jordan has become a pillar of pro-Western stability in the region. Hussein's successor, King Abdallah, has pledged to follow in his father's footsteps; thus far he has faithfully done so.

Jordan not only has earned U.S. assistance, but also is in dire need of it. The Jordanian economy has badly suffered from the loss of the lucrative Iraqi market, which was previously the

primary outlet for Jordanian exports. The hundreds of thousands of Palestinian and Iraqi refugees who arrived in Jordan since the Gulf war have strained its economy and helped generate high unemployment. Jordan has also suffered from the low price of oil, which has shrunk the Gulf Arab market for its products.

Faced with potentially aggressive neighbors to its east (Iraq) and north (Syria), Jordan's armed forces are in need of modern U.S. military equipment to be able to defend their country. We support the $300 million Administration-proposed assistance to Jordan, which will help alleviate its economic plight and improve its defensive capabilities.

Conclusion

The world, unfortunately, has not become a safer place with the end of the Cold War; in some respects it is now more precarious than ever. The Middle East, in particular, is one of the world's most dangerous areas--and yet also one of the most important for U.S. interests.

I strongly believe that American aid to Israel remains vitally important to U.S. national security interests, more than pays for itself in terms of overall benefits to the United States, and has proven effective over many years in advancing critical U.S. foreign policy goals. It is also a vital component in making our closest Middle Eastern ally, Israel, a successful, secure, and prosperous nation.

Each member of this Subcommittee should share in the pride we all feel as Israel is completing its 50th year of independence--because each of you has made a critical contribution to ensuring that Israel not only survives--but thrives--despite all the odds against it. As we look ahead to the next 50 years, your support and understanding will be even more important as Israel --together with the United States--rises to meet threats and challenges far beyond those envisioned by its founding fathers. We look forward to working together with you to help address those common threats.

Mr. CALLAHAN. Thank you. I do not have any questions.

Thank you very much, sir.

Ms. Miller. As you know, we are pressed for time and way behind, so we will accept your entire statement for the record, but we ask you to abbreviate it.

THURSDAY, MARCH 4, 1999.

SEEDS OF PEACE

WITNESS

LINDSAY MILLER, VICE PRESIDENT, SEEDS OF PEACE

Ms. MILLER. Good afternoon, Mr. Chairman.

My name is Lindsay Miller. I'm Vice President of Seeds of Peace. I want to thank you and the other members of this committee for the opportunity to talk to you briefly about an extraordinary organization.

Seeds of Peace promotes understanding and peace by bringing together Arab and Israeli teenagers and youth from other turbulent regions for a unique conflict resolution program in Maine. In this safe and neutral setting, these youngsters, age 13 to 15, overcome prejudice, fear and anger and learn to live together.

Seeds of Peace has no political agenda other than to form bonds of trust and friendship between young people who have been separated by conflict and war. We do not take positions on the Arab/Israeli conflict and we are a nonpolitical, nonprofit organization.

Seeds of Peace is changing the future. It is changing the attitudes of teenagers caught up in a bitter and historic conflict that has persisted for too long and taken too many lives. But unless the attitudes and experiences of young people are changed and the barriers of suspicion and mistrust are broken down, peace will remain elusive.

Created in 1993 by author and journalist John Wallach, Seeds of Peace brought 40 Israeli, Palestinian and Egyptian Israeli youth to summer camp in Maine that first year. The youngsters lived together, shared their meals, played on the same teams and argued with each other.

Under the guidance of professional facilitators, this first group participated in daily two hour sessions of conflict resolution. During this process, these youngsters broke down the barriers of mistrust and suspicion. They began to see one another as people, not as enemies.

From that modest beginning, Seeds of Peace has established itself as an innovative and recognized program for teenagers from the Middle East and other conflict areas, including Bosnia and Cyprus.

In the last six years, Seeds of Peace has graduated more than 1,000 youngsters from Israel, the Palestinian authority, Egypt, Jordan, Morocco, Tunisia and Qatar.

But let me stress, above all, the experience at camp is not just about singing songs around the campfire. What goes on at the facilitation sessions is often painful and reflects the rawness, hatreds and stereotypes which fuel the conflict.

But what emerges is something quite remarkable. Arabs and Israelis who are willing to listen to one another learn from one another and to respect one another. The transformations that take place during this summer are only the first steps towards educating and nurturing a new generation of peacemakers.

Seeds of Peace is committed to expanding our modest regional program to reach as many youngsters as possible. In order for Seeds to grow, we need your support. Seeds of Peace is seeking $800,000 in U.S. Government funding to expand our existing program into a year-round, comprehensive program in the region.

In short, Seeds of Peace is infusing the peace process between governments with something that is too often left out: the human dimension. For real peace to take root, a new generation must be prepared to make it possible.

Seeds of peace gives the next generation the tools to create a better and more secure future. It empowers them to lead. It creates hope instead of despair. It plants the seeds of peace, real peace, in the real world.

I could continue to talk about Seeds, but I would never be able to convey what we really do. For that, you would have to come to camp in Maine. I know that is not possible, so I brought a little bit of camp to you.

[The information follows:]



Seeds of Peace

Lindsay Miller
Vice President
6032 Western Avenue, Chevy Chase, Maryland 20815
(tel) 301-654-2041 (fax) 301-654-4042 (E-mail) Lindsaysue@aol.com

Seeds of Peace
Public Witness Statement submitted to the
House Appropriations Subcommittee on Foreign Operations
March 4, 1999

Submitted by: Lindsay Miller, Vice President

Good afternoon Mr. Chairman. My name is Lindsay Miller. I am Vice President of Seeds of Peace. I want to thank you and the other members of this Committee for this honor and the opportunity to talk to you briefly about an extraordinary organization.

Seeds of Peace promotes understanding and peace by bringing together Arab and Israeli teenagers, and youth from other turbulent regions, for a unique conflict resolution program at its own site, The Seeds of Peace International Camp, in Maine. In this safe and neutral setting, these youngsters, aged 13 to 15, overcome prejudice, fear, and anger, and learn to live together. Seeds of Peace does not have a political agenda. Rather, it seeks to forge bonds of trust and friendship between young people who have been raised in an atmosphere of conflict and war. Seeds of Peace does not take a position on the Arab-Israeli conflict and it is a non-political, non-profit organization.

Seeds of Peace is changing the future. It is changing the attitudes of teenagers caught up in a bitter and historic conflict that has persisted for too long and taken too many lives. It is empowering the next generation of peacemakers to become leaders. The world has witnessed much progress in the last six years in the peace negotiations. Great men like Anwar Sadat, Yitzhak Rabin, and King Hussein have made heroic sacrifices in taking this region a step closer to peace. But unless the attitudes and experiences of young people are changed, and the barriers of suspicion and mistrust are broken down, peace will remain elusive. Seeds of Peace is helping Arab and Israeli youth create real peace on the ground, in the real world, the world of ordinary people that diplomats and treaties often ignore.

Seeds of Peace was founded in 1993 by John Wallach, an award-winning former Hearst newspaper reporter and editor, who has a passionate commitment to Israeli-Arab peace. He

persuaded Yitzhak Rabin, Yasser Arafat, and Hosni Mubarak to send 40 Israeli, Palestinian, and Egyptian youth to the first Seeds of Peace conflict resolution program in Maine. The youngsters lived together, shared their meals, played on the same teams - and argued with each other. Under the guidance of professional facilitators, this first group participated in daily, two hour sessions of conflict resolution. During this process, these youngsters broke down the barriers of mistrust and suspicion. They began to see one another as people - not as enemies.

From that modest beginning almost seven years ago, Seeds of Peace has established itself as an innovative and recognized program in conflict resolution for teenagers from the Middle East and other conflict areas, including Bosnia and Cyprus. Since 1993, Seeds of Peace has graduated more than 1000 youngsters from Israel, the Palestinian Authority, Egypt, Jordan, Morocco, Tunisia, and Qatar. Active efforts are underway to persuade other Arab governments to join the program.

While no funding is sought or accepted from any of the participating governments, each government is asked to conduct the selection process. This ensures fairness, accountability to their people, and most important, the official support of each government and its leaders for this important people-to-people project. Chosen by their governments for their motivation, leadership potential, and facility in English - the common language of the program - these young people represent a variety of economic and social backgrounds, and a wide diversity of political views. Seeds of Peace now brings more than 300 Arab and Israeli youth to its program each summer.

The Seeds of Peace program is not merely about singing songs around a campfire or going on a canoe trip together. What takes place at the facilitation sessions is often excruciating, and reflects the rawness, hatreds, and stereotypes, which fuel the conflict. What emerges is something quite remarkable: Arabs and Israelis who are willing to listen to one another, learn from one another, and respect one another.

The transformations that take place during the summer are only the first step towards educating and nurturing a new generation of peacemakers. Seeds of Peace graduates must have year-round support if they are to realize their potential to become the leaders of tomorrow. With more than 1000 graduates already in the Middle East, Seeds of Peace is committed to expanding its modest regional program to reach as many youngsters - and teachers - as possible.

In order to expand its projects and develop into a comprehensive year round program, Seeds of Peace is seeking $800,000 in US government funding. These funds will enable Seeds of Peace to reach thousands more youngsters in a relatively short period of time - youngsters who will be ambassadors of peace and will very soon be leaders, trained in conflict resolution, and who will have friends across all borders of the the Middle East.

Since its inception, Seeds of Peace has largely refrained from seeking U.S. Government support. Each year, from 1994 to 1996, Seeds of Peace received a $35,000 grant from the United States Institute of Peace (USIP). Also, through a competitive bid process, Seeds of Peace was awarded a $100,000 subcontract of a Fulbright program, administered through AMIDEAST - to implement a special program for Greek and Turkish Cypriot youth.

Seeds of Peace is educating an entire generation of Arabs and Israelis who are committed to building a future together. Indeed they have already begun. With limited resources, they are already publishing their own newspaper, *The Olive Branch,* speaking together at schools throughout the region, and maintaining contact across all borders via the internet. Proud of having broken barriers and stereotypes that their elders said could never be destroyed, these youngsters are committed to preserving the friendships they have forged.

In short, Seeds of Peace is infusing the peace process between governments with something that is too often left out: the human dimension. For real peace to take root, a new generation must be prepared to make it possible. Seeds of Peace gives the next generation the tools to create a better and more secure future. It empowers them to lead. It creates hope instead of despair. It plants the seeds of peace - real peace in the real world.

Thank you.

SEEDS OF PEACE
PROPOSAL TO US CONGRESS

BUDGET HIGHLIGHTS

Seeds of Peace works to secure lasting peace in the Middle East by bringing together Arab and Israeli teenagers, aged 13 to 16, before their fear, mistrust and inherited prejudices have permanently shaped their vision of the "enemy." Seeds of Peace begins where negotiated agreements end – dispelling fear in the hearts and minds of the next generation and preparing them for the arduous task of peacemaking. By nurturing lasting friendships, trust and teamwork, the program makes it possible for these Arab and Israeli youngsters to become the seeds from which an enduring peace will grow.

Set in a neutral, supportive environment at its own summer camp in Maine, the Seeds of Peace program creates a total coexistence experience in which Arab and Israeli teenagers live, play, learn, eat and sleep together. This intensive, month-long program combines recreational sports, computer and arts activities with daily conflict-resolution sessions led by professional American, Arab and Israeli facilitators. Through the coexistence workshops, participants develop listening/negotiation skills, empathy, respect, confidence and hope – the building blocks for peaceful coexistence.

I. Expansion of Seeds of Peace US Program

A. *Third summer session at Seeds of Peace International Camp in Maine*

- to expand the scope of the Seeds of Peace summer program by creating an additional program for 150 more Arab and Israeli teens, thereby graduating over 450 each summer
- Cost: $375,000 ($2,500 per participant)

B. *Professional Development of Facilitation Program*

- to professionally develop and refine the Seeds of Peace coexistence program through the creation of a general curriculum that is applicable to any intercommunal conflict
- Cost: $119,000

II. Expansion of Seeds of Peace Regional Program

A. *Arab and Israeli Facilitator Training Program*

- to train Arab and Israeli educators and facilitators in the Seeds of Peace methodology so that they may begin to implement these lessons with youth in Israel, the West Bank, Gaza, Jordan and Egypt
- Cost: $100,000

B. *Regional Program Outreach Offices*

- to coordinate and conduct outreach activities in Israeli, Palestinian, Jordanian and Egyptian schools and youth groups
- Cost: $200,000

C. *Young Ambassadors Program*

- to increase face-to-face encounters with the "other" by having Arab and Israeli Seeds of Peace alumni make presentations about their experiences in coexistence at schools, youth groups and universities
- Cost: $50,000

D. *Weekend Seminar Program*

- to hold issue-oriented weekend seminars for Seeds of Peace alumni at which they will present, discuss and develop ideas on issues related to coexistence, peace and stability in the Middle East
- Cost: $80,000

E. *Program Evaluation*

- to evaluate the long-term effectiveness of the Seeds of Peace program by tracking the graduates from the first six year of the program (1993 - 1998) and conducting in-depth interviews with those participants to learn how the program has effected and impacted on their lives
- Cost: $75,000

III. Technology & Media Expansion

A. *Pilot School Program*

- to identify Israeli and Palestinian schools to participate in a pilot CD-ROM Coexistence Program for the installment of computers
- Cost: $150,000

SEEDS OF PEACE PROGRAM DESCRIPTION

"SEEDS OF PEACE – AN INTERNATIONAL MODEL

Seeds of Peace works to secure lasting peace in the Middle East by helping Israeli and Arab teenagers develop the negotiation skills, mutual respect and understanding necessary to find creative solutions to seemingly intractable problems.

Founded in 1993 by author and journalist John Wallach, Seeds of Peace has brought more than 1,000 Israeli and Arab teenagers, and youngsters from other regions of conflict, to its specialized conflict resolution program in the United States. Set in a neutral environment, the children form friendships through first-hand experiences, build mutual trust and develop leadership skills that will help them in leading their generation toward long-term security and peace in the region.

The scope of the Seeds of Peace program has expanded each year since its founding. There are now more than 1,000 extraordinary Israeli and Arab teenagers in the Middle East who have graduated from this innovative and results-driven conflict resolution and coexistence training and leadership development program. From the first fledgling group of 40 Palestinian, Israeli, and Egyptian boys participating in 1993, the program has grown annually, numbering 300 boys and girls in 1998, representing seven participants: Israelis, Palestinians, Jordanians, Egyptians, Moroccans, Tunisians and Qataris. Active efforts are underway to include the other Arab states in the program.

Since its inception, Seeds of Peace has received broad-based international acclaim and the enthusiastic endorsement of world leaders – including President Bill Clinton, Prime Minister Binyamin Netanyahu, Chairman Yasser Arafat, His Majesty King Hussein, former Israeli Prime Ministers Shimon Peres Yitzhak Rabin and Secretaries of State Madeleine Albright and Warren Christopher. Vice President Al Gore, First Lady Hillary Rodham Clinton, Her Majesty Queen Noor, and UN Secretary General Kofi Annan have also met with Seeds of Peace delegates in the Middle East. The involvement of these government officials extends far beyond their endorsement – top-level support of the program is lent actively and enthusiastically.

BACKGROUND: SEEDS OF PEACE INTERNATIONAL CAMP

Camp Program in Maine
For the past six years, Seeds of Peace International Camp has been the only place in the world where Arab and Israeli teenagers live as a community, sharing every aspect of their lives – from the cabin to the dining hall to heart-felt conversations in coexistence workshops and the team sports on the ball fields.

This intensive program – which has been recognized internationally by UNESCO, AMIDEAST and the Fulbright Commission (among others) as a model of a successful conflict resolution program, combines recreational sports, arts and computer activities with daily coexistence sessions led by professional American, Arab and Israeli facilitators. Through the coexistence workshops, participants develop listening/negotiating skills, empathy, respect, confidence, compassion and hope – the building blocks for peaceful coexistence. And throughout the camp program participants develop leadership skills within the total coexistence living environment.

The teenagers participate in regular camp activities, including sports, arts programs, computer lab programs and specialized evening programs. They play together as teammates, depend on one another in canoe excursions and outdoor leadership training exercises and learn about each other's cultural and religious traditions and heritage.

By breaking the mold of nation against nation, Arab against Israeli, and by overcoming differences between Jews, Muslims, and Christians, Seeds of Peace provides these young peacemakers the opportunity to break down stereotypes and recognize the common humanity that binds them. At camp, a

nurturing, supportive environment is created and maintained by the campers themselves, who establish friendships with each other based on their shared experiences and common concerns. Camp is quickly transformed from a meeting-place of strangers to a home where peace between Arabs and Israelis is realized in the daily activities and interactions of the campers.

Coexistence Program
For two hours every day, under the supervision of professional American, Arab and Israeli facilitators, participants meet in intimate discussion groups of 10-12 for facilitation workshops. It is during these sessions that the most important work of Seeds of Peace takes place.

The workshops provide participants the opportunity to listen and talk to each other in a safe, controlled setting. With the help of professional facilitators, the youngsters develop a trusted peer group with whom they recount painful memories, express pent-up anger and frustration and search together for answers. It is with these same peers that each camper shares his or her cabin, plays together in team sports and eats meals. Thus, a total living environment develops, based on trust, understanding and compassion.

In the short amount of time at camp, Seeds of Peace attempts to reverse the effects of generations of hate, pain and fear, and an atmosphere of frustration and despair in the region due to the failures of the peace process. It is the combination of athletics, arts, communal living and the coexistence programs, taking place in an atmosphere of acceptance, tolerance and understanding, that ultimately enables the teenagers to bond and become real friends – and through their friendship, true "seeds of peace."

SEEDS OF PEACE REGIONAL PROGRAM – RESPONDING TO A REAL NEED

The transformative experience at camp is just the first step towards educating and nurturing a generation of peacemakers. Seeds of Peace participants must have year-round support if they are to realize their potential as leaders of tomorrow. As the next generation of leaders, they must be allowed the opportunity to demonstrate peaceful coexistence in the region and share with their peers, friends and countrymen their experience of peace between people. Establishing a Seeds of Peace regional program with the capacity to reach hundreds of Israeli and Arab youngsters in their formative years, providing them with a viable model of coexistence and the opportunity to develop personal relationships and conflict-resolution skills, is the greatest hope for making peace a living reality.

Each year new graduating classes of 300 Arabs and Israelis return home to the Middle East from Seeds of Peace International Camp determined to change their future by helping their nations live together. They see themselves as ambassadors for peace and they undertake to transport and implement the principles and lessons learned at Seeds of Peace. Seeds of Peace alumni organize presentations at their high schools, start peace clubs and discussion groups, write for their school papers, and, most importantly, stay in close communication with their new Arab and Israeli friends across the borders.

It is impossible to quantify the impact these "normal" relationships and daily interactions between Israeli and Palestinian, Egyptian, and Jordanian teenagers have on personal, communal and political levels. When Tamer, a fifteen year-old Egyptian decides to travel with his brother to Israel to visit his Jewish friends, despite the disapproval of family, friends and teachers, his simple act of friendship carries a profound political consequence; when Inas travels from the West Bank to Jerusalem to spend the weekend with her best friend Meital, they are breaking new ground in Arab-Israeli relations, and offering a glimpse at what the future can hold. This type of exchange and personal interaction does not exist at the governmental level, nor is it commonplace among the parties to the Arab-Israeli conflict. Rather, Seeds of Peace graduates are the vanguard of normal relations between peoples – far ahead of their governments, and leading the way for their peoples.

This is no easy task. Often, Israeli and Arab Seeds of Peace teens are shocked when they return home and find themselves confronted by the ingrained prejudices and harsh skepticism of their parents, peers and teachers. For Lina, a Palestinian from Jenin, and Lital, an Israeli from Kfar Saba, there was no warm welcome – instead they were branded as traitors by their classmates. A recent letter by Sami, a Jordanian,

echoed their experiences saying, "*After the wonderful summer I spent in our perfect community, I faced reality. It was not as easy as I imagined it would be. We were rejected everywhere.*"

By establishing a comprehensive regional program, Seeds of Peace will ensure that graduates like Lina, Lital and Sami do not need to feel that they are alone in facing their friends' or families' doubt or disapproval. Seeds of Peace alumni will be giving the region what is most desperately needed, but sorely missing – a living example of the possibility of cooperation and coexistence, and an effective outreach program that will seek to include all the youth who are suffering from the history of hate, fear and violence.

CURRENT PROJECTS & ACTIVITIES

The Olive Branch
The cornerstone of the Seeds of Peace Regional Program is *The Olive Branch*, a quarterly newspaper researched, written, edited and produced by Israeli and Arab Seeds of Peace alumni. With over 50 alumni contributing to each issue, the newspaper actively involves a significant percentage of the graduates.

By working together to produce the newspaper, participants practice the cooperation and teamwork which are at the heart of the organization's mission. They are creating on-going, tangible proof that it is possible to express one's feelings openly and honestly while sparking healthy, constructive dialogue. And, they are spreading the message of peace and coexistence where it is most needed. *The Olive Branch* is currently being distributed through the Seeds of Peace network to regional schools and youth groups, and many alumni have used the paper as a foundation for class discussion and school presentations.

Seeds of Peace editors in each country, elected by the alumni in that country, collect and assign articles, then work together via e-mail, fax and telephone with each other and the regional coordinator to choose submissions and organize the paper. Careful attention is paid to keeping the newspaper balanced and representative of all the delegations. Israeli and Palestinian editors meet frequently with the coordinator to work on the paper together.

School Presentations
At the initiative of the Seeds of Peace alumni, the Regional Program staff have coordinated many school visits and presentations in Israeli and Palestinian schools. Eager to share their experiences and the lessons they learned at camp, many Seeds of Peace graduates have approached school officials and sought permission to make a presentation about Seeds of Peace, the conflict and how coexistence works. These presentations are always coordinated with the assistance of the Seeds of Peace regional coordinator.

Each presentation team consists of an equal number of Israelis and Palestinians and usually speaks for an hour on their experiences at Seeds of Peace – from arriving the first day scared and nervous, to playing together as teammates and the tearful goodbyes at the airport. The presenters then open the forum for questions from the audience, which are sometimes critical and negative. The challenge for these presentation teams is not to convince their peers to go out and make friends with Israelis or Palestinians, but to share with them the experiences from camp which allowed them to learn to appreciate and understand the other side, and to demonstrate that coexistence does work. The school presentations are another form of outreach to the larger communities in which our graduates live, and serve as more evidence of the success of the program and the hope that these young leaders represent.

Building Blocks of Peace: Coexistence Workshops & Weekend Retreats
Overcoming fear, confronting political crises and building trust is an ongoing process that requires much time and effort for young Arabs and Israelis. After experiencing what for many of them is "heaven on earth," they return to the Middle East and find themselves caught in the crossfire. Over the last four years, Seeds of Peace alumni have repeatedly requested increased follow-up programming in the region, more coexistence sessions and help in dealing with their experiences back at home.

In 1998, Seeds of Peace organized coexistence three weekend retreats with Israeli, Palestinian and Jordanian participants attending each program. These workshops in leadership training, negotiation and

problem-solving will continue to develop the skills necessary for building trust and cooperation. Workshops also have been tailored for alumni to hone and develop their own facilitation skills. During the workshops, professional Israeli and Arab facilitators who have worked with Seeds of Peace over the last six years lead role-playing exercises, interactive learning activities and discussion sessions.

Other Activities
In addition to those activities listed above, the Regional Program is engaged in numerous other activities designed to facilitate the network of Seeds of Peace alumni in the region. In the past year, two seminars have been coordinated, one on human rights and the other on the workings of a kibbutz, which was attended by over 50 "seeds." Also initiated in the past year was the Seeds of Peace Basketball Team – a team that is half Israeli and half Palestinian – that plays against Israeli and Palestinian club teams, while delivering the message of peaceful coexistence and displaying in action what can be achieved through coexistence. Finally, the regional coordinator arranges for numerous reunions of various sizes, sometimes as many as 5 reunions in one week. These reunions can last from a one day visit to a friend's home, to a weekend reunion with over thirty "seeds" in Petra. While allowing the alumni to refresh their friendships, these visible reunions display to the larger communities the promise of peace and the hope for the future.

Seeds Of Peace On The Internet - SeedsNet: www.seedsofpeace.org
In addition to the efforts of the regional staff and the graduates to organize visits and other opportunities for gatherings, Seeds of Peace alumni are in continuous contact via the Seeds of Peace website and chat forum on the Internet. This technology, which knows no borders, checkpoints or passports, has allowed Seeds of Peace graduates to form a *virtual community* in cyberspace. Each day hundreds of e-mail messages and chat postings are sent by Seeds of Peace alumni to each other discussing the political and social issues of the day. Individual campers, of course, e-mail friends privately. But for those Seeds graduates who have something they need to communicate with everyone, they publish their thoughts in SeedsNet - our *daily*, confidential, online service. Over three hundred Seeds, from Morocco to Qatar and ages 13 to 20, receive SeedsNet communications daily, and that number increases as more and more kids acquire internet capabilities. SeedsNet has become an extraordinary and powerful tool. But the Internet is more than a forum for an exchange of ideas, for it also allows the friendships that were established at camp to be nurtured and developed even further. Through the Internet, graduates from the first group of "seeds" are able to "meet" their fellow alumni and present different perspectives on ideas. The common bond is the Seeds of Peace camp experience, and the commitment they all have to actively making real change in the Middle East. A previously scattered community can now be coordinated to "attend" a live chat session within a few hours, representing a powerful force for peace in the region.

CONCLUSION
Today, Seeds of Peace has over 1,000 Israeli and Arab alumni in the region, the majority of whom are Israeli and Palestinian teenagers between 14 and 18 years old. Without the belief, commitment and support for the next generation of Israeli and Arab political, business and community leaders, peaceful coexistence between Israelis and Arabs cannot be realized. In order to give peace a chance to blossom, a new generation must be cultivated and readied for the demands of making real peace.

A comprehensive regional program is a guarantee that a new generation of Israeli and Arab leaders and citizens will be educated to make peace. It means that the peace building and learning processes begun in the United States at the Seeds of Peace summer program will continue and take root back in the region, where it is most needed. Supported by an established, formal regional program, Seeds of Peace graduates *will change the future of the Middle East.*

Principal Staff

John Wallach

Founder and President

John Wallach pioneered the concept of bringing rival multinational groups together for conflict resolution when he founded the Chautauqua Conference on U.S./Soviet Relations (1985), which became the flagship of the citizens exchange programs and was widely credited with hastening the development of glasnost and perestroika in Soviet-American relations. Mr. Wallach was recognized for his groundbreaking work in this area by both President Ronald Reagan and President George Bush and was personally awarded the Medal of Friendship by former Russian President Mikhail Gorbachev at a ceremony in Moscow.

Mr. Wallach also has devoted much of his journalistic career to ending the cycles of dehumanization in the Middle East. He wrote and co-produced the PBS documentary *Israel and the Palestinians: Will Reason Prevail?* (1980) and has co-authored three books, with his wife Janet, about the Israeli-Palestinian conflict: Still Small Voices (1988), which was personally endorsed by President Jimmy Carter; Arafat: In the Eyes of the Beholder (1990); and The New Palestinians (1992). With a grant from the United States Institute of Peace, Mr. Wallach has recently completed *Rehumanizing the Enemy*, a publication on the methodology of organizing effective conflict resolution programs for youth, which can be applicable on an international basis.

Among Mr. Wallach's numerous journalistic prizes are the 1980 Raymond Clapper Award, which was presented by President Carter, for his coverage of the Israeli-Egyptian summit at Camp David; three Overseas Press Club prizes; and the Edwin Hood Award, the highest honor presented by the National Press Club for foreign policy reporting. Mr. Wallach also received the B'nai B'rith Humanitarian Award for his work on behalf of Soviet dissidents.

He was the Founding Editor of *We/Mbl*, the first independent Russian-American newspaper in joint venture between Hearst and Izvestia, and appears regularly on network news programs and the British broadcasting Corporation (BBC). Mr. Wallach has taught at Dartmouth College and American University, where he received the annual faculty award for outstanding teaching, and was a Visiting Fellow of the Woodrow Wilson Foundation. He has been the executive director of the Elie Wiesel Foundation for Humanity. He also was named *Washingtonian of the Year* in 1993 by the Washingtonian Magazine.

Barbara Gottschalk, LCSW-CACSW

Executive Director

Invited by John Wallach to become the first Executive Director of Seeds of Peace, Bobbie Gottschalk worked closely with the founder to initiate and form the organization's mission and operation. She is responsible for program development and administration, on-going contact with regional coordinators and continuing contact with all the participants in Seeds of Peace. She is principally responsible for the camp program, the follow-up programs in the Middle East region and supervision of all senior staff. She also participates in public relations and fundraising efforts.

From 1979 to 1992, Bobbie was the Department Supervisor and Special Assistant for Program Development at the Jewish Social Service Agency of Washington, DC. There, she created, developed and managed the Special Services Department, serving children and adults with disabilities and their families. She provided clinical supervision and administrative leadership to a professional staff of eleven, and was responsible for procuring more than $600,000 in annual public funding targeted for people with hearing impairments, chronic mental illness or developmental or adventitious disabilities. Her social work practice included both short-term and long-term psychotherapy for a wide variety of clients, using individual, family and group modalities.

Community Leadership:
- Board member and Past President, Bethesda Academy of Performing Arts, 1985-present.
- Budget Liaison, Montgomery County Commission of People with Disabilities, 1988-1994.
- Board Member, United Jewish Appeal Federation, 1998-5

Awards:
- Community Partnership Award, 1989, UJAF Campaigner of the Year, 1993
- Earlham College Outstanding Alumni Award, 1996
- Medal of Honor, presented by King Hussein of the Hashemite Kingdom of Jordan, 1997
- Peacemaker Award, Earlham College, 1997
- Lehrman-Pikser Professional Award, Jewish Social Service, Washington, DC, 1997

Timothy P. Wilson

Camp Director

Tim Wilson brings more than 30 years experience in education, public service and athletic coaching to Seeds of Peace. Mr. Wilson's achievements in the youth development field are cited through numerous awards and countless success stories from the boys and girls he has challenged and inspired to see the best in themselves and their peers.

A former Peace Corps volunteer and history teacher, Mr. Wilson has served as:
- Chair, Maine Human Rights Commission
- Director, Civil Emergency Preparedness and Energy Office of the State of Maine
- Director, Community Services of Maine
- Maine State Ombudsman
- Associate Commissioner, Maine Departments of Mental Health, Mental Retardation and Corrections
- Headmaster, Hyde School
- Director of Admissions, Maine Central Institute
- Member, Commission on Undergraduate Education, University of Maine
- Marketing and Communications Consultant, Christie Associates
- Chairman, Maine Interim Committee on Human Rights

Mr. Wilson graduated from Slippery Rock University, where he was Class President and President of Student Government. He has coached championship teams in high school/college football and wrestling, and was named the 1976 Alumnus of the Year in his Augusta, Maine. In 1980, he received the Governor's Commendation for Service and in 1983 was honored with a Maine Disabilities Council Award.

He has served for years as Camp Director of Camp Powhattan in Oxford, Maine -- where he began his involvement in 1969 as an administrative assistant and Head Counselor.

Lindsay Miller
Vice President

Lindsay Miller is a Vice President and Member of the Board of Seeds of Peace, and has been actively associated with the organization since its inception in 1993. Her current responsibilities in Washington,DC include outreach to the diplomatic community, to Congress, and to local and Middle East media.

Lindsay received her B.A. in psychology and a MSW from the University of Michigan in clinical and community organization in 1976. From 1976 to 1981 Lindsay served as the Program Director as well as the Director of The American University B'nai B'rith Hillel Foundation where she originated the first Washington Jewish Folk Arts Festival - a participatory celebration of Jewish life in Washington, DC. She continued to be a principal coordinator of the festival for several years.

Lindsay is a member of the Board of Directors of the Jewish Social Service Agency of Washington, DC, serving as the Chairperson of the Quality Assurance committee for the agency. She has also chaired the agency's Nominating Committee.

She has served on the education committee of Adas Israel Congregation, and has been the president of the Kingsbury Day School PTA, a school for children at risk for learning disabilities. In 1991-1993 Lindsay took continuing graduate courses in group work from The University of Maryland.

Lindsay has also maintained a lifelong interest in the Middle East and in the pursuit of Arab Israeli peace. She has lived in Israel and traveled widely in the Middle East, and has studied Arabic at the Middle East Institute in Washington, DC.

Lindsay shares her dedication and life long commitment to Middle East peace with her husband, Aaron, and two children, Jennifer and Daniel.

Ms. MILLER. I would like to introduce Shoug Tarawneh, a freshman at Georgetown University School of Foreign Service and a Jordanian graduate of Seeds of Peace.

Welcome to the committee.

Ms. TARAWNEH. Thank you.

I was 14 years old when I first went to Seeds of Peace. I was really excited about the idea of meeting an Israeli for the first time in my life. But, at the same time, I was a little bit scared. I remember really well the first discussion group I went to.

Actually, I wrote my college essay about it. We had to play a game called Human Knot where each one of us had to hold the hand of the person in the front of them and the person on their side and form a knot and we had to solve it.

It took us a while to solve it, but then we realized that, in order to solve it, one of us had to sacrifice and we had to step on them and move around in a certain way to solve it.

Eventually it was solved. But afterward, when we started discussing the theme of this game, I don't really remember whether it was a Palestinian or an Israeli who jumped up and said, "Enough is enough. I am the one who is suffering right now and it is your time to sacrifice."

As a Jordanian sitting in this discussion group I watched Palestinians and Israelis discussing it. They are the people who are living the suffering. It helped me so much understand where I stand as a Jordanian in this conflict.

It took us a couple of discussion groups to calm down and start listening to each other because, believe me, in the first discussion groups none of us wanted to listen to the other. We only wanted to convince the other side, whether it was an Arab or an Israeli, that I suffer the most and I have the right to rule everything right now.

And I think trying to reach this understanding never ended when the camp was over. Because a week ago I was at the Seeds of Peace office in D.C. and I was looking at some of the pictures. I am 18 years old right now, so most of my Israeli friends are in the Army.

And I saw a picture of a really good friend of mine wearing his Israeli Army suit, which always symbolized to me a person who wants to take my land and kill my people. This idea would never have crossed my mind that I know the individual who is wearing this Army suit.

And I think this is what Seeds of Peace helped me to do. It gave me the chance to get to know the other side of an individual and to understand their position and why they are doing that and understanding why I am doing that and try to explain it to them.

And I understood, and I am sure that my colleague Seeds understood that too, that peace is not only the absence of hostility, but it is more like understanding and appreciating the concept of coexistence and living with each other.

Mr. CALLAHAN. Well, maybe there is hope for the future because there has been a lot of fighting in the Middle East for centuries. Maybe the Seeds of Peace can ultimately bring the leaders of the countries together as it has students.

Mr. KNOLLENBERG. Mr. Chairman, if I might, I wanted to commend Ms. Tarawnch for being here and talking about the real side of this thing. I have had some experience with Seeds of Peace. When Ms. Miller made her presentation she made it clear that this is really a study in conflict resolution. And I do believe the youth is the answer here. It may not be the only answer, but it is one that should be advanced.

And I have been supportive of this in my home area. I do not know, Mr. Chairman, if you met this gentleman when you were there. I do not think you did. But it is a gentleman who is very much involved in the progress of this organization with over 1,000 graduates now.

So I think it is something that deserves attention, and obviously we appreciate both of you coming today.

Thank you.

Ms. KILPATRICK. I, too, have visited the Gaza Strip, the West Bank, and Israel and Egypt. I want to thank Seeds of Peace for the work that you do—particularly the young people. I think that when our young people across the world have the commitment to understanding other people's culture, the world is better by it.

So I want to thank you for your work. In working and listening to those young people during my visit, I've seen that they really are the key to the American crisis and the world crisis as we look to respect one another's culture.

Thank you very much.

Mr. CALLAHAN. Thank you.

Congressman Schaffer.

Bob, we are letting you jump ahead because we know some of you all have to catch a plane, but we are still hoping you will respect the fact that we are 20 minutes behind schedule.

THURSDAY, MARCH 4, 1999.

U.S. FOREIGN ASSISTANCE TO UKRAINE

WITNESS

HON. BOB SCHAFFER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. SCHAFFER. Mr. Chairman and members of the subcommittee, I thank you for the opportunity to address you regarding U.S. foreign assistance to Ukraine for fiscal year 2000. As co-chair of the Congressional Ukrainian Caucus, my goal is to build a strong relationship between the United States and Ukraine.

The United States is well positioned to play a key leadership role in assisting Ukraine to further establish a pluralistic and democratic society based on the principles of law and the free market system.

Your support for funding for Ukraine will greatly encourage the needed progress. During the past year, Ukraine has taken a number of significant steps on its path toward reforming its economy and establishing a strong and stable democratic government.

Most recently, the Ukrainian Parliament adopted a state budget for the year which included the lowest annual budget deficit since Ukrainian independence. In October of 1998, a three year plan was

approved by the Cabinet of Ministers to modernize the nation's accounting standards, and this achievement will remove a major impediment to foreign investment in Ukraine.

In addition, Ukraine is working to broaden its tax base, lower its interest rates in its current system, while, at the same time, legislation has been completed to provide for a comprehensive new tax code which will be presented to the Rada in the spring.

Finally, Ukraine has undertaken a number of efforts to streamline its public administration, establish fully functional treasury, increase the number of private enterprises and reform its commercial markets.

Congress has played a key role in positive Ukrainian developments. The assistance given to Ukraine by the United States has led to historic gains for democracy and stability. In the past year alone, despite the near collapse of the Russian and Asian financial markets, U.S. foreign assistance programs helped Ukraine avert a major crash of its economy.

Ukraine undertook a successful effort to avoid hyper inflation, increase budget revenues, raise reserve requirements for commercial banks, and introduce a new currency exchange court ordered to prevent dramatic devaluation in the Ukrainian currency.

Discontinuation of the foreign assistance earmark could defeat years of progress in this important democracy and weaken the aspiring partnership between our two nations.

And despite these encouragements, we are aware that much still needs to be done.

The Caucus shares the committee's concern over the legacy of corruptions throughout the entire former Soviet region. Combatting corruption remains a substantial challenge for the current Ukrainian government.

However, earmarking assistance to Ukraine provides the best mechanism to address this concern. For example, the House Foreign Operations Subcommittee can introduce provisions targeting Ukraine's judicial and legal system to help combat corruption, as well as to include U.S. law enforcement agencies in the fight against it.

And your support of these proposals will greatly encourage the need to reform Ukraine's developing legal and business environment. The objectives of peace and stability and democracy in Central and Eastern Europe have been enhanced particularly because the United States remains actively engaged through U.S. foreign assistance in a bilateral relationship with Ukraine.

As Ukraine government continues to reform its internal structures and introduce further economic reforms, it is vital for U.S. foreign assistance to continue.

And that concludes my remarks, Mr. Chairman. Thank you.

[The information follows:]

BOB SCHAFFER
MEMBER OF CONGRESS FROM COLORADO
FOURTH DISTRICT

212 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

(202) 225-4676
E-mail: rep.schaffer@mail.house.gov



COMMITTEES

AGRICULTURE

RESOURCES

EDUCATION AND THE WORKFORCE

REPUBLICAN POLICY COMMITTEE

Congress of the United States
House of Representatives

TESTIMONY OF HON. BOB SCHAFFER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO
Public Hearing
For Foreign Assistance to Ukraine For FY 2000
Subcommittee on Foreign Operations, Export Financing and Related Programs
March 4, 1999

Mr. Chairman and members of the House of Representatives Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs, thank you for the opportunity to address the Subcommittee regarding U.S. foreign assistance to Ukraine for FY 2000.

As co-chair of the Congressional Ukrainian Caucus (CUC), my goal is to build a strong relationship between the United States and Ukraine. The United States is well positioned to play a key leadership role in assisting Ukraine to further establish a pluralistic and democratic society based upon the principles of law and the free-market system. Your support of full Ukrainian funding will greatly encourage this needed progress.

During this past year, Ukraine has taken a number of significant steps on its path toward reforming its economy and establishing a strong and stable democratic government. Most recently, the Ukrainian Parliament adopted a state budget for the year which included the lowest annual budget deficit since Ukrainian independence. In October 1998, a three year plan was approved by the Cabinet of Ministers to modernize the nation's accounting standards. This achievement will remove a major impediment to foreign investment in Ukraine. In addition, Ukraine is working to broaden its tax base and lower interest rates in its current system, while at the same time, legislation has been completed to provide for a comprehensive new tax code which will be presented to the Rada this spring. Finally, Ukraine has undertaken a number of efforts to streamline its public administration, establish a fully functional treasury, increase the number of private enterprises, and reform its commercial markets.

Congress has played a key role in positive Ukrainian developments. The assistance given to Ukraine by the U.S. has led to historic gains for democracy and stability. In the past year alone, despite the near-collapse of the Russian and Asian financial markets, U.S. foreign assistance programs helped Ukraine to avert a major crash of its economy. Ukraine undertook successful efforts to avoid hyperinflation, increase budget revenues, raise reserve requirements for

315 W. OAK ST., SUITE 307
FORT COLLINS, CO 80521
(970) 493-9132

801 8TH ST., SUITE 220E
GREELEY, CO 80631
(970) 353-3507

19 W. 4TH ST
LA JUNTA, CO 81050
(719) 384-7370

705 S. DIVISION AVE
STERLING, CO 80751
(970) 522-1788

commercial banks, and introduce a new currency exchange corridor to prevent a dramatic devaluation of the Ukrainian currency. Discontinuation of the foreign assistance earmark could defeat years of progress in this important democracy and weaken the aspiring partnership between our two nations.

Despite these encouragements, we are aware that much still needs to be done. The CUC shares your concerns over the legacy of pervasive corruptions throughout the entire former Soviet region. Combating corruption, remains a substantial challenge for the current Ukrainian government. However, earmarking assistance to Ukraine provides the best mechanism to address this concern. For example, the House Foreign Operation Subcommittee can include provisions targeting Ukraine's judicial and legal system to help combat corruption, as well as to include U.S. law enforcement agencies in the fight against it. Your support of these proposals will greatly encourage the needed reform of Ukraine's developing legal and business environment.

The objectives of peace, stability, and democracy in Central and Eastern Europe have been enhanced particularly because the United States remains actively engaged, through U.S. foreign assistance in a bilateral relationship with Ukraine. As the Ukrainian government continues to reform its internal structures and introduce further economic reforms, it is vital for U.S. foreign assistance to continue. Thank you Mr. Chairman.

Mr. CALLAHAN. Thank you. That was a nice presentation. We appreciate very much your views as well as those of your Caucus.

Mr. SCHAFFER. Thank you.

Mr. CALLAHAN. Thank you very much.

The Ukrainian Congress Committee, Mr. Sawkiw.

Mr. SAWKIW. Good afternoon, Mr. Chairman, members of the subcommittee.

Mr. CALLAHAN. We will accept your statement for the record.

THURSDAY, MARCH 4, 1999.

U.S. FOREIGN ASSISTANCE TO UKRAINE

WITNESS

MICHAEL SAWKIW, JR., UKRAINIAN CONGRESS COMMITTEE OF AMERICA

Mr. SAWKIW. Yes, please.

The organization that I represent is the Ukrainian Congress Committee of America, the umbrella organization of Americans of Ukrainian descent. Mr. Chairman, in my capacity as the director of the UCCA's Washington bureau, I would like to commend the subcommittee, under your leadership, for its commitment in last year's appropriations bill that led to an increased funding in the Freedom Support Act.

This engagement increases America's leadership role in sustained economic development and strengthening democratic principles throughout the states of the former Soviet Union, most notably Ukraine.

As regards the democratic processes in Ukraine, Ukraine has been both a champion and pioneer with a model human rights record and, since independence, Ukraine has held four free and fair elections with an upcoming presidential election to be held in October of this year.

The exemplary behavior which first manifested itself in Ukraine's denuclearization and peace keeping efforts has continued during the past year, as illustrated by Ukraine's evolving relationship with NATO and its recent refusal to join in Russia's ill conceived nuclear cooperation with Iran.

Progress has been achieved in Ukraine in the reformation of the judicial and legal systems as government structures have been modified to spur investment opportunities for foreign and domestic businesses alike.

This commitment, however, remains a time consuming process, one that deserves the continued support of the United States. Corruption, as we all know, was an endemic part of the former Soviet governmental system which Ukraine subsequently inherited.

Instead of condemning Ukraine, Congress should mandate continued assistance programs to cooperate with Ukraine to address the generic problem associated with the resolution of most business problems in Ukraine, that being corruption.

For two years now Ukraine has undergone a certification process which has enmeshed U.S. and Ukrainian government officials in the arduous process of resolving various individual U.S. business disputes in Ukraine.

To once again enact legislation with certification based upon the resolution of business disputes for several American investors would paint a distorted picture of Ukraine's political and economic landscape.

Mr. Chairman and members of the subcommittee, we are in a race against time. Will the forces of corruption overwhelm Ukraine's economy before the rule of law can be institutionalized as the guiding principle? I should hope not.

Let us think of U.S. foreign assistance to Ukraine as an investment with a strategic partner in a safe, stable and secure democracy in Central Europe. As one of Europe's largest countries, the assistance that Ukraine receives from the United States would instill economic viability in that country, thus eliminating tendencies in neighboring Russia to restore its lost empire.

The Ukrainian Congress Committee of America urges the subcommittee to support the Administration's request to provide assistance to Ukraine, thus remaining engaged in targeting programs in the following areas:

Legal infrastructure reform with an independent judiciary, assistance for the struggle against crime and corruption, sector revitalization, as well as the promotion of programs geared towards the citizens to actively participate in agricultural restructuring and the building of a civic society.

I thank the subcommittee for your attention and look forward to any remarks or questions.

[The information follows:]

Testimony of

Michael Sawkiw, Jr.

Washington, D.C. Director
Ukrainian Congress Committee of America

Before the

Subcommittee on Foreign Operations, Export Financing, and Related Programs

Of the Committee on Appropriations

U.S. House of Representatives

Thursday, March 4, 1999

Ukrainian Congress Committee of America (UCCA):

The Ukrainian-American Community's Perspectives on U.S. Foreign Assistance

Mr. Chairman and members of the House of Representatives Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs, thank you for the opportunity to address the Subcommittee on issues regarding U.S. foreign assistance to Ukraine for FY 2000.

The organization that I represent is the Ukrainian Congress Committee of America (UCCA), the representative organization of the Ukrainian-American community. In my capacity as the Director of its Washington bureau, let me express my gratitude to the members of the Subcommittee for your previous efforts to support sustained levels of U.S. foreign assistance programs to Ukraine under the FREEDOM Support Act (FSA).

U.S. Global Leadership through the International Affairs Budget

As in previous years, the Ukrainian-American community firmly supports an international affairs budget that promotes U.S. national security interests and leadership throughout the world. Though comprising only 1% of the total federal budget, U.S. foreign assistance is critical to promoting the spread of democracy and building lasting peace.

Since the fall of communism in Central and East Europe nearly ten years ago, the Ukrainian-American community has labored to ensure that the United States remains engaged in these countries during their transition into democratic, full-fledged market states. In particular, the UCCA was pleased by the strong Congressional commitment in last year's appropriations bill that led to increased funding of the FREEDOM Support Act. The Ukrainian-American community is proud to support the Administration's FY 2000 budget request for the FREEDOM Support Act, which will make possible the continuation of much-needed economic and democratic reform.

Reform Efforts in Ukraine

Ukrainian-Americans have traditionally placed great value upon individual responsibility and self-reliance. It is therefore of utmost importance to my community that Ukraine receive assistance, which promotes the goals of global integration, economic competitiveness, and a democratic form of governance. The assistance given to Ukraine by the U.S. government has achieved historic gains for democracy and stability. In the past year alone, despite the near-collapse of the Russian and Asian financial markets, U.S. foreign assistance programs helped Ukraine to avert a major crash of its economy. Ukraine undertook successful efforts to avoid hyperinflation, increase budget revenues, raise reserve requirements for commercial banks, and introduce a new currency exchange corridor to prevent a dramatic devaluation of the Ukrainian currency. Edwin Truman, Assistant Secretary of the Treasury Department, acknowledged during

his recent visit to Ukraine that that nation "has accomplished a great deal" in its efforts to avert a financial crisis in that country.

Having endured nearly seventy-five years of a command economic system, Ukraine has persevered in its struggle to attain a true market economy. Efforts by the Ukrainian government to adhere to an austere program of economic reform include the recently-passed state budget of Ukraine, which was signed into law by President Kuchma on January 25, 1999. In accordance with IMF recommendations, Ukraine's budget upholds realistic projections of revenue and expenses, while the deficit is the lowest since Ukrainian independence.

As regards democratic processes, Ukraine has been both a champion and a pioneer, holding free and fair elections, the most recent of which were the parliamentary elections held in March of last year. According to the recently released State Department *Report on Human Rights Practices in 1998*, Ukraine "has made progress on a number of basic freedoms, including freedom of speech, which is generally respected. In addition, on several occasions, the Government implemented measures to punish officials who committed or abetted mistreatment of detainees and to purge local law enforcement agencies of corrupt elements." Additionally, the exemplary behavior which first manifested itself in Ukraine's adherence to international principles of non-proliferation of weapons of mass destruction was continued during the past year, which saw the complete elimination by Ukraine of the world's third-largest arsenal of nuclear warheads.

In the past several years, reports of official corruption in Ukraine have cast a shadow over proposals for continued assistance to America's strategic partner -- Ukraine. These concerns should not be allowed to overshadow Ukraine's latest pro-Western action – the refusal to supply Iran with essential components for a nuclear reactor facility in Bushehr, while simultaneously continuing to forge even closer relations with the West and NATO. At the same time, Russia, itself plagued with rampant corruption is reportedly selling weapons systems to Iran.

Corruption: An Endemic Problem of the former Soviet Government

Funds appropriated for Ukraine in the previous years from the United States have, as their main priority, the goal of maintaining support for reform efforts in a broad range of areas. Each of those areas is vitally important to sustaining Ukraine's transition to a stable parliamentary democracy with a free-market economy. Most notable among the priorities are the enactment of commercial law and the enhancement of law enforcement procedures, since in Ukraine, the arduous process of reforming the legal system and instituting the role of law represents its biggest challenge.

Some progress has been achieved in Ukraine in the reformation of the judicial and legal systems as government structures have been modified to spur investment opportunities for foreign and indigenous businesses alike. This commitment, however, remains a time-consuming process, one which deserves increased, not decreased, support from the United States in the form of foreign assistance programs aimed at reform of Ukraine's commercial law and business environment. If Ukraine has fallen short of the goal of commercial law reform, the UCCA

believes that it is because U.S. assistance agencies delayed support for comprehensive commercial law reform until the first months of 1999. In the coming months and years, the U.S. must remain engaged and expand its delivery of assistance for comprehensive commercial law reform in Ukraine.

Fundamental programs and system-wide reforms will over time enable Ukraine to implement necessary strategies to attract foreign direct investment, so critical to Ukraine's economic future. However; notwithstanding the Soviet-style legacy of corruption, nearly 900 companies are active in Ukraine. While many new companies are ready to invest in Ukraine, others such as Coca-Cola and McDonald's are prepared to expand their operations with new manufacturing facilities, thus evidencing their commitment to Ukraine as a developing and expanding market.

William Pitt once stated: "Where law ends, tyranny begins." In the case of Ukraine, one might say, "Where commercial law ends or is lacking, corruption begins." Corruption was an endemic part of the former Soviet government that Ukraine subsequently inherited. Accordingly, efforts to provide Ukraine with a commercial legal system and combat corruption and organized crime must continue. This can only occur through the continued support of this Subcommittee. Congress should mandate continued assistance programs to cooperate with Ukraine to address the two-fold problems which are at the heart of virtually every investor dispute in Ukraine: lack of commercial law and corruption.

Recommendations

Members of the Subcommittee, we are in a race against time. Will the forces of corruption overwhelm Ukraine's economy before the rule of law can be institutionalized as the guiding principle? The UCCA recommends that U.S. foreign assistance appropriated to Ukraine should address that country's current strategic priorities, which will give it a business environment in accordance with international standards. My organization suggests the following priorities for Ukraine for FY 2000:

- ***Support for comprehensive commercial law reform in Ukraine.***

  The establishment of a comprehensive system of commercial law must be accelerated, supplemented by reforms designed to establish an independent judiciary and legal profession. A systematic approach to the delivery of aid in this crucial area of reform is needed in order to provide the basis for a functioning private sector in Ukraine. Since corruption flourishes in a lawless economy, the problem of organized crime will evade any effective solution until Ukraine establishes a system of commercial law on a par with prevailing international standards.

- ***Support for law enforcement in its struggle against corruption in Ukraine.***

  The Ukrainian government has announced the formation of a national anti-corruption program including screening of all government officials, civil service reform, and transparency of governmental structures. The main efforts to combat corruption, however, should be focused on the eliminating factors that influence law enforcement agencies, civil servants, and members of the judiciary to accept or become influenced by corruption. Programs such as these are an important step, and should be amplified through targeted U.S. foreign assistance.

  During the international corruption symposium held at the State Department in February 1999, Vasyl Durdynets, Director of the National Bureau of Investigation (NBI) in Ukraine, commented: "The essential element in the establishment of the anti-corruption system in Ukraine is the establishment through mass media, schools, and training institutions of the climate of integrity based on clear moral principles." Through continued cooperative efforts by the FBI and other international law enforcement agencies, the eradication of corruption in Ukraine will ultimately be effective.

- ***Support for continued development of democratic reform and democracy-building institutions, including the formation of a community of non-governmental organizations (NGO's) in Ukraine.***

  Since the former totalitarian Soviet government denounced community activism vis-à-vis government structures, citizens were denied the right to voice their concerns to state authorities. As Ukraine builds a civic society, U.S. foreign assistance programs should target the formation of grassroots democratic institutions and NGO's. Acting as a medium between government and the citizens, NGO's will spur activity in the form of business entrepreneurship and trade associations advocating the interests of groups and individuals. It is only local initiatives such as these that will enable Ukraine to continue its evolution from authoritarian rule to democratic values.

- ***Support for revitalization of Ukraine's energy sector.***

  A severe energy deficit has contributed to the continuing decline in Ukraine's industrial production. Among its causes are the lack of privatization of the energy sector and Ukraine's dependence on Russia as its major supplier of oil and gas. Among the most important of all funding priorities is making Ukraine energy self-sufficient or, at the very least, not dependent on Russian imported natural gas or oil. Another priority for U.S. foreign assistance programs is the closure of the Chornobyl nuclear reactor by the year 2000. Funds would help to clean up the entrenched burned-out reactor, as well as provide alternative energy sources for the loss of energy to be anticipated by the Chornobyl closure.

- ***Support for revitalization of Ukraine's agricultural sector.***

  With over 60% of Ukraine's GDP dependent upon agriculture, agricultural reform has been recognized as vital to Ukraine's future. U.S. foreign assistance programs should be designed to stimulate agricultural reform through continued privatization of the many remaining state-owned collective farms; technical assistance to increase production by Ukrainian private farmers; and the implementation of the constitutional rights to private land ownership in Ukraine.

It is the considered advice of the UCCA to this Subcommittee that the rewards of continued support for Ukraine are limitless. Let us think of U.S. foreign assistance to Ukraine as a safe and prudent investment in democracy in Central Europe.

Conclusion

The strategic and economic dividends from continued U.S. foreign assistance to Ukraine can be virtually limitless if the assistance helps to transform the environment for foreign and domestic investment and promotes Ukraine's self-sufficiency. In fact, Ukraine's strategic partnership with the United States represents the key to Ukraine's continued economic and political reform.

It is impossible to assert that problems do not exist in Ukraine. Yet, the former Warsaw Pact countries of Poland and Hungary view Western engagement, in particular engagement from the United States, as essential to the goal of stability within the region. As one of Europe's largest countries, the assistance that Ukraine receives from the United States would instill economic viability in that country, thus eliminating revanchist tendencies in neighboring Russia to restore its lost empire. As recently as several weeks ago, Members of Congress and Administration officials have also voiced their support for Ukraine's strategic position at this critical juncture in world history. In her testimony to the House of Representatives International Relations Committee, Secretary of State Madeleine Albright concluded: "We attach high importance to our strategic partnership with Ukraine, knowing that an independent, democratic, prosperous and stable Ukraine is a key to building a secure and undivided Europe. In 1999, we will continue to support Ukraine's economic and political reforms." U.S. foreign assistance to Ukraine is crucial to maintain a level of cooperation between Ukraine and the United States, we believe.

It is also the considered opinion of the UCCA that the FY 2000 appropriations process will not be helped by "certification" language included in the final outcome of the bill. For two years, Ukraine has undergone a certification process which has enmeshed U.S. and Ukrainian government officials in the arduous process of resolving various individual U.S. investor disputes, most if not all of which are due to Ukraine's lack of a commercial legal system and the other attributes of a law-based economy. While the UCCA does not dispute that several U.S. business investors in Ukraine have experienced difficulties, means other than a certification process can resolve the individual arguments. To enact legislation with certification based upon the resolution of business disputes of several American businesses in Ukraine would paint a distorted picture of Ukraine's political and economic landscape.

As difficult as it has been and will likely continue to be, Ukraine remains on the right path toward economic self-sufficiency and freedom. For this reason, the UCCA lauds America's investment community and admires their foresight in recognizing that Ukraine is a fertile environment for economic growth and prosperity. Thus, providing Ukraine with the necessary tools to combat the root cause of most investor complaints, lack of commercial law and corruption, will establish an appropriate business environment for foreign and domestic investors alike.

Representatives of the Ukrainian-American community from various states throughout the Union have expressed to me their tremendous interest in the process of Ukraine's nation building, and sympathy for the unprecedented difficulties Ukraine faces. I sense that Americans from all regions value the strategic partnership which was so auspiciously begun in this city nearly four years ago. It is the Ukrainian-American community's hope that Congress will continue America's commitment to Ukraine in FY 2000.

Mr. CALLAHAN. We thank you very much. We see some progress in the Ukraine, but not with respect to your election process and some other areas as well. As you know, we have had some problems with American businessmen who are concerned primarily about corruption on the local level and more so on the national level.

But the leaders of the Ukraine tell us that they are trying to make legislative progress on that regard and we certainly hope they succeed because the Ukraine was what we hoped would be a shining star.

Mr. SAWKIW. Still can be.

Mr. CALLAHAN. Still can be, but you have to make some progress.

Mr. SAWKIW. I agree.

Mr. CALLAHAN. Thank you very much.

Mr. Baaklini.

He is not here?

Mr. Baaklini is not here, but you are welcome to—we are trying to limit our testimony to five minutes per witness today, and we will accept your entire statement for the record. We ask that you respect that time limitation.

Mr. EPPERLY. Thank you, sir.

Ready?

Mr. CALLAHAN. Yes, sir.

THURSDAY, MARCH 4, 1999.

FREEDOM FOR LEBANON

WITNESS

DAVID EPPERLY, AMERICAN LEBANESE INSTITUTE

Mr. EPPERLY. Well, my name is David Epperly and I am testifying on behalf of the American Lebanese Institute. We are a member of the Council of Lebanese American Organizations. The institute reflects the interests, sentiments of the three million Americans of Lebanese descent.

We work to further the cause of freedom and sovereignty in Lebanon commencing with the immediate and unconditional withdrawal of all foreign forces, particularly those of Syria, from Lebanon. Both the Institute and the Council act to promote ties of friendship, and cooperation between the United States and Lebanon based on the principles of democracy and human rights.

With this background information, let me summarize what I have stated. We have come here year after year and basically said the same thing. Lebanon is an occupied country, occupied by Syria.

Syria is in the process of annexing Lebanon, and it is pretty much a known fact throughout the world that nothing is being done about it. That annexation is creeping and becoming more and more real.

The Lebanese had a so-called election this year in which was nothing more than a changing of the pro-Syrian guard in Lebanon. The new president, or so-called president of Lebanon, is named Emile Lahoud. He was the former commander of the Army.

Lebanon is occupied by, as I said, about 40,000 plus Syrian troops and an undetermined number of intelligence operatives. We see the problems in Lebanon basically as being the four areas starting with the Syrian occupation of Lebanon; human rights violations, which are rampant in the country; censorship of and lack of freedom of the press; and economic mismanagement.

The national debt in Lebanon hovers about $21 million dollars and is rising. The gross domestic product is about $15 billion, so there is a pretty big gap there. They are in the process of trying to borrow over $2 billion dollars.

The basic necessities such as clean drinking water, reliable electricity, modern telecommunications and so forth are being neglected. There is the—I am painting a pretty bad picture, but the picture is pretty bad, obviously.

The middle class is being squeezed with increased taxation and there are huge amounts of corruption and robbery and kick backs to the government.

There are about 1.5 million illegal Syrian workers in Lebanon. That is roughly equal to half of the population of Lebanon. So with all that in mind, we strongly advise—we recommend that the committee not send any taxpayer money to the Beirut government, that any aid be funneled through nongovernmental organizations, private institutions such as the American University of Beirut, other universities and medical institutions, Red Cross, Catholic Welfare Society.

We recommend that Lebanese Army be supported, but as long as it is well monitored, any support. And we know that it is not your place to do so, but we are advocating and recommending that free elections be held in Lebanon in nearest term.

And we also believe that, as gloomy as the picture may appear today, Lebanon's embattled but still resilient civil society will undoubtedly be the ultimate salvation of the country. All it needs is continued support of the outside world, especially the United States.

I hope that you take this into consideration in your deliberations on aid to Lebanon.

[The information follows:]

Testimony

Of

The American Lebanese Institute

A member group of

The Council of Lebanese American Organizations (CLAO)

Before

The House Appropriations Committee
The Subcommittee on Foreign Operations, Export, Financing and Related Programs

March 4, 1999

My name is David Epperly and I am testifying on behalf of the American Lebanese Institute, a member group of the Council of Lebanese American Organizations (CLAO). The Institute reflects the interests and sentiments of three million Americans of Lebanese descent. The Institute and CLAO work to further the cause of freedom and sovereignty in Lebanon commencing with the immediate, complete and unconditional withdrawal of all foreign forces, particularly those of Syria. Both the Institute and the Council act to promote ties of friendship and cooperation between the United States and Lebanon based on the principles of democracy and human rights.

With this brief background information, please allow me to outline our concerns and suggestions for this subcommittee. We understand that it is not the task of this subcommittee to involve itself in the complicated internal politics of Lebanon, but we hope that the honorable Representatives on it will factor in this complexity when making decisions regarding Lebanon.

Since our last testimony before you, the situation in Lebanon has continued to deteriorate further. The country remains subjugated to Syrian hegemony. Instead of bringing much desired stability and prosperity - reasons put forth by the Syrians for their continued occupation of Lebanon - human rights abuses, political intrigue, economic exploitation, violence in the south, and the continued usage of Lebanon as a haven for international terrorism are more defining characteristics. The presidential "elections" last fall changed nothing and were more like a changing of the pro-Syrian guard. Unfortunately, the world remains oblivious to this reality, and consequently Syrian hegemony over Lebanon continues to be open-ended.

Were the Middle East peace process to resume in earnest, a free Lebanon would most certainly have a constructive role to play. However, that could only be possible if Lebanon were released from Syrian control and allowed to determine its own destiny through a government and parliament that truly represent the will of the Lebanese people. If genuine stability and security in the region are to be Lebanon's expected contribution to a revived peace process, the country should be allowed to negotiate peace with Israel free from the obstructive influence of Syria.

Some forty thousand Syrian soldiers and an untold number of clandestine Syrian operatives and agents presently control at least ninety-percent of Lebanese territory. All politics, domestic and foreign, emanating from the Beirut "government" cater to Syrian goals instead of serving the needs of the Lebanese people and Lebanon's national interest. To a man, the Beirut puppet government is subservient to the wishes of Damascus. The hitherto pathetic spectacle of Lebanese "officials" scurrying across the border to seek favor and approval from their Syrian masters, by now embarrassingly well known around the world, has subsided somewhat since the new Syrian installed team took over last fall. Instead of boding well for Lebanon, this development signals, if anything, a tighter Syrian control over the country. So high is Damascus' confidence in its new team of Beirut puppets that

it has openly taken to discouraging the two-way traffic of Lebanese politicians between the two cities, referring all would-be callers to the new Syrian-appointed president of Lebanon, Emile Lahoud.

As concerned American Lebanese living in the freest nation on earth, we continue to feel it is our moral duty to speak out on behalf of those in Lebanon or in exile, both past and present, whose voices have been muted or forever silenced by Syrian oppression. We would like to submit the following items of concern for your subcommittee's consideration:

- Syrian Occupation of Lebanon:

For years the State Department has emphasized linkage between progress in the Middle East peace process and the eventual de-coupling of Lebanon from Syria. With the peace process at a standstill, the status quo in Lebanon is causing a continued decline of the well being and morale of the population. A progressively worsening economic situation compounded by the weight of the Syrian occupation is the direct cause of an insidious and prolonged attrition of the country's assets both human and capital. There is no real international focus on Syria's debilitating occupation of Lebanon, much less on its breach of a pledge to re-deploy its forces to the Bekaa Valley as stated in the so-called Taif agreement. Instead, the people of Lebanon are beginning to acquiesce to the notion that there indeed exists a double standard in the world today regarding human rights, freedom, democracy and self-determination.

- Human Rights Violations:

The body of documentation of human rights violations in Lebanon at the hands of the Beirut "authorities" and their Syrian masters is growing daily. A number of local and international human rights organizations actively monitor these mounting abuses that include abduction, illegal detention, torture, mock trials, and executions. The disappearance and imprisonment in Syrian jails of persons opposed to Syrian occupation and the policies of its puppet government are regular occurrences. The Lebanese judiciary system in recent years has been appallingly militarized meaning that military personnel have replaced civilian judges in presiding over most trials. Furthermore, and contrary to the deceptive impression of calm and security presented by the "authorities" to the outside world, a general state of lawlessness increasingly prevails in Lebanon. To add to an already repressive climate, murders, rapes and robberies (especially auto theft and household break-ins) are on the increase. The 1998 State Department annual report on human rights, released last Friday, amplified on some of these abuses. To date, the U.S. government has done little to pressure the Beirut "authorities" into reversing this disturbing trend of violations which are transforming a once free, open and civil society into a repressed, closed and barbarous one.

- **Press Freedom and Censorship :**

In November 1996, a new law was passed that under the guise of government regulation banned broadcasts by all except five private television stations. Since these stations are owned by key figures in the Beirut regime, this can only be interpreted as a blatant disregard of world opinion and an ominous threat to Lebanon's strong tradition of free expression through the media. Press censorship today makes a mockery of a once thriving liberal journalistic tradition, which made Beirut the freest and most creative capital in the Arab world. A general atmosphere of intimidation prevails reaching at times physical violence against targeted journalists. The Lebanese press is being stood-up before a mirror held by Damascus and forced to recognize an image not of itself but of long subjugated counterparts in Syria. Once again the 1998 Freedom House survey of political rights and civil liberties considered Lebanon not free.

- **Economic Mismanagement:**

The economic policies of the various post-Taif governments, including the present one, have been dismal failures. Lebanon's national debt today hovers around the $21 billion (USD) level and is rising exponentially. It has overtaken the country's gross domestic product (GDP) which stands at less than $15 billion. An additional two billion dollars is about to be borrowed in an attempt to service the accumulating debt. Most question whether the out-going Hariri government's accomplishments and misplaced priorities - the grandiose new sports stadium and lavish palaces built for the three top figures of the Beirut regime – have taken precedence over such basic needs as providing the country with a first rate infrastructure. Basic necessities such as clean drinking water, reliable electricity and a modern telecommunications system, not to speak of the vital productive sectors of the economy such as agriculture and industry, have taken a backseat to projects designed to enrich a select few while creating a false impression of progress.

Leading credit rating organizations in the world such as Standard and Poor's, Moody's Investors Service, Fitch IBCA, and Thompson Bank Watch continue to grade Lebanon's rating outlook negatively as a consequence of the regime's mismanagement of the country's economy. Lebanon's budget deficit is currently running at more than fifty percent of government revenues. An astounding 42% of the 1998 budget was used to service the public debt.

Lebanon's history of a vibrant middle class, which created an ambitious private sector, characterized by small and medium sized businesses, is on its way to extinction. The country is increasingly polarized between a corrupt class of rich and super-rich plutocrats and a swelling mass of impoverished individuals and families. The much-talked about cronyism in countries like Indonesia could learn a thing or two from Lebanon's insensitive moguls and their Syrian partners. Indicative of the

middle class erosion are the dwindling purchasing power brought on by spiraling prices and bloated direct and indirect taxation. New taxes have been slapped on everything from motor vehicles to real estate transactions to local cement production, custom duties and even the price of obtaining a passport. The increases sometimes reach as much as 250 per cent.

An already rotten situation is made worse by rampant corruption in high places, which has surpassed past levels by a quantum leap. Bribery, kickbacks, unlawful revenues, skimming of profits, hush money and much more define the daily state of affairs in Syrian occupied Lebanon. There are an estimated 1.5 million illegal Syrian workers now in the country. This alarming number is nearly equivalent to fifty percent of the overall Lebanese population. The money they siphon out daily - plus the revenues reaped by ubiquitous Syrian partners in every major and lucrative business transaction in Lebanon, constitute a drain on the country's meager financial resources.

- Summary/recommendations:

In light of the above, we strongly recommend that not a single cent of U.S. taxpayer's money be allocated by Congress to the present regime in Beirut. All appropriations should be channeled directly to credible individuals and institutions in the Lebanese private sector. For example: the American University of Beirut, still the greatest American educational institution outside the United States, and other private universities and colleges in the country, to the many hospitals and other medical facilities that make Lebanon a leading medical hub in the region, and to the scores of hard-working NGO's whose missions support human rights, environmental issues, or charitable causes.

Supporting the Lebanese Army, not as a tool of government repression, but as a true patriotic institution, remains in our view, a worthy American goal. However, close and direct supervision by Washington on how this money is spent is vital. No aid should be given to Lebanon through government controlled agencies until free and fair elections are allowed to take place. The 1998 "election" of Emile Lahoud to the presidency had significance beyond Lebanon. It was the direct result of political changes inside the Syrian regime in Damascus. The Lebanon file was effectively wrenched away from the hands of Hikmat Shihabi and Abdel Halim Khaddam and placed squarely in the hands of Hafez Assad's son, Bashar. This development coincided with the fall of power of Rafic Hariri, a close ally of Shihabi and Khaddam. (Hariri's departure shows no one, no matter how wealthy and influential, is indispensable in Syrian calculations). The Lahoud team, riding to power on a platform of combating the corruption of their predecessors, is comprised of individuals who have firm – in some cases familial – ties to high ranking members of Bashar's group in the Syrian regime.

As gloomy as the picture may appear today, Lebanon's embattled but still resilient civil society will undoubtedly be the ultimate salvation of the country. All it needs is the continued support of the outside world, especially the United States.

The Institute, the Council and I appreciate the opportunity to express our concerns and suggestions before this subcommittee. We strongly urge you to consider and incorporate them in your appropriations decisions and in other deliberations regarding U.S. policy towards Lebanon and we remain hopeful that in the end democracy and justice will prevail. Thank you.

Mr. CALLAHAN. Well, we certainly will and we support the free elections in Lebanon. And certainly it is the wishes of all of this committee that—in fact, the entire Congress, that Lebanon return to a free state and that the occupation of Syria and Israel as well be removed and that they come back to their own countries.

I am sorry to see the problems that have cropped up between some groups in Lebanon and the Israeli Army here in the last couple of weeks. But it is our dream and goal that someday we do see or witness a free election and a free state of Lebanon without occupation by any country.

Mr. EPPERLY. And the unfortunate thing is, you know, all of this is occurring at the expense of the average citizen in Lebanon. You know, the average person in Lebanon just wants to live and breath just like anybody else and see their children have an opportunity to have something a little bit better than they did.

And that is becoming increasingly difficult there, particularly for the middle class. There is an upper class in Lebanon that seems to be living okay. And if you would take a look at what is going on over there behind the scenes, there is an awful lot of poverty and hardship occurring there.

So that is what we try to do. We try to, you know, bring that message out and make sure that everybody does not forget the average person.

Mr. CALLAHAN. We will take your advice. And any assistance given to Lebanon probably will be through, for example, American University or private volunteer organizations.

Mr. EPPERLY. Appreciate it, Congressman.

Thanks for having us again here. Thank you.

Mr. CALLAHAN. Give my regards to our mutual friends.

Mr. EPPERLY. I will. Thank you, sir. Thank you.

Mr. CALLAHAN. Chris Hekimian. We will accept your written statement for the record, which we already have, and ask that you respect our five minute——

Mr. HEKIMIAN. I will do my best.

THURSDAY, MARCH 4, 1999.

SECTION 907 RESTRICTION ON AID TO THE GOVERNMENT OF AZERBAIJAN AND U.S. ASSISTANCE PROGRAM FOR NAGORNO KARABAKH

WITNESS

CHRIS HEKIMIAN, ARMENIAN NATIONAL COMMITTEE

Mr. HEKIMIAN. Thank you, Chairman Callahan, for your principal leadership of the Foreign Operations Subcommittee and for this opportunity to appear before your panel on behalf of the Armenian National Committee of America, the Nation's oldest and largest Armenian American grassroots advocacy organization.

I have submitted my full testimony for the record outlining our committee's views on a range of issues under the jurisdiction of your subcommittee. Today I would like to focus on just two of these issues.

First I would like to discuss the necessity of maintaining the Section 907 restriction on aid to the government of Azerbaijan. As you are well aware, last September Congress debated this issue on the House floor for almost three hours and voted decisively to maintain this ban until Azerbaijan lifts their blockades.

Since that vote, Azerbaijan has continued down the path of autocratic rule. Presidential elections held last October were roundly derided by international election observers as being undemocratic and below international standards.

As an example, 855,000 ballots, roughly 25% of all the ballots cast, were considered spoiled by election officials and were not included in the final vote count. Three percent is considered normal in developing nations.

Immediately following these elections, the Aliyev government implemented a severe crackdown on all opposition groups. Soon thereafter, the Azerbaijanian government rejected the OSCE peace plan, effectively stalling the peace process and hindering the prospects for long term stability and economic development.

It should be clear that the reasons for the ban on U.S. assistance to the government of Azerbaijan continues to exist as compellingly as ever. Any effort to circumvent the intent of this provision of law, particularly during the ongoing negotiations, will be viewed by the Azerbaijan government as a clear signal for renewed aggression.

This is particularly true given Azerbaijan's refusal to agree to the OSCE peace plan. And let me just note very recently, within this past week, President Aliyev, in a news story, was quoted as threatening to again solve the conflict militarily rather than at the negotiating table.

The other issue I would like to focus on is the U.S. assistance program for Nagorno Karabakh. Let me begin by thanking you and your colleagues on this subcommittee for allocating U.S. assistance to Nagorno Karabakh for fiscal years 1998 and 1999.

Until this decisive action on your part, Nagorno Karabakh was the only population in the Caucasus to have been denied any United States assistance. Unfortunately, fiscal year 1998 ended without any of the $12.5 million dollars of aid allocated by Congress having been spent in Nagorno Karabakh.

As a result, Congress recommended that a total of $20 million dollars of assistance be spent in Nagorno Karabakh as part of the fiscal year 1999 Foreign Aid Bill. As of today, USAID has obligated only $8.3 million dollars for projects in Nagorno Karabakh.

The remaining $11.7 million has yet to be obligated, despite the fact that, according to the fiscal year 1999 Congressional Report language, USAID should request all proposals for funding by March 30th of 1999.

We are deeply troubled by the slow pace of implementation and the efforts by some in the Administration to divert funds allocated by Congress from their intended purpose. As a result, we ask that Congress once again include language recommending $20 million for the people residing in Nagorno Karabakh.

During a visit to the U.S. one year ago, Nagorno Karabakh's Foreign Minister, Minister Naira Melkumian, who met with yourself, Mr. Chairman, and, in fact, the other members present here on the committee, stressed during a speech at CSIS, the Center for Stra-

tegic and International Studies, that, quote, "the people and the government of the Republic of Nagorno Karabakh are committed to peace, and that they remain willing to reach a settlement based on realistic compromises and mutual concessions."

Having accepted, together with Armenia, the most recent proposal by the OSCE, the people and the government of Nagorno Karabakh have shown that they are truly willing to make compromises in an effort to find peace.

Azerbaijan, unfortunately, has rejected this plan, insisting instead on unilateral concessions and one-sided compromises by Nagorno Karabakh.

Mr. Chairman, you have often stated the importance of both sides being willing to compromise in order to achieve peace. As you can see, Nagorno Karabakh and Armenia have proven their willingness to do so, just as Azerbaijan has proven its willingness not to.

I hope both Congress and the Administration take note of this fact and urge Azerbaijan to reconsider their intransigent position and work in good faith to bring an end to the conflict which has already claimed too many lives.

Thank you.

[The information follows:]

Armenian National Committee of America

"The Armenian American Community and U.S. Foreign Assistance Policy"

Christopher M. Hekimian
ANCA Government Affairs Director

Testimony before the House Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs

March 4, 1999

Armenian National Committee of America:
The Armenian American Community and U.S. Foreign Assistance Policy

Thank you Chairman Callahan and members of the House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs for the opportunity to appear once again before this distinguished panel for the purpose of sharing the views of the Armenian National Committee of America (ANCA), the nation's oldest and largest Armenian American grassroots advocacy organization.

U.S. Leadership in the International Community

As in years past, Mr. Chairman, I would like to begin our remarks by emphasizing the important role that Armenian Americans play as ardent advocates of American leadership abroad, particularly in the New Independent States, the Eastern Mediterranean, and the Middle East. As a community, we have consistently worked to ensure a policy of international engagement and have supported an active Congressional role in foreign policy decision-making.

With these thoughts in mind, on behalf of all Armenian Americans, I would like to express our appreciation for your principled leadership of this distinguished panel and for your ongoing efforts to enact legislation which advances our values and interests around the world.

Perhaps more than ever, foreign aid represents a strategic investment in advancing our national interests on a variety of levels. Wisely targeted assistance to emerging nations promotes democracy, helps build peace, and meets pressing humanitarian needs, while at the same time laying the groundwork for long-term commercial relations. The investment we make today in Armenia and the New Independent States will lead to increased market share in the future for U.S. exports and expanded trade opportunities for U.S. businesses.

Foreign assistance remains an essential element of U.S. leadership in an increasingly complex world. Foreign assistance programs can help prevent or resolve international conflicts before they reach unmanageable proportions. Foreign assistance can be an effective catalyst for the spread of democracy and respect for human rights. It can also help jump-start economies of the developing world and, in the process, make these nations valuable trading partners. History has shown that the 1% of federal spending dedicated to this purpose represents a vital portion of the U.S. budget.

The ANCA considers it imperative that the integrity of the International Affairs (150) account for the fiscal year 2000 budget is carefully safeguarded, making sure that it has the critical mass to fulfill its mission. We firmly oppose cuts in this account and are working, along with other concerned organizations, such as the Campaign to Preserve U.S. Global Leadership, to encourage Congress to appropriate sufficient levels of funding to meet the challenges of the present era. We place special value on foreign assistance programs to the emerging economies of Eastern Europe and the former Soviet Union. Specifically, we are pleased by the importance placed on these nations by the administration as evidenced by their request for an additional $185 million in assistance to the NIS, as well as Congress' continued support for this region. At the same time,

we support the application of a consistent set of conditions on foreign assistance recipients regarding their commitment to democratic principles, economic reform and, above all, respect for human rights.

Expanding U.S. Assistance to Armenia

The ANCA and the entire Armenian American community deeply appreciate the assistance appropriated by Congress to meet humanitarian needs and promote economic and democratic reforms in Armenia. This assistance has strengthened Armenia's confidence in its development effort, enhanced stability throughout the region, and served as an important symbol of American leadership in the promotion of democracy and prosperity in the region.

We are confident that, as Armenia's economy improves, the Armenian people will develop self-sufficiency and will, in time, no longer look to the United States, or any other nation, for economic assistance. However, we must stress again that this improvement is closely linked to how soon the Turkish and Azerbaijani blockades of Armenia are lifted. These blockades have caused severe shortages of basic necessities throughout Armenia and hindered economic development. The politically-imposed poverty created by these blockades has caused more than 800,000 Armenians to leave their homeland.

United States assistance to Armenia is needed, in great measure, to offset the devastating effects of the Turkish and Azerbaijani blockades. Over the long-term, neither the Armenian American community nor the people of Armenia seek dependence on economic assistance from other nations. However, during these critical years, assistance from the United States to Armenia plays a pivotal role in enabling the Armenian economy to unleash its potential, despite the artificial handicaps it has been forced to endure.

Accordingly, the ANCA supports the same percentages of funding for the Southern Caucasus region and Armenia as in fiscal year 1999 to help offset the devastating effects of the Turkish and Azerbaijani blockades and to help continue Armenia's political and economic transition. These funds will be used to meet the country's current humanitarian needs, develop the economy and infrastructure, and further strengthen democratic institutions. We are confident that an economically viable Armenia will be a catalyst for economic development throughout the Caucasus and all of the New Independent States.

Mr. Chairman, the ANCA considers it important that the assistance package for Armenia targets the nation's current priorities and takes advantage of the growing community of non-governmental organizations in Armenia. Among Armenia's leading development priorities are the following: 1) Modernization and development of the energy sector; 2) Expansion of public health programs, with special emphasis on the plight of the elderly, children, the disabled, and working mothers; 3) Acceleration of redevelopment in the earthquake stricken zone, which remains in dire need of housing and other construction; 4) Support for ongoing democratic reforms and institution building, including training and exchange programs; 5) Development of a healthy agricultural sector and progress toward agricultural self-sufficiency; 6) Development of small and viable business enterprises, focusing on the growth of local economies located

outside the nation's capital, and; 7) Support for education, with emphasis on the modernization of facilities and support for teachers.

On the matter of democratic reforms in Armenia, it is important to note that, unlike many of the emerging nations of the former Soviet Union, the Armenian people have a strong democratic tradition which dates back to the earlier periods of the nation's history. As many members of this panel may know, even under the oppressive rule of the Ottoman Turks, the Armenians opted to govern their community life with a model constitution based on the highest principles of representative government. In more contemporary times, the first Armenian Republic of 1918, under the leadership of the Armenian Revolutionary Federation, was a model of democracy which was strongly supported by the United States under President Woodrow Wilson.

The Armenian American community, dating back to the tragic earthquake of 1988, has reached out, through private contributions, to fund reconstruction projects, resettle refugees, and address other pressing relief needs of the Armenian people These contributions, and the work of such non-governmental groups as the Armenian Relief Society, the Armenian General Benevolent Union, the Armenian Missionary Association of America, the Armenian Technology Group, Armenian Medical Outreach, the Armenian Assembly, as well as the Armenian Church, will continue. However, the role played by United States assistance to Armenia goes beyond the scope of private contributions and fulfills a longer-range strategic purpose.

Providing Direct U.S. Aid to Nagorno Karabagh

Mr. Chairman, I would like to thank you and your colleagues on this Subcommittee for allocating U.S. assistance to Nagorno Karabagh for fiscal years 1998 and 1999. Until this decisive action on your part, Nagorno Karabagh was the only population in the Caucasus to have been denied any United States assistance. Unfortunately, FY1998 ended without any of the $12.5 million of aid allocated by Congress having been spent in Nagorno Karabagh. As a result, Congress recommended that a total of $20 million of assistance be spent in Nagorno Karabagh as part of the FY1999 foreign aid bill.

As of today, USAID has obligated only $8.3 million for projects in Nagorno Karabagh. The remaining $11.7 million has yet to be obligated, despite the fact that, according to FY1999 Congressional report language, USAID should request all proposals for funding by March 30, 1999. We are deeply troubled by the slow pace of implementation and the efforts by some in the Administration to divert funds allocated by Congress from their intended purpose. As a result, we ask that Congress once again include language recommending $20 million for the people residing in Nagorno Karabagh.

United States assistance programs for Nagorno Karabagh represent an important confidence-building measure. Any further efforts to delay their implementation or to divert these funds away from the people of Nagorno Karabagh, in addition to contravening the will of Congress, will prove to be counter-productive, both in terms of the peace process and long-term U.S. regional interests.

As members of this panel are well aware, for seventy years, during the Soviet era, the people of Nagorno Karabagh suffered under a repressive Soviet regime and the persecution of the Soviet Azerbaijani government. The people of Nagorno Karabagh sought, through legal and constitutional means, to assert their right to self-determination. Their peaceful efforts were answered by Azerbaijani aggression and a military campaign aimed at depopulating Nagorno Karabagh of its Armenian population. For the last eleven years, the people of Nagorno Karabagh struggled, first for their own survival and then to assert their right to self-determination. Having proven their resolve by successfully defending their homes and families against outside threats, the people of Nagorno Karabagh exercised their rights under international law and declared Nagorno Karabagh an independent republic.

We believe that it is the responsibility of the United States and the international community to support the people of Nagorno Karabagh as they seek to bring an end to a conflict that has already claimed too many lives. Karabagh is entirely blockaded by a hostile Azerbaijan, with the strong backing of Turkey. In these circumstances, the people of Nagorno Karabagh are faced with pressing humanitarian and developmental needs and the difficult task of rebuilding the social and economic infrastructure of their republic. It is, therefore, imperative that the United States continues sending relief assistance and participate in this reconstruction effort without waiting for the final outcome of the OSCE negotiations.

Today, the Republic of Nagorno Karabagh is an active participant in negotiations organized by the Organization for Security and Cooperation in Europe (OSCE) and a key contributor to peace in the region. Nagorno Karabagh and Armenia have both accepted the most recent proposal by the OSCE Minsk Group. Azerbaijan, unfortunately, has rejected this plan, insisting instead on unilateral concessions and one-sided compromises by Nagorno Karabagh.

The Administration's past efforts to exclude Nagorno Karabagh from U.S. assistance programs, and more recent efforts to divert funds allocated by Congress from their intended purpose, represent an unhealthy politicization of our foreign assistance program. Humanitarian aid should be distributed based on need, not the dictates of the government in Baku or any foreign capital.

In our view, targeted reconstruction support to Nagorno Karabagh will prove, over time, to be an investment in peace in a region of great strategic significance to the United States. The ANCA would like to work with the Foreign Operations Subcommittee to offer specific recommendations about how such an assistance package could be delivered to the people of Nagorno Karabagh.

Maintaining the Restriction on U.S. Assistance to Azerbaijan

Azerbaijan's blockades of Armenia and Nagorno Karabagh, coupled with Turkey's continued obstruction of humanitarian supplies to Armenia, has led to a chronic lack of heating fuel, a scarcity of electricity, and severe shortages of food, fuel, medicine and other desperately needed supplies. Congress, in October of 1992, responded to this unacceptable situation by restricting U.S. assistance to the Azerbaijani government until it ended its aggression and lifted its blockades against Armenia and Nagorno Karabagh. To date, successive Azerbaijani

governments have steadfastly refused to either lift their blockade or abandon a military solution to the conflict.

Meanwhile, Azerbaijan continues down the path of autocratic rule and a complete lack of democratic principles. Presidential elections held last October were roundly derided by international election observers as being undemocratic and below international standards. According to our State Department the election was "marred by numerous, [and] serious irregularities." Immediately following these elections, the Aliyev government implemented a severe crack-down on all opposition groups and media. Soon thereafter, the Azerbaijani government rejected the OSCE peace plan, effectively stalling the peace process and hindering the prospects for long-term stability and economic development.

It should be clear that the reasons for the ban on U.S. assistance to the government of Azerbaijan continues to exist as compellingly as ever. As a result, the ban itself continues to have strong bipartisan support in both houses of Congress. As you are well aware, last September Congress debated this issue on the House floor for almost three hours and voted decisively to maintain this ban until Azerbaijan lifts their blockades. The ANCA supports the law restricting U.S. assistance to the government of Azerbaijan and actively opposes any effort to weaken, waive, or eliminate this prohibition. Any effort to circumvent the intent of this provision of law, particularly during the ongoing negotiations, will be viewed by the Azerbaijani government as a clear signal for renewed aggression. This is particularly true given Azerbaijan's refusal to agree to the OSCE peace plan.

Placing Conditions on U.S. Assistance to Turkey

The Armenian American community has long held reservations regarding the high levels of U.S. foreign assistance to Turkey. We therefore welcomed the Administration's belated decision to cut all military grants and loans to Turkey in FY1999.

As we have said in past testimony before this panel, Armenian Americans remain deeply concerned by the devastating impact of Turkey's six-year blockade of humanitarian assistance to Armenia, the threat to regional stability posed by Turkey's ongoing military build-up, and the destabilizing effect of Turkey's support for Azerbaijani aggression against Nagorno Karabagh. Furthermore, the Armenian American community is troubled by the distrust and increased regional instability caused by Turkey's policy of denying the Armenian Genocide.

In addition, the Armenian American community is troubled by Turkey's long history of human rights abuses at home and aggression abroad. This pattern includes the systematic and widespread use of torture and human rights abuses against it own citizens, the genocidal policies being pursued against the Kurdish population, the unfair restrictions on the rights of Christian communities, and the continuing military occupation of Cyprus.

For many decades, the United States essentially turned a blind eye to Turkey's consistent failure to meet even minimum standards for human rights and humanitarian practices. Over the last several year, however, there has been notable progress in the linkage of U.S. assistance levels to Turkey's unacceptable behavior. As part of the fiscal year 1997 foreign assistance bill, the

Humanitarian Aid Corridor Act, which prohibits all U.S. assistance to Turkey as long as it maintains its illegal blockade of U.S. humanitarian assistance to Armenia, was amended to the Foreign Assistance Act of 1961. Unfortunately, the President, has exercised the national security waiver of this law as it relates to Turkey. In so doing, he effectively rejected the bipartisan will of Congress that U.S. aid to Turkey should be linked to its lifting of the blockade of Armenia. In his justification to Congress, the President failed to make a convincing argument for the waiver. Nor did he offer any evidence that the Administration is actively seeking to secure the lifting of the Turkish blockade. It is our view that the Humanitarian Aid Corridor Act represents sound policy and a reasoned step toward lifting the Turkish blockade of U.S. humanitarian aid to Armenia. It should be immediately and strictly enforced.

I would like to conclude by stressing the dangers presented by the increase in United States weapons sales and transfers to Turkey. These escalating transfers and sales, as well as the increasing cascade of NATO weapons to Turkey, threaten to accelerate the regional arms race, seriously harming U.S. interests. It should be clear by now that the U.S. should not place more arms in the hands of a nation which is actively involved in aggression against its own citizens and which has openly threatened its neighbors. The use of U.S. supplied weapons by the Turkish military in human rights abuses against civilians has been documented by both the State and Defense departments.

On a number of occasions over the past several years, the Congress raised serious reservations regarding the sale or transfer of weaponry to Turkey. On two occasions, namely the sale of SuperCobra helicopter and the transfer of naval frigates, the Administration responded to these concerns by placing the transactions in question on hold. In a third instance, the Administration ignored bipartisan Congressional opposition and approved the controversial sale to Turkey of ATACM missiles. The current proposed sale of Blackhawk helicopters and a forthcoming proposal for a major sale of attack helicopters should be put on hold until Turkey has stepped back from its aggressive stance toward its neighbors and taken concrete and verifiable steps to significantly improve its human rights record.

Accordingly, we call upon Congress to continue to exercise its oversight authority by carefully scrutinizing U.S. military sales and transfers to Turkey. We recommend that special attention be given to any U.S. military hardware which may be used by the Turkish armed forces in Cyprus, against Kurdish civilians or which may be transferred to Azerbaijan for use against Nagorno Karabagh.

Mr. Chairman, I want to thank you for the opportunity to present this testimony and to reaffirm the support of the Armenian American community for our nation's foreign assistance program.

Mr. CALLAHAN. We thank you for your testimony. I guess much of the thanks you gave to the committee must go to Congressman Knollenberg because he has been our resident expert on that region, as well as Congressman Porter and Ms. Pelosi.

They, more so than anyone else, are responsible for the huge amount when you consider the—I guess Armenia just last year was the third in line or the fourth in line for U.S. assistance simply because of the interest on the part of members of this committee.

I do not know why the Administration is dragging their feet on the balance of the money that could be spent. We hate to tell them in what month the money must be spent. We want them to be responsible programs so we can continue to fund them.

It is difficult for us to say spend it all in October or spend it all in January. I am pleased to see that at least a great portion of it is now obligated. And I am optimistic there will be full obligation of the funds before the end of the fiscal year.

Mr. HEKIMIAN. Would that—according to the report language, they are supposed to obligate it all by March 30th. Is there some delay——

Mr. CALLAHAN. That report language is report language, precisely that. That is the suggestion of the committee. We are sending them a message that we think they should obligate this money.

But at the same time, we do not want to unnecessarily burden them. We want them to be responsible. And rest assured that Mr. Knollenberg stays on top of them as well.

Mr. HEKIMIAN. Well, I would share your concern that the programs that are implemented are good programs, and we are not trying to actually push, you know, those programs more quickly ahead. More that it took about a year and a half before any of the money actually ever got obligated.

And a lot of these programs had been planned in the past, and for some reason it took a very long time for them to actually ever get their funding.

Ms. PELOSI. If I may, Mr. Chairman. I want to join you in commending our colleague, Mr. Knollenberg, for his leadership in dealing with this issue because it has been a challenge to our committee.

I will say that if the Administration repeatedly and continually does not heed the report language of the bill, then the committee may have to, at some point, speak in stronger language to that——

Mr. CALLAHAN. I guess what we have to do is wait until closer to the end of the year to see if, indeed, there is a plan. Maybe we can make an inquiry and find out what is in the pipeline and what is their intention.

So maybe we can contact them and ask them what their intentions are to fulfill the suggestions of the report.

Mr. KNOLLENBERG. Well, Mr. Chairman, I think we intend to oversight them very, very closely. And obviously I want to commend everybody on the panel here who has been helpful in the original architecting of the idea of the funding for Nagorno Karabakh.

And there is a problem. We know it is there. It has been a foot dragger from way back. We will continue to watch that and hope

that they can put more dollars in the field where it belongs rather than just having it available, which is kind of, you know, the story.

Mr. HEKIMIAN. The programs that are scheduled are actually very good programs, but just one concern. The State Department, as an example, very recently threatened to stop all programs because of a tax issue problem. Karabakh had yet to exempt all organizations from taxes in Karabakh.

This is the first time that monies had been spent there—they had not been made aware that this was an issue they needed to work on. I do not understand why it was not made an issue back in October of '97 when AID knew they were going to be implementing, in the near future, programs in Karabakh and tell them you need to address this issue, you need to, exempt all organizations from taxes.

They have done that, but it got to the point where they actually were threatening to, within a week's time, to stop all programs.

Mr. CALLAHAN. Well, we do not want to discourage or to direct USAID when and how to spend the money. We do not want to tell them how to spend it, and we want them to utilize this availability of money on programs or directions that the United States feels is in the long term interest of the region.

I can assure you that the money will be spent. But we want them to be able to go to the government, to the leaders of those communities, and say we want to spend this money that Congress has given us, but you are going to have to comply with some of our wishes to promote democracy.

Mr. HEKIMIAN. Of course.

Mr. CALLAHAN. But we appreciate very much your testimony.

Mr. HEKIMIAN. Thank you.

Mr. CALLAHAN. Congressman Lewis, we know you are in route to Alabama and we do not want to delay you.

Mr. LEWIS. Well, thank you very much, Mr. Chairman, and Ranking Member——

Mr. CALLAHAN. First of all, I know he is from Georgia, but he is going to Alabama this weekend.

THURSDAY, MARCH 4, 1999.

INTERNATIONAL CHILDREN'S PROGRAMS

WITNESS

HON. JOHN LEWIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. LEWIS. Well, thank you very much, Mr. Chairman. You are very kind. Thank you and Ranking Member Pelosi and other members of the committee for allowing me to come before you and to testify.

I want to thank you for your support of international children's programs including children's survival activities such as immunizations, the work at Unicef and other critical health education and nutrition programs.

Mr. Chairman, I am here today to urge your continued support for the Children's Survival Programs, as well as the Microcredit

Program, and to urge an increase in U.S. investment in tuberculosis control.

As you well know, these programs can make a critical difference in the end of poverty and promoting peace and prosperity worldwide. I know that many members want to testify, and so I will briefly summarize my written testimony.

I ask that my written testimony be added or included to the record.

Mr. CALLAHAN. It shall.

[The information follows:]

Testimony Before the Subcommittee On
Foreign Operations, Export Financing and Related Programs
Supporting the Child Survival and Diseases Program, and the Microcredit Program
Congressman John Lewis
March 4, 1999

Chairman Callahan, I want to begin by thanking you and Ranking Member Pelosi for your support of international children's programs, including child survival activities such as immunizations, the work of UNICEF and other critical health, education and nutrition programs within the foreign operations budget.

I am here today to urge your continued support for the child survival programs, as well as the microcredit program, and to urge for an increased U.S. investment in tuberculosis control. As you well know, these programs can make a critical difference in ending poverty and promoting peace and prosperity worldwide.

On the issue of tuberculosis control, I want to thank you, Chairman Callahan and Ms. Pelosi, for leading this effort. I want to urge your continued support. As you know, tuberculosis is the biggest infectious killer of adults in the world. TB is the biggest killer of people with AIDS and a greater killer of women than all causes of maternal mortality. TB ravages countries from South Africa to Thailand, from Ethipia to the Philippines. Even in the U.S., we have recently experienced a resurgance in tuberculosis.

Mr. Chairman, in this country and around the world, TB is a killer of the poor, and in this country, of minorities. Our nation's capitol has one of the highest incidences of TB in the country. My own city of Atlanta has *the* highest rate of TB in the country. Both cities have large African American and other minority populations.

The Center for Disease Control in Atlanta reports that more than two thirds of TB cases reported in the U.S. occur in racial and ethnic minorities. Compared with non-Hispanic whites, Asians are 10 times more likely to have TB; blacks 8 times more likely; and Hispanics, Native Americans, and Alaskan Natives 5 times more likely to have TB. In an age of global business, communication and travel, we cannot control TB in our own communities without controlling it around the world. I believe we have a moral obligation to lend our support to the international community combatting this deadly disease. We must strenthen TB control programs in countries that need it most and continue to work towards the eradication of TB worldwide.

Global experts estimate that it will cost over a billion dollars to control tuberculosis. I ask you to provide a small but critical part of that investment by increasing tuberculosis funding to $60 million for next year.

Secondly, Chairman Callahan, I know you are aware of the effectiveness of the microcredit program, which provides small loans without collateral to the very poor, to help them start or expand small businesses. This program has been so effective, partly because loans are repaid with interest, and the dollars have a multiplier effect since they are recycled to new beneficiaries.

U.S. microcredit, now serving 10 million very poor families worldwide, has had a real impact on the advancement of market economies and democratic transitions in the developing world.

I understand that USAID expects to spend $135 million for microcredit in fiscal year 1999. While I am pleased that we have continued to invest in the program, I am concerned that the funding level has not been increased since 1994. This program had done a great deal to improve the lives of the world's poorest citizens, but it can do more. I believe the program is due for an increase in funding.

It is especially troubling that in Africa, where the need and the opportunity for microcredit programs is so great, only a small percent of regional microenterprise funding has supported microcredit activities in that area. Therefore, I ask you to place particular emphasis on ensuring that microcredit development in Africa receives the attention and support it deserves.

Finally, I want to commend your work and Representative Pelosi's, in strengthening and protecting international children's programs. I can tell you that I have long shared your strong support and your compassion for children who suffer or perish needlessly from preventable disease and hunger. It is a travesty that more than 12 million of the world's children die every year from these causes. As a wealthy and powerful nation, we can and we must do more to advance international efforts to decrease child mortality rates worldwide. I agree with many of you that, regardless of pressure to limit foreign aid spending, we must never, never cut spending at the expense of children struggling to eat, to be healthy, and to survive in developing nations.

I believe we should seek to advance the United States' commitment to the goals of the 1990 World Summit for Children -- to reduce child death rates by one-third, reduce maternal and child malnutrition by one-half, and provide access to basic education to children and adults. I believe we should continue to invest our resources in programs and activities that have a direct and measurable impact on reducing rates of child death and disease. To these ends, I urge the Subcommittee to support an increase in funding for the child survival and disease programs.

Thank you once again for making children a priority, for combatting worldwide poverty, and for targetting resources toward the eradication of preventable diseases such as tuberculosis. I look forward to working with you in the 106th Congress to advance these goals.

Mr. LEWIS. On the issue of tuberculosis control, I want to thank you, Mr. Chairman, and Ranking Member Pelosi for leading this effort. I urge your continued support. As you know, tuberculosis is the biggest infectious killer of adults in the world.

TB is the biggest killer of people with AIDS and a great killer of women and mothers. TB rages countries from South Africa to Thailand, from Ethiopia to the Philippines. And as we know, TB has recently had a resurgence here in the United States where it has had a disproportionate impact on the poor and minorities.

Second, Chairman Callahan, I know you are very much aware of the effectiveness of the Microcredit Program which provides loans to the very poor to help start or expand small businesses. U.S. Microcredit helps tens of millions of very poor families worldwide.

It helps poor families lift themselves out of poverty, which has strengthened economic stability, health, education and democracy in the developing world.

I know this subcommittee has many competing priorities. However, I believe that we must find a way to increase funding for this worthwhile and needed program.

Finally, Mr. Chairman, I want to commend the subcommittee's work in strengthening and protecting international children's programs. I can tell you that I have long shared your strong support and your compassion for children who suffer or perish needlessly as a result of preventable diseases and hunger.

It is a travesty that more than 12 million of the world's children die every year from these causes. As a wealthy and powerful Nation, we can and we must do more to advance international efforts to combat child mortality worldwide.

I agree with many of you that regardless of pressures to limit foreign aid spending, we must never, never cut spending at the expense of children, children struggling to eat, to be healthy, and to survive in developing nations.

To this end, I urge the subcommittee to support an increase in funding for the child survival and disease programs.

Mr. Chairman, Ms. Pelosi, thank you once again for making children a priority, for combatting worldwide poverty and for targeting resources toward the eradication of preventable diseases such as tuberculosis.

I look forward to working with you and other members of this committee in the 106th Congress to advance these goals.

And Mr. Chairman, I look forward to going to our native state sometime tomorrow.

Mr. CALLAHAN. I thought it was this weekend.

Mr. LEWIS. It is this weekend.

Mr. CALLAHAN. Yes, I thought it was.

Mr. LEWIS. It is this weekend.

Mr. CALLAHAN. Well, we look forward to you coming there. And you can look forward to our bill coming out which will facilitate most of the requests you have made. We are very disappointed that the Administration has requested a reduction in child survival.

And we want to assure you that we are going to ignore that portion of the President's request and we are going to adequately provide for child survival worldwide.

Mr. LEWIS. Well, I would appreciate it very much, Mr. Chairman. You will have my support in anything I can do to be helpful.

Mr. CALLAHAN. I appreciate that very much. Thank you.

Ms. PELOSI. I, too, Mr. Chairman, want to join you in thanking the distinguished Mr. Lewis for his testimony and adding considerable authority to those requests. Certainly they are priorities the committee has shared.

Our Chairman, as you know, has been the champion for this Child Survival Account in the bill. But we want more than what the Administration asks for, so we will need your help to get that.

Thank you, Mr. Chairman.

Mr. LEWIS. Well, you will have my help. Thank you very much.

Mr. CALLAHAN. Thank you, Mr. Lewis.

Mr. Ardouny. We will accept your full written statement for the record and ask that you abbreviate your address to the committee and contain it to the five minutes or less.

Thank you very much.

THURSDAY, MARCH 4, 1999.

ARMENIA AND NAGORNO KARABAKH

WITNESS

BRYAN ARDOUNY, ARMENIAN ASSEMBLY OF AMERICA

Mr. ARDOUNY. Mr. Chairman, Ranking Member Pelosi and Congressman Knollenberg, I want to thank you for the opportunity to be here on behalf of the Armenian Assembly. The Armenian Assembly is a national, nonprofit, nonpartisan organization, which promotes public understanding and awareness of Armenian issues.

Our primary purpose is to strengthen the U.S. relationship with Armenia and Nagorno Karabakh. I realize that time is limited, so I will be brief.

First, in order to facilitate greater cooperation, regional cooperation, the Assembly strongly encourages the committee to embrace the current OSCE compromise peace plan and to encourage parallel confidence building measures via legislative language in the fiscal year 2000 Foreign Operations Bill.

Mr. Chairman, despite serious reservations, Armenia and Nagorno Karabakh accepted the current OSCE compromise peace plan as a basis for direct negotiations among the three conflicting parties. However, Azerbaijan summarily rejected it.

To date, the Assembly has seen no evidence of U.S. pressure to reverse Azerbaijan's rejection of the proposal. On the contrary, the Administration has requested an increase in U.S. aid for Azerbaijan and a decrease in aid for Armenia.

The Administration also continues to push for the Baku-Cehyan pipeline, despite continued reluctance of major U.S. oil companies to finance it and the precipitous downward revision of oil reserve estimates in the Caspian Basin.

Finally, the Administration has renewed its request to repeal Section 907, the only U.S. instrument in place to address Azerbaijan's continuing blockade of Armenia and Nagorno Karabakh.

Based on the above, Azerbaijan has no reason to conclude that the United States Government is serious about its desire for peace in the region. It is imperative that U.S. policy goals regarding this region specifically address Azerbaijan's continued intransigence in the peace process and refusal to open its borders with Armenia.

Second, the Assembly recognizes the current budgetary restraints under which the committee must operate. Therefore, we recommend that the committee ensure that the NIS account receive the same percentage of funding as it did in fiscal year 1999.

And as for the South Caucasus generally and Armenia specifically, we request that the percentage received in fiscal year 1999 be maintained for fiscal year 2000.

Third, we strongly oppose any efforts to weaken Section 907 of the Freedom Support Act. In its current form, Section 907 constitutes a focused, appropriate message to the government of Azerbaijan that the U.S. will not support efforts to marginalize, via blockade, entire populations of neighboring states.

The blockade by Azerbaijan to the east and Turkey to the west leave Armenia with only north-south options. This is contrary to Armenia's stated multi-polar foreign policy. Armenia recognizes that it lies at the crossroads of three large powers.

Since independence, Armenia has consistently sought east-west relations and has been rebuffed. Any attempt to repeal or further weaken Section 907 legitimizes Azerbaijan's blockade and rewards its rejection of the compromise peace plan.

Finally, the Assembly strongly encourages the committee to include last year's House report language recommending $20 million for the people of Nagorno Karabakh in the fiscal year 2000 Foreign Operations Bill.

As a de facto and not a de jure government, Nagorno Karabakh lacks access to, and hence cannot fully engage in, traditional international markets and mechanisms established for recognized states.

Therefore, continued U.S. assistance to Nagorno Karabakh is critical to ensure that all subsets of the Caucasus develop generally at the same time and in the same direction. Winners and losers in the Caucasus will increase instability.

In addition, late implementation by the Administration should not be visited upon the U.S. PVOs contracted by USAID to implement the $8.3 million in obligated funds. These humanitarian organizations should not be held accountable to play catch up for the Administration's delays.

In conclusion, Mr. Chairman, on behalf of the Armenian-American community, I would like to express our deep and sincere gratitude to Congress for its steadfast support of U.S. assistance to Armenia. With the support of the United States, Armenia will be able to accomplish its objectives: regional peace and stability, a successful transition to a pre-market economy, and a flourishing democracy.

We appreciate your attention to these matters and look forward to working with all members of the committee.

Thank you.

[The information follows:]



Statement of Bryan Ardouny
Director of Congressional Relations
Armenian Assembly of America
122 C Street, NW, Suite 350
Washington, DC 20001

House Foreign Operations Subcommittee
House Appropriations Committee

March 4, 1999

Mr. Chairman, Ranking Member Pelosi and members of the Committee, I am pleased to be with you this afternoon to discuss the importance of U.S. assistance programs to the New Independent States (NIS) in general and to Armenia and Nagorno Karabagh in particular.

The Armenian Assembly is a national, non-partisan, non-profit organization representing Armenian-American interests. Our primary purpose is to strengthen the U.S. relationship with Armenia and Nagorno Karabagh. The Armenian Assembly was the first western private voluntary organization (PVO) to establish a permanent office in Armenia following the earthquake of 1988. To date, the Assembly has been the recipient of seven U.S. Agency for International Development (USAID)–funded programs which involved training, housing manufacturing, logistics assessment, procurement, disbursement and distribution of commodities, and currently indigenous non-governmental organization (NGO) empowerment. In the fall of 1994, the Assembly was awarded a $1 million development grant to implement the pilot phase of and to help prepare the Armenian government for a $24 million dollar World Bank loan, the Social Investment Fund (SIF). The NGO Center and the SIF project are consistently cited as models for similar projects in the NIS. Our extensive experience in Armenia, working closely with key government agencies and officials, has provided us with unique insight on how U.S. assistance can best promote democracy and free enterprise. Pursuant to House Rule XI, attached to this testimony is a copy of my curriculum vitae as well as a list of all federal grants the Assembly has received over the past two fiscal years.

1999 – A Critical Year for Armenia and Nagorno Karabagh

U.S.–Armenia Relations

U.S.–Armenia relations remain strong. Near the beginning of this century, the United States' response and opposition to the Genocide as it took place and the generous provision of humanitarian assistance to those that survived, set the stage for the strong U.S.–Armenia relationship that exists today. Congressional affirmation of this crime against humanity and recognition for the right of self-determination of the people of Nagorno Karabagh, served as a beacon of hope in the struggle against oppression. On behalf of the Assembly, I would like to express our appreciation to Congress for its actions then and now.

Armenia has not wavered from its commitment to the most important shared values with the United States: a commitment to democracy and a free market economy. Armenia has accepted the current Organization for Security and Cooperation in Europe (OSCE) Minsk Group compromise peace proposal, which calls for a common-state approach. However, Azerbaijan has rejected it.

Armenia continues to make economic reforms as U.S. assistance to Armenia has shifted from emergency humanitarian assistance to economic development and the solicitation of direct foreign investment. Armenia's efforts however, are hindered by the ongoing

blockades by its neighbors – Turkey and Azerbaijan. This is further exacerbated by Azerbaijani demands that Armenia be excluded from all east-west commercial corridors as evidenced by the Baku-Cehyan pipeline and the Transport Corridor Europe Caucasus and Asia (TRACECA) Conference. Despite these serious obstacles, Armenia's commitment to economic reform is irreversible. Although greater emphasis is being placed on development assistance, there is also a continuing need for humanitarian assistance in Armenia, especially in Gyumri, the epicenter of the devastating earthquake in 1988 that left 500,000 people homeless. The blockades severely limited Armenia's overall economic recovery and as a consequence, hindered its ability to rebuild this area.

While Armenia's geographic location may seem like a disadvantage as it is blockaded by two of its neighbors, Armenia is actually strategically located at the crossroads of Europe and Asia. Armenia's democratic stability, entrepreneurial spirit and western value system make it an increasingly important partner for the United States in the Caucasus region. Armenia is poised to play a pivotal role in helping the United States achieve its policy objectives in the region.

U.S.–Nagorno Karabagh Relations

We commend the committee for its leadership to ensure that the victims of the Nagorno Karabagh conflict residing in Nagorno Karabagh receive much-needed humanitarian assistance. After considerable delay in implementation, we are pleased to report that U.S.–funded humanitarian projects are now in the beginning stages in Nagorno Karabagh and that the recent misunderstanding regarding the VAT tax issue has been resolved.

We also commend the committee for its effort in last year's bill to recognize the importance of resolving this conflict by linking a portion of aid to Armenia, Azerbaijan and Nagorno Karabagh to each party's willingness to participate in direct or proximity negotiations without preconditions. Unfortunately, this language was not included in the final Omnibus bill. Nagorno Karabagh, however, still heeded the committee's direction and like Armenia, accepted the OSCE compromise peace proposal as a basis for direct negotiations. Again, Azerbaijan has rejected it.

As you are aware, Nagorno Karabagh's President, Arkady Ghoukasian, will be in Washington next week and the Assembly strongly encourages every member of the committee to meet with him. Given the apparent OSCE stalemate and the importance of resolving the conflict in order to fully develop the economic potential of the Caspian region, his visit is extremely timely.

Recommendations for Fiscal Year 2000

I would now like to briefly summarize the Assembly's specific recommendations for the FY 2000 Foreign Operations bill.

1. Peace Process (the Nagorno Karabagh conflict)

Last November, the Co-Chairmen of the OSCE's Minsk Group presented a new compromise peace proposal to resolve the Nagorno Karabagh conflict. Despite reservations, Armenia and Nagorno Karabagh accepted this plan as a basis for direct negotiations among the three conflicting parties. However, Azerbaijan summarily rejected it. Inexplicably, President Heydar Aliyev recently wrote to the Presidents of all three Co-Chair countries expressing his dismay over the delays in finding a resolution to the conflict.

In addition to rejecting the current peace plan, Azerbaijan also rebuked Armenia's attempt to foster regional cooperation at the TRACECA Conference, held in Azerbaijan last September. During this conference, Armenia's Prime Minister proposed open borders generally and restoration of rail and road links in the Caucasus specifically. Azerbaijan, however, refused to consider these proposals. Moreover, Azerbaijan signed the concluding document of this 32-state conference with one reservation: "The Republic of Azerbaijan declares that none of the rights, obligations and provisions set out...shall be applied by the Republic of Azerbaijan in respect of transport passing across its territory for which the territory of the Republic of Armenia is an originating, transit or destination territory." It is imperative that U.S. policy goals regarding this region specifically address Azerbaijan's continued intransigence and refusal to open its borders with Armenia. As an example of Azerbaijan's bellicose policy, President Aliyev recently stated that "The occupied territories will be liberated sooner or later. We are trying to achieve this in a peaceful way, but if this yields no results, we will use other methods, even if we have to sacrifice a great many people."

To date, the Assembly has seen no evidence of U.S. pressure to reverse Azerbaijan's rejection of the Minsk Group proposal. On the contrary, the Administration has requested an increase in U.S. aid for Azerbaijan (from $23.8 million in FY 99 to $33.5 million in FY 2000) and a decrease in aid for Armenia (from $79.8 in FY 99 to $71.5 million in FY 2000) for Fiscal Year 2000. In addition, the Administration continues to push for the Baku-Ceyhan pipeline, despite the continued reluctance of the major U.S. oil companies to finance it and the continued downward revision of oil reserve estimates in the Caspian Basin. In fact, Azerbaijan's major oil consortia are either closing or scaling back their operations because commercially viable levels of oil have not been found. The Caspian International Petroleum Company (CIPCO), led by Pennzoil, closed down in January. Another oil consortium, the North Absheron Operation Company (NAOC), led by BP Amoco, is drilling its final test well after two unsuccessful initial attempts and it is predicted that they will cease operations in the near future. Azerbaijan's top oil consortium, the Azerbaijan International Operating Company (AIOC), led by BP Amoco, has scaled back by twenty percent and only envisions oil production at slightly more than 100,000 barrels per day for the foreseeable future. Even if oil had been discovered in sufficient quantities, it is probable that these western contracts would be found null and void should the current opposition succeed. According to the Commission on Security

and Cooperation in Europe (CSCE), "On October 24, the opposition adopted a resolution calling Aliev illegitimate and warned foreign countries that the opposition did not recognize any agreements they concluded with his government."

Finally, the Administration continues to push for a repeal of Section 907 of the FREEDOM Support Act, which was enacted in 1992 with the bi-partisan support of Congress and the Bush Administration to address the ongoing blockade of Armenia and Nagorno Karabagh by Azerbaijan (now in its tenth year).

Based on the above, Azerbaijan has no reason to conclude that the United States government is serious about its desire for peace in the region. Azerbaijan rejected the compromise peace plan, yet the Administration requested an increase in U.S. aid for Azerbaijan. Conversely, Armenia accepted the peace plan, yet the Administration requested a reduction in aid for Armenia. In addition, the Administration renewed its request to repeal the one instrument in place to address Azerbaijan's blockade – Section 907 of the FREEDOM Support Act. We strongly encourage the committee to embrace the current compromise peace plan via legislative language in the Fiscal Year 2000 Foreign Operations bill.

It is particularly disappointing to see a differentiated U.S. policy whereby Nagorno Karabagh accepts the current peace proposal, despite serious reservations, and the U.S. in response is not willing to afford Nagorno Karabagh the same treatment it receives from the two other Minsk Group Co-Chairmen. During his visits to Russia, the President of Nagorno Karabagh met with senior advisors to President Yeltsin, the Speaker of the Duma and a host of other senior level officials. President Chirac's advisors, Jacques Blous, the Deputy Foreign Minister and Georges Vogier, the Minsk Group Co-Chairman, were among the officials that President Ghoukasian met with in France.

The level and frequency of meetings undertaken by Russia and France are not reciprocated by the United States. In fact, the Administration is reluctant to meet with President Ghoukasian during his visit to the United States at an appropriate level. The minimum appropriate level is the U.S. Minsk Co-Chairman, Strobe Talbott and special negotiator, Don Keyser. A meeting at any other level, with a conflicting party that has just said yes to the peace plan, risks the credibility of the United States to effectively resolve this conflict.

It is clear that Azerbaijan intends to continue playing its increasingly empty oil card to exclude Armenia from all regional and trans-regional economic plans and projects. The United States should not acquiesce to the exclusion of anyone. In that regard, the Assembly is troubled by the recent U.S.–financed feasibility study of a gas pipeline from Turkmenistan running under the Caspian Sea through Azerbaijan and Georgia to markets in Turkey and beyond. Again, Armenia is excluded. If regional integration is indeed a policy goal of the United States, then clearly Armenia must be included in all ongoing and future U.S. working groups on the Caucasus and Caspian region. In order to facilitate greater regional cooperation, we strongly encourage efforts to bring the

conflicting parties together to resolve the Nagorno Karabagh conflict and to establish parallel confidence building measures via legislative language in the Fiscal Year 2000 Foreign Operations bill.

2. U.S. Assistance to the NIS and Armenia

The Assembly recognizes the current budgetary constraints under which the Committee must operate. Therefore, we recommend that the Committee ensure that the NIS account receive the same percentage of funding as it did in Fiscal Year 1999. As for the South Caucasus generally and Armenia specifically, we request that the percentage received in Fiscal Year 1999 be maintained in Fiscal Year 2000.

U.S. assistance to Armenia is necessary to ensure Armenia's continuing transition from a command economy to a market economy. We are pleased to note that Armenia's Gross Domestic Product (GDP) increased by 7.2 percent over the previous year's level. To promote and facilitate direct foreign investment, Armenia's Ministry of Trade and Industry created the Investment and Export Policy Directorate. The newly created department recently conducted an in-depth study on ways to improve the foreign investment climate in Armenia. A number of multi-national corporations have undertaken projects in Armenia, including KPMG, Dynasty Mines, Huntsman, Coca-Cola, Marriot Corporation, and Midland Bank to name a few. U.S. Ambassador to Armenia, Michael Lemmon, has taken note of Armenia's economic policy, noting that "the reform policies undertaken have opened the door to new international assistance and investment. They are helping to create the necessary environment in which productive domestic as well as foreign investment can flourish." In fact, foreign investment has increased by over 400 percent from last year. Kirk Kerkorian, an American-Armenian industrialist, has pledged $250 million for a broad range of infrastructure, development and humanitarian projects in Armenia. In addition to encouraging foreign investment, well-equipped, regional business centers have been created with U.S. assistance to help Armenian business people.

Despite the strong reforms made by Armenia, day-to-day life is still hindered by the ongoing blockades imposed by Turkey and Azerbaijan. These blockades preclude the near-universal desire to re-establish the ancient "silk road" by linking the states of Central Asia and the Caucasus to the Euro-Atlantic community. In order for full economic rejuvenation to take place in Armenia, as well as in the other Caucasus states, the conflicts in the region must be resolved on a priority basis. Armenia has already taken a large step forward by saying yes to the current peace proposal.

The United States can and should continue to heighten its activities in promoting and facilitating U.S. direct foreign investment, trade and economic development in Armenia. This type of assistance is consistent with Armenia's overall economic goals which consist of further development of a free market economy, privatization and denationalization of state-owned enterprises, and the revitalization of the country's industrial, agricultural and service industries.

The Armenian government's firm fiscal budget reduction policies have made it a showcase example of effective transition from a command economy to a free enterprise system. The overwhelming majority of state enterprises have been privatized or are in the privatization process. Last year, Armenia secured western investors to take over and modernize its state-operated Cognac factory and its marquee hotel. In addition, Armenia has established a positive legal, regulatory and tax climate for foreign investment, reflecting the country's commitment to open and free trade. USAID noted in their testimony last year that "Despite it's hardships and challenges Armenia has significant assets which include a highly skilled and educated workforce, strong national identity, impressive political and financial support from a large international diaspora and the international community in general." Armenia's highly-skilled and well-educated workforce is well suited for the growing high-tech segment sought by western investors.

3. Section 907 of the FREEDOM Support Act

We strongly oppose any efforts to weaken Section 907 of the FREEDOM Support Act. Last year, the full House of Representatives affirmed its support for Section 907. On September 17, 1998, the House voted in favor of the Radanovich-Pallone-Rogan-Sherman Amendment offered by Congressman Porter to restore Section 907 of the FREEDOM Support Act, by a vote of 231 to 182. During the extensive floor debate proponents of the Amendment clarified some of the misperceptions about Section 907. For example, Section 907 does not prevent Azerbaijan from receiving humanitarian and democracy-building aid. In fact, over $180 million in U.S. humanitarian and democracy building assistance has been provided to the people of Azerbaijan. In addition, Section 907 does not prevent Trade and Development Agency guarantees and insurance for U.S. firms, or Foreign Commercial Service Operations, or the activities of the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank. Thus, U.S. businesses are not placed at a competitive disadvantage.

In its current form, Section 907 constitutes a focused, appropriate message to the government of Azerbaijan that the U.S. will not support efforts to marginalize, via blockade, entire populations of neighboring states.

As you are aware, Armenia is a landlocked nation, and 85% of all goods destined for Armenia had previously gone through Azerbaijan. The blockade imposed by Azerbaijan has affected the entire population of Armenia and Nagorno Karabagh. In addition to defying U.S. law, the Azerbaijani blockade is in violation of OSCE mandates calling for re-opening of closed borders. The blockade cut off the transport of food, fuel, medicine and all other commodities. It also precipitated a humanitarian crisis requiring the United States to send emergency assistance to Armenia. It prevented the delivery of assistance to 300,000 Armenian refugees driven out of Azerbaijan. It forced a shut-down of most of Armenian industry, seriously damaging the Armenian economy and creating major unemployment. By obstructing the delivery of gas, the blockade created unbearable conditions during winters when the Armenian population has had to live without heat, Armenian children have had to do without schooling, and hospitals have been unable to

care for the sick. The effects of the blockade endure today, and have clearly set back indefinitely the process of economic integration among the nations of the south Caucasus and Central Asia.

We strongly oppose any weakening of Section 907 of the Freedom Support Act until the government of Azerbaijan complies with the conditions set forth in the law. Any attempt to repeal or weaken Section 907 legitimizes Azerbaijan's blockade and rewards its rejection of the compromise peace plan.

4. U.S. Assistance to Nagorno Karabagh

The Assembly strongly urges the Committee to include last year's House Report language recommending $20 million for the people of Nagorno Karabagh in the Fiscal Year 2000 Foreign Operations bill.

Prior to Fiscal Year 1998, the people of Nagorno Karabagh had been the only population in the Caucasus to be entirely excluded from direct U.S. humanitarian assistance programs. Nagorno Karabagh has had to rely on their own ingenuity and determination to address their humanitarian crisis as a result of the war initiated by Azerbaijan and fought on their homeland. USAID in its needs assessment for Nagorno Karabagh noted that "the apparent strength, focus, and engagement of the local administration in N-K was striking. In each location the team visited, the local administration demonstrated a detailed familiarity with the specific problems of the community...In N-K, villages are coming back together utilizing their own resources, with additional help from the Diaspora, and the Government of Armenia." This is in stark contrast to Azerbaijan's continued neglect of its needy population. In fact, despite receiving over $180 million in U.S. humanitarian assistance to date, the citizens of Azerbaijan have not benefited. As noted in the U.S. State Department country report on human rights practices in Azerbaijan for 1998, economic growth in Azerbaijan is "offset by a highly organized system of corruption and patronage." In addition, despite Azerbaijan's claim that Nagorno Karabagh is part of Azerbaijan, U.S. assistance to Azerbaijan has not benefited the people of Nagorno Karabagh.

As a de-facto and not a de-jure government, Nagorno Karabagh lacks the access to and hence cannot fully engage in the traditional international markets and mechanisms established to help countries in need. Therefore, continued U.S. aid to Nagorno Karabagh is critical to ensure that all subsets of the Caucasus develop generally at the same time and in the same direction.

Although the Administration has been reluctant to fully implement the provisions in the Fiscal Year 1998 Foreign Operations Appropriations bill, the Administration has an opportunity to follow through with the Committee's recommendation in the Fiscal Year 1999 House Report that "$20,000,000 in humanitarian assistance be provided to victims of Nagorno-Karabagh conflict residing in Nagorno-Karabagh." Given that to date, only $8.3 million out of the proposed $20 million has been obligated for the people of Nagorno

Karabagh, approximately $11.7 million remains available to assist Nagorno Karabagh as it begins the transition from humanitarian needs to development needs.

Unfortunately, the Administration is running out of time. Last year's House Report language directed USAID to issue all initial requests for funding proposals "not later than March 30, 1999." While it is clear that more projects are needed in Nagorno Karabagh, it is not clear if they will be implemented in a timely manner, if at all. In addition, late implementation by the Administration should not be visited upon the U.S. PVOs contracted by USAID to implement the $8.3 million in obligated funds. These humanitarian organizations should not be held accountable to play catch up for the Administration's unacceptable delays. These organizations need the time and opportunity to implement sustainable, quality programs.

5. Silk Road Strategy Act and the Humanitarian Aid Corridor Act

The Assembly is strongly opposed to legislation that promotes actions similar to those in the Silk Road legislation last Congress because it fails to address the existing blockades and border closures that Armenia must endure. The Assembly also strongly urges the House Foreign Operations Subcommittee to strictly enforce Section 620(I) of the Foreign Assistance Act of 1961, commonly known as the Humanitarian Aid Corridor Act. We oppose the extraordinary use of the national security waiver by the Clinton Administration.

A. Silk Road Strategy Act

Legislation introduced last year in the House and Senate purporting to promote regional cooperation, if it had been enacted, would have served to isolate Armenia even further. The two bills I am referring to are S.1344 and H.R. 2867 – both are titled the Silk Road Strategy Act. Both bills failed to address the issue of the Turkish and Azerbaijani blockades and also superseded the Humanitarian Aid Corridor Act. Finally, H.R. 2867 weakened Section 907, while S. 1344 repealed it.

Should these bills be introduced again this year, the Assembly hopes that resolution of conflicts will take precedence over the narrow and short-sighted focus of phantom oil profits. As you are aware, considerable attention has been given to the amount of potential oil in the Caspian Basin. While estimates of Caspian oil reserves vary widely, oil reserves in the Caspian are realistically estimated by a growing number of experts at three percent of the total oil reserves worldwide. Yet, despite this ongoing downward revision, the Administration continues to advocate for the Baku-Ceyhan pipeline. While the need for additional energy sources is important for the U.S. national interest, the race to tap this unexploited resource should not take precedence over conflict resolution, human rights, democracy-building and market reforms. In fact, these basic issues must be addressed first in order to ensure a secure and stable environment for developing the oil reserves in the Caspian. Until these issues are resolved, oil development in the region will not live up to its full potential.

If the U.S. truly wants to play a constructive role in reconstituting the ancient silk road, then it must prevail upon Azerbaijan and Turkey that blockades are punishable acts of aggression. The fact of the matter is that the Turkish blockade of Armenia hampers American foreign policy interests. No one benefits and many people on both sides of the border suffer. The region must move forward together, trade with each other, respect international law, establish diplomatic relations with each other, and resolve conflicts via direct negotiations on the basis of mutual compromises - then the realization of the new silk road can be celebrated by all countries in the region.

B. The Humanitarian Aid Corridor Act

The Humanitarian Aid Corridor Act is intended to ensure the unencumbered, cost-effective delivery of United States humanitarian assistance to people in need. Section 620(I) prohibits U.S. assistance to any country that restricts United States humanitarian assistance. The Humanitarian Aid Corridor Act, from its inception, has been wholly supported on a bipartisan basis by overwhelming majorities in Congress. The Clinton Administration's irresponsible waivers with respect to the Turkish blockade amount to an endorsement of a Turkish policy that runs counter to U.S. interests. The routine use of national security waivers reject clear bipartisan congressional intent.

6. Conclusion

Mr. Chairman, on behalf of the Armenian-American community, I would like to express our deep and sincere gratitude to Congress for its steadfast support of U.S. assistance to Armenia. U.S. assistance has saved hundreds of thousands of lives and allowed Armenia to move forward with important reforms. Armenia views the United States as a strategic partner and friend who responded during times of desperation. Armenians both in Armenia and Nagorno Karabagh look to the United States as the leader of the western world and a beacon of hope in defense of freedom and self-determination around the globe. But American foreign policy in the Caucasus has strayed off the course and desperately lacks focus, vision and principles. We see a bifurcated U.S. government sending mixed messages to the region. On the one hand, Congress has chosen a more balanced approach, identifying several compelling areas of U.S. interests without subjugating one to the other. Human rights, peaceful resolution of regional conflicts and democracy are of paramount importance to many members of Congress. On the other hand, the Clinton Administration, led by the State Department, is aggressively supporting a narrow, one-dimensional policy that affirms the primacy of energy interests at the expense of peace, democracy and respect for human rights.

The Administration's energy myopia has clouded its ability to craft a vision for U.S. policy in the Caucasus. Its emphatic tilt to Azerbaijan's and Turkey's political demands are allowing Russia to exert undue influence on Armenia. We do not believe that this serves American interests, nor is it in the spirit of strengthening U.S.–Armenia relations. Additionally, we do not understand why the Administration has not fully endorsed an East-West trans-Armenia pipeline from Baku, through Armenia to Turkey. If this line is

ever found to be commercially feasible, then the trans-Armenia route is the most reliable, direct and cost-effective route, and certainly one of the most tangible actions in support of regional integration. The Administration's multiple pipeline policy – without actively encouraging multiple pipelines – is no policy at all.

Let me conclude by saying that Armenia, like many other countries of the former Soviet Union, is still struggling with many aspects of democratic and economic reform. The euphoria of independence has slowly dissipated due to the daily hardships, but the resolve to live in a free society with peaceful relations with all its neighbors has not. With the support of the United States, Armenia will be able to accomplish its objectives – regional peace and stability, a successful transition to a free market economy and a flourishing democracy. Armenia has received encouragement from former U.S. Ambassador to Armenia, Peter Tomsen, who stated in the 1998 Embassy report on United States assistance to Armenia that "America will continue to remain steadfast in its commitment to Armenia's independence, sovereignty, transition to a free market democracy, and quest for regional peace and stability." Armenia continues to receive U.S. support today. Just this week Ambassador Lemmon conveyed a message from U.S. Secretary of State Madeleine Albright to Armenian President Robert Kocharian expressing the United States' support for Armenia in its development of market relations and democracy. The Assembly looks forward to continued U.S. leadership.

We greatly appreciate your attention to these very important matters and look forward to working with members of the Committee in the coming months.

Thank you.

Bryan Ardouny
Curriculum Vitae

Bryan Ardouny has served as the Director of Congressional Relations of the Armenian Assembly of America since July 1998. Prior to working at the Armenian Assembly, Ardouny was the Manager of Government Relations for the American Diabetes Association. Before that Ardouny served as Legislative Counsel for Congressman Michael Bilirakis. In this capacity he handled a wide variety of issues, including various Appropriations Committee issues. Ardouny was also responsible for the Congressional Caucus on Hellenic Issues, which was co-founded by Congressman Bilirakis. Prior to his experience with Congressman Bilirakis, Ardouny interned in the office of former Senator Alfonse D'Amato.

Ardouny is admitted to both the New York and New Jersey Bar and earned his Juris Doctor from California Western School of Law. Ardouny received his B.A. from Hofstra University.

Federal Grants Received by Armenian Assembly

The Armenian Assembly of America (AAA) currently administers only one federal grant, the Non Governmental Organization Training and Resource Center (NGOC). This is a cooperative agreement between the AAA and USAID. The NGOC program is part of USAID's Democracy and Governance strategies for Armenia.

The NGO Training and Resource Center (NGOC) was originally funded on April 1, 1994 through Save the Children's Cooperative Agreement for the Caucasus.

The NGOC is headquartered in Yerevan, Armenia and has a branch office in Gyumri. The NGOC currently serves over 700 Armenian non-governmental organizations.

Award No.:	111-A-00-98-08059-00
Funding period:	November 1, 1997 to October 31, 1999
Total Budget:	$1,939,304.00

Mr. CALLAHAN. I assume you were here when we talked earlier about Armenia?

Mr. ARDOUNY. Yeah.

Mr. CALLAHAN. The committee has expressed, and probably will continue to express, our hope that there is a peace. Some of us have different views as to the best route to take, but all of us want to get to the same exact destination, and that is peace in the area and prosperity and democracy.

Thank you very much.

Mr. ARDOUNY. Thank you.

Mr. CALLAHAN. Mr. Manatos.

Andy, we will accept your entire statement for the record, but we must ask you to please respect the five minute rule since we are way behind.

Mr. MANATOS. Yes, Mr. Chairman, I will be very brief. And I do not see any red lights this year, but I did notice the mace.

Mr. CALLAHAN. Did you see this, Andy?

Mr. MANATOS. I did see that. And it is the first thing I noticed when I entered the room, Mr. Chairman.

Congresswoman Pelosi.

Ms. PELOSI. Mr. Manatos.

THURSDAY, MARCH 4, 1999.

UNITED STATES, GREECE, AND TURKEY RELATIONS

WITNESS

ANDREW E. MANATOS, THE NATIONAL COORDINATED EFFORT OF HELLENES

Mr. MANATOS. I would like to just bring you up to date on an issue I know that you are interested in, and that is the situation in the Eastern Mediterranean. There have been some very unique developments that are very positive.

The first, I think, that you would be interested in is what the government of Cyprus did recently. As you know, it was exercising its defensive right, as any country can, and had ordered defensive missiles to be put in to protect themselves against the Turkish overflights they had had which were a problem.

Because the government of Turkey had indicated that it would strike these missiles if they were put in, even though they were strictly of a defensive nature, in cooperation with the United States, the government of Cyprus decided to remove these missiles.

Many people, as you can imagine, many of the Cypriots, were very concerned and very upset about this, as any Americans would be if we were to remove defensive missiles of ours.

The government of Greece worked very closely with the American Government to move those missiles from Cyprus, and this was all done as an effort to get the Cyprus negotiations moving and I think it has had some success.

I am sorry to report that the government of Turkey has, even though these missiles are now on the Island of Crete, which is where my family comes from in Greece, the government of Turkey has again threatened to strike the missiles even on Crete or has threatened military action.

The second dramatic event that occurred was in the United Nations where two resolutions were adopted very recently which address exactly the Cyprus issue. And they reiterate that Cyprus has to be solved in a way that has a sovereignty and international personality—not only a single sovereignty, but a single citizenship, independence, territory integrity on a bi-communal, bi-zonal federated nation.

They also, in another resolution, specified some suggestions as to how this could move forward and presses for the new sides to refrain from the threat or the use of force, to substantially reduce all levels of armaments, to take measures aimed at reducing tensions and for substantial progress toward the core aspects of the Cyprus problem, and additionally to build trust and cooperation.

As you know, on the build trust and cooperation issue, the President's emissary, Richard Holbrooke, after an extended period of time and effort to try to solve the Cyprus problem, identified very dramatically and publicly the Turkish side as the roadblock to the problem.

And in that regard, you will notice that the second point I mentioned in the U.N. resolution talks about armament levels. And our Government has recently discovered, and they are going to be reporting to the Congress very soon, that unfortunately the government of Turkey has directly violated a law that was passed by the Congress in the late 80s specifically prohibiting American military equipment that we send to Turkey from being transferred to Cyprus.

And those arms have been transferred, in large amounts, as you will see, so large that the Secretary General described the northern part of the island as "one of the most heavily militarized areas in the world."

Now, Greece, which has a contingent legitimacy and legally on Cyprus, may also have had a small amount of arms go. And, if that is the case, they are happy to withdraw any of these minor amounts. The focus here is to get Turkey to withdraw its armaments.

And I say that—if I were a Turkish American, I would say the same thing. And I should tell you that I know many Turks in that country and in this country who feel that the best thing for them is to move away from this policy and to move forward.

On another subject, the Patriarchate,—as you know, the Pope of the three hundred million Greek Orthodox around the world—I use that analogy very loosely—our Patriarch in Istanbul, Turkey has had terrible problems.

And as you recall two and a half three years ago, there was a bomb that was defused just before it went off. Had it gone off, the Patriarch would have been killed and the Patriarchate destroyed.

Well, in October of this year, you and the Congress passed legislation which expressed the sense of the Congress that the Patriarchate should be appropriately treated in Turkey, and that was very helpful.

The fourth point of that legislation was to reopen the Ecumenical Patriarch's Halki Patriarchal School of Theology in Istanbul. That was in October. In November, the government of Turkey, we are

sorry to say, moved and summarily removed the Board of Trustees from the Theological Seminary.

But I have to tell you, I have got a positive report that the American Government, working with international agencies and very closely with the people in Turkey, were able in a few weeks to reverse that decision and the Board of Trustees were put back in the Halki Seminary.

And so we are still hopeful, and we have a number of people in our government who are working very hard to try to get the seminary reopened.

As you know, the Patriarch, who visited the Congress relatively recently, speaks eight languages. He is a tremendous force for peace in the world. You may recall that Congress gave him the Congressional Gold Medal.

His Congressional Gold Medal received more co-sponsors than any other gold medal in history. He is an extraordinary person. And to focus and enhance the Patriarchate does as much good for Turkey and the people of Turkey as it does for anyone.

And finally, if I might close, Mr. Chairman—uh, oh, I just realized I better keep my eye on the mace. [Laughter.]

If I might close very quickly, Mr. Chairman, by saying Ambassador Burns is in town, U.S. Ambassador Nick Burns to Greece, and can tell you that relations between the United States and Greece are probably as positive as they have ever been.

And as you know, Greece is one of only three countries beyond the British Empire that has been an American ally in every war this century. So that is saying a great deal.

In summary, in one sentence, things are in pretty good shape. We have a real opportunity for a breakthrough on Cyprus this year. And whatever this committee can do in its legislative report to press for such a settlement will be of great value to everyone concerned.

[The information follows:]

THE NATIONAL COORDINATED EFFORT OF HELLENES
601 13th Street, N.W., Suite #1150 South
Washington, D.C. 20005
(202) 393-7790, [fax] (202) 628-0225
E-mail: Manatos@interserv.com

Andrew A. Athens
National Chairman
United Hellenic American Congress (UHAC)
President
World Council of Hellenes Abroad (SAE)

Philip Christopher
President
International Coordinating Committee – Justice for Cyprus (PSEKA)
President
Pancyprian Association of America

Andrew E. Manatos
President
National Coordinated Effort of Hellenes
Executive Board Member
UHAC and PSEKA

Nikos Mouyiaris
Executive Vice President
Pancyprian Association of America

Panicos Papanicolaou
Supreme President
Cyprus Federation of America

Charles Marangoudakis
f rc
L New York
Executive Board Member
PSEKA

Testimony of

ANDREW E. MANATOS
president
THE NATIONAL COORDINATED EFFORT OF HELLENES

on behalf of

THE UNITED HELLENIC AMERICAN CONGRESS (UHAC),
THE PANCYPRIAN ASSOCATION OF AMERICA,
THE INTERNATIONAL COORDINATION COMMITTEE – JUSTICE FOR CYPRUS (PSEKA, AMERICA), AND
THE NATIONAL COORDINATED EFFORT OF HELLENES

presented before the

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FOREIGN OPERATIONS,
EXPORT FINANCING, AND RELATED PROGRAMS

March 4, 1999

The national Greek-American organizations on whose boards I serve, and I, value this opportunity to participate in our country's democratic process. What follows are our recommendations for foreign assistance and American policies toward the countries of Greece, Cyprus and Turkey in fiscal year 2000. We believe that these recommendations will significantly benefit our country's short term and long term interests.

The President's Request

With regard to the specific aid that President Bill Clinton requested of the Congress for Cyprus, Greece and Turkey, ***we strongly support these amounts and encourage the Congress to adopt them.*** The President's budget asks the Congress to, as they did for fiscal year 1999, send no military aid to Turkey and Greece, no economic aid to Turkey, and the full $15 million in aid to Cyprus. The traditional $15 million earmark in economic aid for Cyprus adopted in the final foreign operations appropriations bill each year is an important demonstration of support for a peaceful reunification of the island.

IMPORTANT ISSUES

Mr. Chairman, I would like to take the remainder of my testimony to highlight for you some important developments that have taken place with regard to the countries of Greece, Cyprus and Turkey since I testified before your committee a year ago.

United Nations Adopts Two Key Resolutions Regarding Cyprus

On December 22, 1998, the United Nations Security Council unanimously adopted two resolutions which create, for the first time in years, real hope for substantive movement toward a Cyprus settlement. What follows is a brief summary of and excerpts from each resolution:

Resolution 1217: While it functionally extended the mandate of the United Nations peace-keeping force in Cyprus (UNFICYP) for 6 months until June 30, 1999, it also reaffirmed the Security Council's position that, "***a Cyprus settlement must be based on a state of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities as described in the relevant Security Council resolutions, in a bi-communal and bi-zonal federation***." This directly contradicts the proposal put forth by Turkish-Cypriot leader Rauf Denktash on August 31, in the presence of the Turkish Foreign Minister, for a Cyprus settlement based on a confederation of two separate sovereign states.

Resolution 1218: As Cyprus Foreign Minister Ioannis Kasoulides said, this resolution, "creates a new situation as far as the Cyprus problem is concerned...for the first time, at least for a number of years, it calls on both sides to show compliance with all the objectives [in the resolution] in full cooperation with the Secretary General." Specifically, this resolution requests that the U.N. Secretary General, "work intensively with the two sides" on the following:

a) "An undertaking to ***refrain from the threat or use of force or violence*** as a means to resolve the Cyprus problem;"

b) "A staged process aimed at ***limiting and then substantially reducing the level of all troops and armaments on Cyprus***;"

c) "Implementation of the United Nations Peacekeeping Force in Cyprus (UNFICYP) package of ***measures aimed at reducing tensions*** along the cease-fire lines, and a commitment to enter into discussions with UNFICYP with a view to early agreement on further specific and related tension-reducing steps, including demining along the buffer zone;"

d) "Further progress in the area of ***tension-reduction***;"

e) "Efforts to achieve ***substantive progress on the core aspects*** of a comprehensive Cyprus settlement;" and

f) "Other measures that will ***build trust and cooperation*** between the two sides."

The Cyprus Foreign Minister concluded that "the Cyprus government considers these two resolutions positive because we believe they create prospects to open the way, on the one hand, on the substance of the Cyprus problem but mainly to open the way for the reduction of all forces and armaments in Cyprus with a view toward demilitarization."

Turkish-Cypriot leader Rauf Denktash opposed this United Nations call to resume intercommunal talks to end the island's division. Denktash stated that, "the only choice left for us is to resist and never to bow."

U.S. and British Commitment to Support the Implementation Of U.N. Resolution 1218

Immediately following the adoption of these United Nations resolutions, **President Bill Clinton** made a strong public commitment of support for this new substantive effort. On December 22, 1998, the President stated that:

> "the United States wholeheartedly supports UNSCR (United Nations Security Council Resolution) 1218. ***We will take all necessary steps to support a sustained effort to implement UNSCR 1218.***"

The next day, Britain's Prime Minister Tony Blair said, "I applaud and strongly endorse Resolution 1218...***Britain is committed to working for full implementation of this resolution.***"

Cyprus Cancels Delivery of Defensive, Surface-to-Air Missiles

On December 29, 1998, the Cyprus government announced that the defensive, surface-to-air missiles that they ordered (often referred to as the S-300 missiles) would not be deployed on Cyprus. Cyprus President Glafcos Clerides, in announcing this decision, stressed that with Cyprus engaged in accession talks with the European Union and new United Nations initiatives with strong U.S. support to solve the Cyprus problem underway, this action was a prudent one.

President Clerides stated that "I do not accept that today's decision was a result of giving into pressure, threats and blackmail. It was simply the result of responsible assessment and realistic evaluation of all the existing conditions, factors and prospects, which affect directly or indirectly the course of our national issue."

Clerides stressed that, "***by our decision today, we give the international factor the opportunity to open up the way for the demilitarization of Cyprus and for a solution of the Cyprus problem and we expect to see the results in a reasonable time period.***"

International Support for Cyprus' Move Toward Peace:

What follows are excerpts from statements of support for this courageous action by the Cyprus government:

United States: The State Department spokesman said, "we welcome and support President Clerides's decision not to bring the S-300 missiles to Cyprus. We commend the government of Cyprus for taking this important step for easing tension on the island...***this action will give important new impetus to U.N...initiatives to reduce tensions and promote a just and lasting settlement.***"

United Nations: U.N. Secretary General Kofi Annan welcomed the decision and reiterated his commitment to ongoing U.N. shuttle talks on the island by his envoy. The Secretary General considered this decision, "a tangible, positive response to Security Council Resolutions 1217 and 1218."

European Union: The EU Presidency said that, "this decision has eliminated a source of tension on the island and should encourage progress towards a just and lasting settlement...***it should be followed by gestures also from the Turkish side***...the EU is of the view that President Clerides's decision constitutes ***a positive development also in the perspective of Cyprus's EU accession***. It shows that the increasingly strong ties between Cyprus and the EU are able to contribute to the tension and to the search for a political solution."

Britain: British Foreign Secretary Robin Cook said that both he and the Prime Minister "warmly welcomed" the decision which was "a significant contribution to international efforts... to reduce tensions in the region. It also ***helps create the conditions necessary for securing a just and lasting political settlement.***"

Germany: The German Foreign Ministry spokesman called it, ***"an important message for reducing the dangerously high level of arms in Cyprus,***" and stated that Germany would also welcome a contribution by Turkey by reducing its military presence in Cyprus.

France: The French Foreign Ministry referred to the cancellation as ***"wise and courageous,***" and an important contribution to the reduction of regional tension.

Canada: Canada's Foreign Minister Lloyd Axworthy stated that, "President Clerides's decision will contribute to a lessening of tensions in the Eastern Mediterranean."

Turkish Reaction:

Unfortunately, the Turkish reaction to this cancellation was as unconstructive and at odds with the international community as Turkey's actions have consistently been over the almost 25 years of the Cyprus problem. ***Turkish Foreign Minister Ismail Cem told reporters that Turkey, "would take all appropriate political and military means" if the missiles were deployed on Crete.*** The Irish Times, on December 31, quoted Foreign Minister Cem as saying, "if anyone reckons that Turkey is now going to give into blackmail over this plan to deploy these weapons outside Cyprus, they are very much mistaken. Deploying these missiles on the Greek island of Crete would be a big mistake."

Cyprus Government Makes Additional Moves Toward Peace

On January 7, Cyprus President Glafcos Clerides sent a letter to United Nations Secretary General Kofi Annan informing him that, in addition to canceling the defensive missiles, he will also postpone the purchase of new arms systems for a reasonable amount of time, complying with U.N. Security Council Resolution 1218. President Clerides told the Secretary General that specific agreements to purchase arms systems and other military equipment necessary for Cyprus' defense are nearing completion. However, he put such agreements on hold in the interests of a Cyprus settlement.

Recent U.S. Activity on Cyprus Settlement Efforts

On February 17, 1999 U.S. Secretary of State **Madeleine Albright** met with Cyprus Foreign Minister Ioannis Kasoulides at the State Department to discuss settlement efforts. Following this meeting, Secretary Albright stated that, ***"[Cyprus] President Clerides's courageous decision not to deploy the S-300 missiles on Cyprus has opened new opportunities to find a resolution for the Cyprus problem."***

U.S. Presidential Emissary for Cyprus **Richard Holbrooke**, following his meeting with Foreign Minister Kasoulides during this visit, clarified that, "President Clinton personally, Secretary Albright and myself are all working on [Cyprus] all the time. But I cannot, in all honesty, say to you that a breakthrough is imminent because that would require the cooperation, collaboration and active involvement of both sides. Right now that is not what exists because of the positions that were taken last year by the Turkish side."

The Next Step for Cyprus

Now that Cyprus has taken these extraordinary initiatives for peace, Hellenes around the world are calling on the U.S., the U.N. and the E.U. to take specific, effective measures to bring about a resolution in 1999 to the over 24-year-old Cyprus tragedy.

It is the sovereign right of Cyprus, as it is of any nation, to defend its people and land. The cancellation of these defensive missiles, ordered to protect the island from illegal, provocative Turkish overflights, is a major sacrifice that will hopefully return the focus of efforts by the U.S. and the international community to the true destabilizing element in Cyprus -- Turkey's invasion and continued occupation of Cyprus.

The United States, as well as the U.N. and EU, must now do all in their power to move Turkey to comply [as is called for in UNSCR 1218] with actions that will lead to an end to the division of Cyprus – "refrain[ing] from the threat or use of force or violence;" "a staged process aimed at limiting and then substantially reducing the level of all troops and armaments on Cyprus;" "implementation of measures aimed at reducing tensions;" and, perhaps most importantly, "substantive progress on the core aspects of a comprehensive Cyprus settlement."

We now look forward to, as pledged by President Bill Clinton in his statement of December 22, the "wholehearted support" of the United States for this effort and to the U.S. taking "all necessary steps to support a sustained effort to implement UNSCR 1218." It is also essential that the U.N. Secretary General now implement the specific objectives identified in UNSCR 1218, which led to the cancellation of the defensive missiles.

Over the almost 25 year history of this issue, Cyprus has made sacrifice after sacrifice in the interest of peace, while Turkey has become more intransigent with each year. It is now time for the international community, led by the U.S., to use the momentum created by this latest gesture for peace and call on Turkey to bring an end to its division and occupation of Cyprus.

The Ecumenical Patriarchate

In October of 1998, **President Bill Clinton** signed into law legislation calling for the recognition and protection of the Ecumenical Patriarchate, as well as the reopening of the Halki Patriarchal School of Theology. The pertinent text of the law follows:

"It is the sense of the Congress that the United States should use its influence with the Government of Turkey to suggest that the Government of Turkey:

(1) recognize the Ecumenical Patriarchate and its nonpolitical, religious mission;
(2) ensure the continued maintenance of the institution's physical security needs, as provided for under Turkish and international law, including the Treaty of Lausanne, the 1968 Protocol, the Helsinki Final Act (1975), and the Charter of Paris;
(3) provide for the proper protection and safety of the Ecumenical Patriarch and Patriarchate personnel; and
(4) reopen the Ecumenical Patriarchate's Halki Patriarchal School of Theology."

7

Removal of the Halki Board of Trustees

On November 3, 1998, the church of the highly respected leader of over 300 million Orthodox Christians around the world, His All Holiness **Ecumenical Patriarch Bartholomew**, came under attack by an institution of the government of Turkey. In a swift and unanticipated action, the government of Turkey summarily removed all members of the board of trustees of one of the preeminent Orthodox religious institutions in Turkey, the Halki Patriarchal School of Theology.

President Bill Clinton, on behalf of the American government, recently bestowed on the Patriarch the Congressional Gold Medal which was created by legislation which received more congressional sponsors than any other bill in U.S. history. The inspiring visit to America (in October of 1997) of Patriarch Bartholomew, who speaks seven languages, generated over 2,000 American media stories.

The dismissed Halki board had refused to abide by a Turkish government attempt to require that Ecumenical Patriarch Bartholomew and other religious leaders ask permission in order to visit their own monastery in Istanbul within which the theological school of Halki is housed. Due to the oppression of Turkish citizens of the Orthodox faith, very few of the once thriving Greek Orthodox community remain in Turkey. It was feared that the dismissal of the board of Halki may be the first step toward a sham declaration deeming Orthodox institutions in Turkey "abandoned" and subject to takeover by Turkish authorities.

The Patriarchate, world-wide center of the Orthodox church, was prohibited for many years by the government of Turkey from rebuilding a major part of it which was destroyed in a fire. The Halki Patriarchal School of Theology, from which many of America's leading Orthodox Christian theologians graduated, was forcibly closed in 1971. More recently, the Patriarchate has been the target of successful terrorist attacks, one of which came close to ending the life of the Ecumenical Patriarch. The government of Turkey has been accused of foreknowledge of such attacks.

Following the substantial efforts of U.S. Ambassador to Turkey **Mark Parris**, former U.S. ambassador to Turkey and current Assistant Secretary of State for European Affairs **Marc Grossman** and the White House, on November 25 top Turkish Government officials indicated that the members of the board of trustees of the Halki Patriarchal School of Theology would be reinstated and that the issue of their removal will be "reviewed."

It is our hope that this positive development worked out between the American government and the government of Turkey can be built upon to improve other matters regarding the Patriarchate. It is now time to move toward the re-opening of the Halki school, which was closed in 1971. There are many people throughout the American policy chain, in Washington and in Turkey, that feel very strongly that Halki should be reopened.

Mr. CALLAHAN. I hope too that the situation in Cyprus soon will be resolved. We expressed our disappointment to the Turkish government, even though we recognize they are an ally of the United States. And currently they are being very helpful to us in some of our maneuvering in the Middle East to protect Greece, to protect Cyprus, to protect Israel, to protect all of the other countries from Iraq.

But we share your views. When the subcommittee was in Constantinople—I think that is the correct word—we met with the Patriarch and we expressed to the Turkish president and to the leadership there our concern about inability of the church to fully operate in that area of the world.

We are distressed to hear the problems that came up. We are glad to hear today they are being relaxed somewhat. But thank you very much for your testimony.

Mr. MANATOS. Thank you, Mr. Chairman.

Ms. PELOSI. I want to join you in thanking Mr. Manatos, Mr. Chairman, for his excellent efforts to keep us informed on some of what is happening there because we are all at the mercy of the news media and we hear different, differing views.

I, too, am pleased about Resolution 1218, if we can only really and truly enforce it. Thank you once again for your testimony and your leadership.

Mr. MANATOS. Well, thank you. We are very lucky to have a talented subcommittee like this one, as I think anyone would agree with me. [Laughter.]

Mr. CALLAHAN. Mr. Rossides.

I suppose you heard my directions to your predecessor.

THURSDAY, MARCH 4, 1999.

UNITED STATES, GREECE/CYPRUS, AND TURKEY RELATIONS

WITNESS

EUGENE T. ROSSIDES, AMERICAN HELLENIC INSTITUTE

Mr. ROSSIDES. Mr. Chairman, Ms. Pelosi, I am pleased to be here to present testimony to the subcommittee on behalf of the organizations listed in my written statement.

We support the amount of $15 million as humanitarian aid for Cyprus. The 1999 Greek American Policy Statements highlight the positive contributions and opportunities deriving from the close U.S. relationship with the vigorous and stable democracies of Greece and Cyprus.

Greece is a member of the European Union and NATO. It is the economic and strategic key for the U.S. in Southeastern Europe. And at this time currently, NATO troops are passing through Greece on their way to a peacekeeping mission.

Now contrary to some other's views, my view regarding the role of Turkey, is sharply different. Turkey contrasts the positive contributions of Greece and Cyprus and plays a negative role in the area and is the prime cause of many of the region's problems, including those dealing with Azerbaijan and Nagorno Karabakh.

The kidnapping of the Kurdish leader, Abdullah Ocalan, has put Turkey's oppression of its Kurdish citizens on the front page and illuminated the anti-democratic role of the Turkish military under its constitution.

Military control leads to lawlessness. Turkey's violations of international law exceed those of Iraq under Saddam Hussein. It is also a government wracked with corruption. The State Department's country report on Turkey issued just last week, Mr. Chairman, to read that paragraph is just devastating regarding Mr. Yilmaz stated commitment that human rights would be his government's highest priority in '98.

Serious human rights abuses continue, according to the report. "Extra judicial killings including deaths and detention from excessive use of force. Mystery killings and disappearances continue. Torture remains widespread."

This horrific account of oppression of its own citizens pains us, as we have no quarrel with the Turkish people. Our dispute is with the Turkish military. And Mr. Chairman, we have to confront the grisly reality that in their 15 year war against its Kurdish minority, the Turkish military has killed over 25,000 Kurds.

Death squads have assassinated hundreds of Kurdish leaders. Military campaigns have destroyed 3,000 villages creating over two million Kurds forced from their homes. The terrible part of this is that the Turks have done so, in large part, using U.S. supplied arms such as attack helicopters and armored personnel carriers.

These horrors far exceed anything that has happened in Kosovo.

Mr. Chairman, our Nation's involvement in these terrible acts is an affront to American values which we fought for in World War II and against Soviet communism. This is a scandal far exceeding those with which we in Washington have been so narrowly concerned over the past year.

A critical review of U.S. policy needs to focus on the two prime determinants: the career officials and Turkey's U.S. agents of influence. While the President has the final authority, of course, he does not drive this policy.

It has been driven by a handful of career foreign service officers together with their counterparts in defense and NSC. Instead of open government, we have witnessed a cover up of the State Department's accessory role in Turkey's 1974 invasion of Cyprus and its pro-Turkish tilt.

It has led to an overwhelming denial that the Cyprus problem is one of aggression and occupation by Turkey. Mr. Holbrooke was over and starts to talk about we are going to be the honest broker, instead of the fact that the State Department caused the problem and continues to be the problem with its pro-Turkish tilt.

And it is lack of political will to solve it. The problem is in the State Department. It is a failure of the United States' clear moral responsibility to address the problem. It has made our country a direct accessory in Turkey's aggression, crimes against humanity, ethnic cleansing and genocide.

And Mr. Chairman, it has cost the U.S. Treasury billions of dollars in wasted military and economic aid to Turkey. The second determinant of this policy is Turkey's paid U.S. agents of influence

on whom Turkey has spent three to four million annually for over a decade.

I urge the members of this committee to take the lead in congressional action to mandate a halt to arms sales and transfers to Turkey, to freeze any loan programs for Turkey, to eliminate any trade preferences to Turkey, and to instruct U.S. representatives and international agencies to vote against aid to Turkey.

Cyprus and in the rule of law. My written statement points out that it is the lack of political will on the State Department's part to get this problem settled. The idea of saying—the President says we are having trouble getting Greece and Turkey together.

Turkey is the aggressor. Cyprus is the victim. My written testimony cites 11 examples of the State Department's not applying the rule of law to Turkey, all to the detriment of U.S. interests.

You remember, Mr. Chairman and Ms. Pelosi, 35,000 troops invading northern Iraq. It got Senator Pell so upset that he introduced a Congressional resolution condemning the genocide against the Kurds by the Turks.

NATO can play an extraordinarily important role. We have called for NATO peacekeeping force on Cyprus. Only the U.S. can do it, but no one seems to want to push that. Demilitarize, have the NATO force come in, and no one—everyone sits around because of the Turkish military.

Now NATO's toleration, Mr. Chairman, of the aggression against Cypress and violation of its own treaty, together with its silence on Turkey's oppression of the Kurds while it is supporting Albanian autonomy in Kosovo is a stain on NATO's honor and a double standard pure and simple.

Mr. Chairman, as I've said, Turkey is the main threat to U.S. interest and to Greece and Cypress in the region. A close U.S. relationship with Greece and Cypress represents the best counter to this threat to U.S. interest.

Thank you, Mr. Chairman.

[The information follows:]



AHIPAC AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE, INC.

Statement of
Eugene T. Rossides
on behalf of the
American Hellenic Institute Public Affairs Committee, Inc.,
The Hellenic American National Council,
The Hellenic American Women's Council,
The Cyprus Federation of America,
The Pan Laconian Federation of U.S.A. and Canada,
The Pan Cretan Association of America, and
The Pan Karpathian Educational Progressive Association
before the
House Appropriations Subcommittee on Foreign Operations,
Export Financing, and Related Programs

March 4, 1999

Chairman Callahan, Ms. Pelosi and Members of the Subcommittee

I am pleased to present testimony to the Subcommittee on behalf of the organizations listed above on the Administration's foreign aid proposals.

As the result of the actions of the 104th Congress and the 105th Congress, military assistance and economic grant aid to Turkey are no longer part of the Administration's aid proposals. We welcome this state of affairs and particularly congratulate this Subcommittee for its leadership role. The decision of the Administration to eliminate aid for Turkey was due, I am convinced, in substantial part because of the policy role of the Congress and this Subcommittee.

The American Hellenic Institute Public Affairs Committee (AHIPAC) believes that the elimination of aid for Turkey was fully justified in the interests of the United States For many years AHIPAC has argued that U.S. military and economic support for Turkey has rendered our country an accessory to Turkey's violations of international law, aggression, massive ethnic cleansing and genocidal actions against its 20% Kurdish minority, and human rights abuses generally against its citizens, including widespread torture. AHIPAC is very pleased that with regard to aid policy this sad chapter in U.S. relations with Turkey has at long last come to an end.

Cyprus

We support the amount of $15 million in humanitarian aid for Cyprus. This aid is an important symbol of U.S. support for Cyprus and of the U.S. commitment to achieving a comprehensive solution. We further believe that the Administration should publicly call for the immediate demilitarization of Cyprus.

1220 16th Street, NW, Washington, DC 20036 (202) 659-4608, FAX (202) 785-5178, (800) 424-9607
E-Mail: info@ahiworld.org Website: http://ahiworld.org

1999 Greek American Policy Statements

As the committee considers appropriations for overall U.S. policy in the region for the next decade, we hope you will take full advantage of the positive opportunities deriving from the close U.S. relationships with Greece and Cyprus. As the 1999 Greek American Policy Statements **(Exhibit 1)** make clear, Greece and Cyprus are vigorous and stable democracies. Their economies are rapidly modernizing. They are a source of regional political leadership, economic investment, and commercial expertise.

Greece is the only regional state that is a member of both the European Union and NATO. Greece is the strategic and economic key for the U.S. in the Balkans and Eastern Mediterranean to bring peace, stability, economic progress and democracy to the region. U.S. Ambassador to Greece R. Nicholas Burns has stressed Greece's key role for U.S. interests in the region.

Cyprus has established itself as a regional center of international business and finance and started substantive accession negotiations with the EU on November 10, 1998. By basing its policies in Southeastern Europe on close ties with Greece and Cyprus, the U.S. could materially advance its vital interest in regional stability, economic development, and increase in democratic institutions.

These positive opportunities will, however, remain unfulfilled if Congress allows the Administration to adhere to its present appeasement policies toward Turkey. In contrast to the positive roles played by Greece and Cyprus, Turkey plays a negative role and is the prime cause of many of the region's problems.

The kidnapping of the Kurdish leader Abdullah Ocalan put Turkey's human rights record on the front page. More profoundly, his subsequent treatment and the preparation for his trial have illuminated the disproportionate and anti-democratic influence over domestic and foreign policy exercised by the Turkish military. As set forth in the Turkish constitution, the Turkish military controls Turkish foreign and national security policy and asserts decisive influence in domestic policy.

As with all military dictatorships from Chile in the 1970s to Burma today, military control leads to violations of human rights and the rule of law. Turkey has continued and extended its illegal territorial claims against sovereign Greek territory, prompted new and unacceptable conditions for negotiations about Cyprus, continued its harassment of the Ecumenical Patriarchate, challenged international maritime law over shipping in the Bosphoros, and further stained its already notorious human rights record against pro-democratic forces and ethnic and religious minorities inside Turkey. It is also a government wracked with corruption. Turkey's violations of international law eclipse those of Iraq under Saddam Hussein.

State Department's Country Report on Human Rights in Turkey

Turkey's lawlessness has been on record for many years. The State Department's 1997 Human Rights report stated: "Despite the government's stated commitment to respect human rights, serious human rights abuses continued." The 1998 report, released last Friday February 26, 1999

notes no improvement. Using almost identical language, it states:

> "Despite Prime Minister Yilmaz's stated commitment that human rights would be his government's highest priority in 1998, serious human rights abuses continued....Extrajudicial killings, including deaths in detention from the excessive use of force, 'mystery killings,' and disappearances continued. Torture remained widespread. Police and Jandarma antiterror personnel often abused detainees and employed torture during incommunicado detention and interrogation."

Turkey's national torture policy has been a matter of public record for many years. In 1990 the distinguished law journal The Record of the Bar of the City of New York devoted a 125 page article to the subject of "Torture in Turkey" (45 Record pp. 6-131, 1990). A forty page follow-up article 4 years later found no improvement.

This horrific account of Turkey's oppression of its own citizens pains us all the more deeply as we have no quarrel with the Turkish people. We salute the brave Turkish citizens struggling for human rights and the rule of law. Our dispute is not with the Turkish people, but with the forces in the Turkish military and Turkish government that deny its own people the basic norms of civilization that we take for granted in the U.S.

The Dark Side of the U.S. Relationship with Turkey

During the Cold War, U.S. relations with Turkey went largely unexamined. Today the dynamics have changed. The Cold War has been over for 9 years. The Abdullah Ocalan case has brought to the front pages one of the most underreported stories in modern public policy, namely the dark side of the U.S. relationship with Turkey.

We now need to confront the grisly reality that in their 15-year-long war against its Kurdish minority, the Turkish military forces have killed over 25,000 Kurds, death squads have assassinated hundreds of Kurdish leaders, scorched earth military campaigns have destroyed over 3,000 Kurdish villages removing by force 3,000,000 Kurds from their homes. And the Turks have done so in large part using U.S. supplied arms such as attack helicopters and armored personnel carriers. The accuracy of these facts is attested by objective observers such as Amnesty International, Human Rights Watch, and others. These horrors far exceed anything that has happened in Kosovo.

Mr. Chairman, this should trouble all of our consciences. Our nation's involvement in these terrible acts is an affront to the fundamental issues of our time: freedom, democracy, decency, and human rights, the values we fought for in World War II and against Soviet communism. The fact that the Administration is turning its back on these values is a scandal far exceeding those with which we in Washington and throughout the Nation have been so narrowly concerned over the past year. Despite all their impressive rhetoric of commitment to democracy, in their approach to Turkey, the State and Defense Departments are in fact siding with aggression, tyranny, crimes against humanity, ethnic cleansing and genocide.

The issues involved are discussed at greater length in the 1999 Greek American Policy Statements. Other exhibits attached are:

Exhibit 2- Op-ed page article in the Los Angeles Times, (Nov. 19, 1998) by John Tirman, Executive Director, Winston Foundation for World Peace, which discusses "the savage treatment of the Kurdish population in Turkey for 70 years."
Exhibit 3- Column in the Cleveland Plain Dealer (Feb. 22, 1999, page 9-b) by its foreign affairs correspondent, Elizabeth Sullivan, which discusses Turkey's "brutality and repression against the Kurds" and compares Yugoslavia's crackdown on an armed Albanian insurgency in its province of Kosovo and Turkey's armed repression of a Kurdish insurgency and differing U.S. positions.

This brings home the fact that there is no difference in principle between the Kurdish struggle for self-determination and those of other peoples, such as the Kosovo Albanians whose struggle the U.S. supports today, including negotiations for autonomy on their behalf with the Yugoslav government . As such, the U.S. should stop referring to those who articulate these legitimate aspirations on behalf of the Kurdish peoples as terrorists. To fight against oppression is not terrorism.

Exhibit 4- My letter to Chairman Callahan of April 28, 1998 regarding "The record of Turkey's unreliability as an ally."

Mr. Chairman, the Administration's policies toward Turkey remain deeply flawed. AHIPAC urges Congress to demand a critical review of U.S. policy toward Turkey. For this to be successful it will be necessary to focus on the two prime determinants of the policy.

Policies Driven by Career Officials

While the President, Secretary of State and Secretary of Defense have the final responsibility for this policy, they do not drive it. It is driven by a handful of career foreign service officers in State together with their counterparts in the Defense Department and on the National Security Council. Over the years these officials have shaped U.S. policy toward Turkey with the end effect of violating U.S. laws and making our country a direct accessory in Turkey's destablizing role in the region.

These officials, past and present, assert that the U.S. is acting as an "honest broker" in the region. The truth is otherwise. Laurence Stern, the distinguished foreign affairs correspondent and foreign news editor for the Washington Post, punctured that myth in his book The Wrong Horse (1977, page 7) when he wrote that:

> "One of the most important keys to an understanding of the Cyprus muddle is the realization that the United States, far from being a disinterested broker to the disputes of the past, was a deeply involved participant."

State Department Cover-Up

The lack of political will and a strong pro-Turkish tilt in the State Department and other agencies have corrupted this vital area of U.S. foreign policy. Instead of open, democratic government we have witnessed a cover-up of the State Department's accessory role in Turkey's 1974 invasion of Cyprus and its pro-Turkish tilt. It has led to an Orwellian denial that the Cyprus

problem is one of aggression and occupation by Turkey with the active participation of the U.S through the State Department. It has led to a failure to act on the U.S.' clear moral responsibility to redress the problem. It has caused our government to abandon the rule of law regarding Turkey.

The State Department's cover-up and other failures have seriously damaged U.S. national interests and cost the U.S. treasury billions of dollars in wasted military and economic aid to Turkey.

Turkey's Paid U.S. Agents of Influence

The second determinant of this pro-Turkish policy is the horde of Turkey's paid U.S. "agents of influence" registered with the Department of Justice under the Foreign Agents Registration Act. Alongside the role of career officials, the Congress should also investigate the role played by these agents. Turkey has spent an average of $3-$4 million annually on several lobbying firms for over a decade. This practice apparently enjoys constitutional protection under the First Amendment.

Nonetheless, the impression given is that the foreign policy of this country is for sale to the highest bidder. For citizens committed to a foreign policy based on American interests and American values, it is highly disquieting that foreign money and that former high officials on the payroll of a foreign government should exert an influence of this nature on American policy making. The U.S. lobbyists for Turkey also bear responsibility as accomplices to Turkey's crimes. Congress should demand an accounting.

The Course for Congress

The immediate reaction by Congress with regard to Turkey should be to mandate an immediate halt to all arms sales and transfers to Turkey. The budget does not affect these changes. To the contrary, the Administration is actively contemplating sales of advanced attack helicopters that will be used in Turkey's war of terror against its Kurdish minority. In addition to an arms ban, the Congress should freeze any loan programs for Turkey, instruct U.S. representatives in multinational agencies to vote against any aid for Turkey, and forbid U.S. contractors to participate in any Turkish military procurement bidding processes. I urge the members of this committee to take the lead in such efforts.

Cyprus, Turkey, and the Rule of Law

Mr. Chairman, the rule of law, not advanced weaponry, is a core principle of American diplomacy and the surest instrument for advancing American interests in the world. All too often U.S. policies have failed to apply the rule of law in the Aegean and Eastern Mediterranean against persistent violations by Turkey. Despite these violations, the U.S. has given assistance and supplied arms to Turkey far beyond its legitimate defense needs and inconsistent with its role in NATO. This appeasement and application of a double standard vis-à-vis Turkey has damaged U.S. interests. We call upon the Administration and all U.S. government agencies, particularly the State Department, to correct these failures and to apply the rule of law rigorously in all contacts with Turkey.

Nowhere is the rule of law more neglected than with regard to Cyprus where the coddling and appeasement of Turkey by the Administration are the main obstacles to a settlement of the

Cyprus problem. The lack of political will is in the State Department.

A comprehensive settlement is attainable if the Congress and the Executive Branch were to respond to Turkey's aggression in the same manner as President Eisenhower responded to aggression when he condemned and reversed the invasion of Egypt by Britain, France, and Israel in October 1956. On that occasion he said:

> "There can be no peace without law. And there can be no law if we were to invoke one code of conduct for those who oppose us and another for our friends."

The following are several examples of the United States, led by the State Department, not applying the rule of law to Turkey, all to the detriment of U.S. interests:

1) the failure to apply U.S. and international law to Turkey's ethnic cleansing and genocidal war against its 20% Kurdish minority;
2) the failure to apply U.S. law and international law to Turkey's several invasions of northern Iraq, for military actions against Kurds in northern Iraq, including massive invasions with up to 35,000 troops;
3) the periodic bombing of Kurds in Iraq;
4) the failure to apply U.S. and international law to Turkey' continuing occupation of 37.3% of Cyprus with 35,000 troops;
5) the failure to apply international law to the Aegean Imia islets issue;
6) the failure to apply the Iran-Iraq Sanctions Act to Turkey' deals with Iran and Libya;
7) the failure to apply U.S. and international law to Turkey's violations of religious freedom against Christians and Jews in Turkey, including the illegal closing of the Halki Patriarchal School of Theology;
8) the failure to apply international law to Turkey' illegal embargo on Armenia;
9) the failure to apply the Geneva Convention of 1949 to Turkey's 80,000 illegal settlers;
10) the failure to apply the terms of the NATO Treaty to Turkey for its invasion of Cyprus; and
11) the failure to condemn Turkey's violation of the UN Charter by Turkey's threats of war against Greece in the Aegean regarding Greece's internationally recognized right to extend its territorial waters from 6 to 12 miles.

NATO

As the vigorous NATO engagement in the Balkans shows, NATO has the potential to act as a catalyst for the region's problems. We have long called for a NATO force on Cyprus under UN auspices and acting in full respect of Cyprus' sovereignty as a component of a settlement of the Cyprus problem. However, under pressure from the U.S. government, NATO has applied a similar double standard to Turkey on the rule of law.

While NATO is taking action to promote Albanian autonomy in the Serbian province of Kosovo, it is conspicuously silent on the aspirations for autonomy of the Kurds. This is a double standard, pure and simple.

NATO's toleration of Turkey's aggression against Cyprus in violation of its own Treaty and

the UN Charter is a stain on NATO's record and honor. NATO should call for the immediate removal of Turkey's illegal occupation forces and settlers from Cyprus and the demilitarization of Cyprus coupled with a military force to augment the UN peacekeeping force. If Turkey refuses to cooperate, NATO should consider appropriate action to bring Turkey into compliance.

To conclude, Mr. Chairman, we support the following legislative initiatives:

1. We support the amount of $15 million in humanitarian aid for Cyprus. We urge the Administration to call publicly for the immediate demilitarization of Cyprus. We call upon the Administration to give full support for Cyprus' accession negotiations with the European Union and to reject any attempt by Turkey to delay or interfere with these. During 1998 we deplored the Clinton Administration's heavy-handed pressure on the government of Cyprus' efforts to acquire defensive weaponry. The State Department manufactured the issue 2 years ago and intimidated Cyprus into altering the contract. We support military aid for Cyprus to purchase the U.S. patriot anti-missile system.

2. Although military aid to Greece was also halted by the Administration, we support military aid for Greece as long as Turkey keeps its illegal 35,000 man army of occupation and its 80,000 illegal colonists/settlers in the occupied territory of Cyprus, and maintains its 125,000 man Army of the Aegean aimed at Greece's Aegean islands. A clear message to Turkey would be sent if Congress appropriated some military aid for Greece. We condemn Turkey's threats on Greece's national sovereignty over the islets of Imia in the Aegean, Turkey's threats of war against Greece in the Aegean regarding Greece's internationally recognized right to extend its territorial waters from 6 to 12 miles. These threats are in violation of the UN Charter Preamble and Article 2 (4).

3. We oppose any sale or transfers of U.S. weapons to Turkey as contrary to the best interests of the U.S.

4. We believe that the Congress should eliminate any trade preferences and any other benefits for Turkey and should consider economic sanctions against Turkey.

Turkey is the main security threat to U.S. interests and to Greece and Cyprus in the Aegean and Eastern Mediterranean. A close U.S. relationship with Greece and Cyprus represents the best counter to this threat to U.S. interests. For the White House and career officials in the State Department and Defense Department to deny this is to deny reality.

Thank you, Mr. Chairman.

Exhibit 1



AMERICAN HELLENIC INSTITUTE, INC.

1999
GREEK AMERICAN POLICY STATEMENTS

Prepared by the American Hellenic Institute (AHI) and approved by the Order of AHEPA and its Cyprus and Hellenic Affairs Committee, the Hellenic American National Council (HANC), the Hellenic American Women's Council (HAWC) and the Cyprus Federation of America

March 1, 1999

Overview and Main Themes

1. The Southeast European and Eastern Mediterranean region is of strategic importance to the United States. For too long U.S. administrations have failed to follow sensible or realistic policies aimed at addressing the region's long-standing problems. Greece and Cyprus offer an opportunity to break away from this negative pattern of events and make a decisive advance for U.S. national interests in the region.

2. Greece and Cyprus are vigorous and stable democracies. Their economies are rapidly modernizing. They are a source of regional political leadership, economic investment, and commercial expertise. Greece is the only regional state that is a member of both the European Union and NATO. Cyprus has established itself as a regional center of international business and finance and started substantive accession negotiations with the EU on November 10, 1998. By basing its policies in Southeastern Europe on close ties with Greece and Cyprus, the U.S. could materially advance its vital interest in regional stability, economic development, and increase in democratic institutions.

3. By contrast, Turkey has played a negative role and is the prime cause of many of the region's problems. This is in large part because of the disproportionate and anti-democratic influence of the Turkish military over Turkish governance as set forth in the Turkish constitution. Turkey has continued and extended its illegal territorial claims against sovereign Greek territory, prompted new and unacceptable conditions for negotiations about Cyprus, continued its harassment of the Ecumenical Patriarchate, challenged international maritime law over shipping in the Bosphoros, and further stained its already notorious human rights record against pro-democratic forces and ethnic and religious minorities inside Turkey.

4. The U.S. should recognize and state that the main impediment to progress on the region's problems lies with Turkey and its military-controlled government. Until this happens, the U.S. interests in terms of regional stability, advancement of democratic values and commercial opportunity will languish. We therefore call upon the Administration and the Congress to reinforce the positive developments already under way in Greece and Cyprus and to conduct a critical review of its approach to Turkey.

1220 16th Street, NW, Washington, DC 20036 (202) 785-8430, FAX (202) 785-5178, (800) 424-9607
E-Mail: info@ahiworld.org Website: http://ahiworld.org

5. The rule of law is a core principle of American diplomacy and the surest instrument for advancing American interests in the world. All too often U.S. policies have failed to apply the rule of law in the Aegean and Eastern Mediterranean against persistent violations by Turkey. Despite these violations, the U.S. has given assistance and supplied arms to Turkey far beyond its legitimate defense needs. This appeasement and application of a double standard to Turkey has damaged U.S. interests. We call upon the Administration and all U.S. government agencies, particularly the State Department, to correct these failures and to apply the rule of law rigorously in all contacts with Turkey.

6. As the vigorous NATO engagement in the Balkans shows, NATO has the potential to act as a catalyst for the region's problems. We have long called for a NATO force on Cyprus under UN auspices and acting in full respect of Cyprus' sovereignty as a component of a settlement of the Cyprus problem. However, under pressure from the U.S. government, NATO has applied a similar double standard to Turkey on the rule of law. NATO's toleration of Turkey's aggression against Cyprus in violation of its own Treaty and the UN Charter is a stain on NATO's record and honor. NATO should call for the immediate removal of Turkey's illegal occupation forces and settlers from Cyprus and the demilitarization of Cyprus coupled with a military force to augment the UN peacekeeping force. If Turkey refuses to cooperate, NATO should consider appropriate action to bring Turkey into compliance.

Discussion

Greece

Greece is the key for the U.S. and EU to stability and peace in the Eastern Mediterranean and the Balkans. It is the only state that is a member both of the EU and NATO. While holding clearly articulated positions on regional issues affecting its vital national interests, Greece has committed itself to the rule of law and to the principles of non-aggression in seeking solutions.

We call upon the United States to take advantage of this positive reality by developing a "special relationship" with Greece commensurate with the latter's potential to advance U.S. interests. We call upon the U.S. to recognize the integrity of Greek sovereign territory and to uphold international law, especially in relation to the Aegean. We call upon the U.S. to repudiate any unilateral challenges to Greek sovereign territory.

Cyprus

The opening of substantive EU accession negotiations on November 10, 1998 presents a favorable opportunity to make progress on the Cyprus problem, the continuation of which is an affront to international law and to U.S. values, as well as a threat to regional stability. We call upon the United States to intensify efforts to reach a fair settlement based on democratic principles that respect the rights of all Cypriots.

3

Turkey

Resolution of the issues relating to the Aegean and Cyprus require a reciprocal attitude of statesmanship on the part of Turkey. To date, this has been missing. In May 1998 Ambassador Richard Holbrooke publicly faulted Turkey for its continuing intransigence on the Cyprus problem. Furthermore, Turkey has engaged in a series of destabilizing actions toward Greece and Cyprus and continues to violate international law. Its military-controlled government and constitution inhibit Turkey's evolution as a modern, democratic state.

For too long the United States to its detriment has followed a counter-productive approach to Turkey. It has overlooked Turkey's violations of the norms of international behavior and thereby encouraged new patterns of Turkish belligerence and intimidation. By its past military and economic assistance to Turkey the U.S. has distorted the balance of power in the region and has acted as an accessory in these and other acts by Turkey against the rule of law in national and international affairs.

The favorable circumstances in Greece and Cyprus provide an opportunity to reverse this approach. The U.S. has the power and duty to bring about a change in Turkey's attitudes. We call upon the Administration to undertake a critical review of United States-Turkey relations.

Pending the outcome of this review we call upon the Administration to halt all arms sales and transfers to Turkey, forbid the participation by U.S. contractors in any Turkish military procurement bidding processes, to freeze any loan programs for Turkey, and to instruct its representatives in multinational agencies to vote against any aid for Turkey.

Legislative Priorities

We call upon the Congress:

1. To pass legislation requiring the Administration to conduct a critical review of U.S. policy toward Turkey;
2. To hold hearings into actions by the State Department and other government agencies that contravene U.S. or international law with regard to Cyprus, Greece and Turkey;
3. To pass legislation similar to H.Con.Res. 188 introduced in the House on November 7, 1997 requiring the Administration to apply international law by recognizing the islands and islets of the Aegean described or delimited by the Treaty of Lausanne and successor treaties and agreements as sovereign Greek territory.
4. To pass legislation similar to HR 1361, the Turkish Human Rights Act, introduced in the House on April 17, 1997 by Representatives Robert Andrews (D-NJ) and John Porter (R-IL) to prohibit military and economic aid to Turkey unless the Secretary of State determines that Turkey permits international human rights monitoring organizations to report on the human rights situation in Turkey; has ceased to deny human rights to the Kurdish people; has taken action to demilitarize Cyprus and provide support for democracy there; has ceased to blockade U.S. and

4

international assistance to Armenia; and has ceased its restrictions on religious freedom.

5. To pass legislation providing for economic and trade sanctions against Turkey including the removal of any current trade benefits and MFN status until Turkey has removed all its armed forces from Cyprus including its illegal occupation forces; removed all Turkish settlers from Cyprus; has returned the occupied areas of Morphou and Famagusta to the government of Cyprus under UN auspices for the immediate resettlement of displaced persons; restored churches in the occupied areas illegally converted to mosques in violation of the Geneva Convention of 1949; and agreed to a constitution for Cyprus based on the normal and basic principle of majority rule.
6. To remain seized of the provisions of S.1067 "The Code of Conduct on Arms Transfers Act" and HR 1757 "The European Security Act" as they apply to arms transfers to Turkey and to ensure that no arms transfers take place so long as Turkey continues to violate U.S. and international law, the UN Charter, the NATO Treaty, the 1949 Geneva Convention and relevant treaties and agreements with specific reference to Greece and Cyprus.
7. To remain seized of the provisions of Section 2804 of the 1999 Appropriations bill passed on October 22, 1998 and signed into law calling upon the United States to use its influence with the government of Turkey to guarantee the security of the Ecumenical Patriarchate in Istanbul and to reopen the Halki Theological School and to ensure that the actions called for in the new law are put into effect.

List of Issues

The issues facing the U.S. of particular concern to Greek Americans are:

Aegean
Cyprus
Greece
Ecumenical Patriarchate and the Halki Patriarchal School of Theology
Turkey
Arms sales and transfers to Turkey
Other issues including: Albania, Armenia, Former Yugoslav Republic of Macedonia (FYROM), Kurds, and NATO.

Policy Statements

The policies set forth herein are based in each case on the question of what is in the best interests of the United States.

Aegean

1. We support the adherence to internationally recognized law, treaties and agreements regarding the territorial integrity and sovereign rights of a state, including the United Nations Charter and the NATO Treaty. Regarding the Aegean, we specifically refer to the Lausanne Treaty of 1923, the Italy-Turkish Convention of January 4, 1932, the Italy-Turkish Protocol

5

of December 28, 1932, the 1947 Paris Peace Treaty, under which the Dodecanese Islands and adjacent islets were ceded by Italy to Greece, and the Law of the Sea Convention.

2. We call upon the U.S. Government to recognize and uphold the aforementioned treaties and agreements and to repudiate any challenge to them, specifically by Turkey.

3. We call upon the U.S. Government to recognize and state publicly that the islets of Imia are Greek sovereign territory in accordance with the 1947 Paris Peace Treaty under which the Dodecanese Islands and adjacent islets were ceded by Italy to Greece, the 1932 Italy-Turkey Convention of January 4, 1932, the Italy-Turkey Protocol of December 28, 1932 in which Imia is specifically named as belonging to Italy, the Lausanne Treaty of 1923, and international law.

On February 15, 1996 the European Parliament passed a resolution (342 to 21 with 11 abstentions) stating the islets of Imia belong to Greece and condemned Turkey's aggressive threats to established sovereignty in the Aegean. In a February 1, 1996 statement to Greece, Italy supported the Greek legal position regarding the 1932 Italy-Turkey Protocol. Also, on February 7, 1996 France stated that it unequivocally recognized Greece's sovereignty over the Imia islets.

4. We call on Congress to pass legislation similar to H.Con.Res 188, a concurrent resolution introduced in the House on November 7, 1997 with twenty-two co-sponsors which stated "That it is the sense of the Congress that the islets of Imia in the Aegean sea are sovereign territory of Greece under international law."

5. In Madrid on July 8, 1997 Turkey signed an Agreement with Greece under the auspices of Secretary of State Madeleine Albright, abjuring the use of force to settle problems between the two countries. Turkey also undertook to respect international law. On December 3, 1997, in Brussels, Turkey and Greece reached another agreement in the NATO framework to respect each other's airspace.

These agreements have been repeatedly violated by Turkey, whether in the form of illegal military overflights, through new territorial claims, or other actions. We call upon the U.S. to insist that Turkey adheres to these agreements, specifically by desisting from territorial claims in the Aegean and from violating Greek airspace. We condemn Turkey for its numerous and continuous threats on the territorial integrity of Greece, including the January 1998 claim to Kalogeri, the January 30-31 1996 incident over the islets of Imia in the Aegean (see above) and the May 31, 1996 Turkish dispute of Greek sovereignty over the island of Gavdos (see below).

6. We condemn Turkey's threats of war against Greece in the Aegean regarding Greece's internationally recognized right to extend its territorial waters from 6 to 12 miles, and note that Turkey itself has exercised this right by extending its territorial waters from 6 to 12 miles in the Mediterranean Sea and Black Sea despite the fact that it is not a signatory of the Law of the Sea Convention. The United States has also extended its territorial waters to 12 miles. The Turkish Grand National Assembly passed a resolution on June 8, 1995, authorizing the Turkish government to use force if Greece extends its territorial waters to 12 miles.

6

7. We note that Turkish threats of war and the June 8, 1995 Turkish National Assembly resolution are violations of Turkey's undertakings in the Madrid Agreement of July 8, 1997, the United Nations Charter, article 2 paragraph 4, and the NATO Treaty preamble and article 1. The U.N. Charter, article 2 (4) states:

> "All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations."
>
> The NATO Treaty contains similar language.

8. We call on the U.S. government, in its own self interests and as the world's leader, to make a formal protest of Turkey's threats of war (casus belli) regarding the Aegean, made on a number of occasions and to state that Greece has the right to extend its territorial waters from 6 to 12 miles in accordance with the Law of the Sea Convention.

9. We refute the Turkish claims concerning the application of the Law of the Sea Convention to the continental shelf and territorial waters, and questions pertaining to national air space. Turkey is free to go to the International Court of Justice at the Hague, if it thinks it has a supportable case.

10. We call upon the U.S. and the international community to apply the strictest standards of nuclear non-proliferation to Turkey and to ensure that Turkey cannot divert any civilian nuclear facility to military use

Cyprus

1. We support the unity, sovereignty, independence and territorial integrity of the Republic of Cyprus.

2. We support a settlement for Cyprus based on a constitutional democracy embracing the key American principles of "majority rule, the rule of law, and the protection of minority rights" as called for by former President George Bush in 1988, and upholding the "fundamental principles of human rights and democratic norms and practices" as called for in the 1992 campaign statement of then Governor Clinton. We call for the provision for and implementation of the three basic freedoms, namely, freedom of movement, of property and of settlement. A constitutional settlement in Cyprus should be based on democratic principles that respect the rights of all Cypriots. We support efforts by the international community to reach a practical formulation of these principles.

3. We welcome the opening of substantive accession negotiations between Cyprus and the European Union on November 10, 1998. We further welcome the statement from British Foreign Minister Robin Cook on November 10, 1998 that "we have just completed the accession conference with the Republic of Cyprus and I am very pleased with the progress that is being made. We do not believe that accession of Cyprus should be made conditional on a solution to the division of the island." Cyprus' accession to the EU would confer economic,

7

political, social, and cultural benefits to the whole island. We call upon the U.S. to continue its support for Cyprus' accession to the EU and to insist that Turkey ceases all efforts to interfere with this process.

4. We condemn Turkey's attempts to hinder these negotiations, and further condemn the Turkish threat of annexation of the occupied part of Cyprus with Turkey if such accession transpires. Such actions, which the international community views as an attempt to dismember Cyprus, were condemned as illegal and invalid by SCR 541 (1983) of November 18, 1983. SCR 550 (1984) of May 11, 1984, called upon all states to refrain from recognizing the occupied areas and from assisting or facilitating them in any way.

5. The Cyprus problem is fundamentally a question of invasion and occupation by Turkish armed forces with the illegal use of American-supplied arms and equipment. There is no legal difference between Turkey's invasion and occupation of Cyprus and Iraq's invasion and occupation of Kuwait. We welcome the statement by Chairman Ben Gilman (R-NY) of the House International Affairs committee on June 10, 1998 that "the present situation on Cyprus, a division on the island and 35,000 Turkish troops is a solution, their solution. This of course is completely unacceptable to our nation and the international community."

6. We call for:

- insistence by the U.S. that Turkey and the Turkish Cypriots comply with the provisions of Security Council Resolutions 1217 (1998) and 1218 (1998) of December 23, 1998 for the purpose of achieving substantive progress toward a Cyprus settlement.
- the removal of all Turkish troops including Turkey's illegal occupation forces from Cyprus;
- the removal of all illegal Turkish colonists from Cyprus and a census of the illegal Turkish colonists under UN auspices;
- the restoration to their original condition of the churches illegally converted to mosques in violation of the 1949 Geneva Convention;
- the speedy return of the occupied areas of Morphou and Famagusta/Varosha and all other areas under occupation to the government of Cyprus under United Nations auspices and for the immediate resettlement of displaced persons.
- cessation of all efforts by Turkey to interfere with Cyprus' accession negotiations with the European Union;
- cessation of all measures to integrate the occupied areas of Cyprus with Turkey;
- abandonment of Turkey's demand for recognition of the occupied areas as a sovereign state.

7. We call upon the Administration to state its support for the immediate and complete demilitarization of Cyprus. We support the use of NATO forces for security purposes in Cyprus upon the demilitarization of Cyprus.

8. Pending demilitarization we support the fundamental right of the Republic of Cyprus to acquire arms to defend itself. We condemn the Clinton Administration's campaign, instigated by the State Department, of relentless and unfair intimidation against Cyprus which

8

led to the cancellation of the proposed acquisition of the S-300 defensive anti-aircraft system on December 29, 1998.

9. We call on the U.S. to supply sufficient arms and equipment to the Republic of Cyprus to deter any potential attack by Turkey.

10. We call on the Administration and the U.S. Congress in the interests of the United States to consider sanctions against Turkey if it fails to cooperate with these measures.

11. We applaud the European Court of Human Rights ruling of July 28, 1998, awarding damages to Ms. Titina Loizidou in the amount of an estimated $608,000 and another estimated $355,000 in costs and ordering Turkey to pay the damages and costs. This ruling followed from the ECHR's December 18, 1996 decision which found Turkey accountable for the continuing violation of human rights by its 1974 invasion and present day occupation of 37.3% of Cyprus. The 11 votes to 6 ruling in the case of Loizidou vs. Turkey stated that the denial of access to the applicant's (Loizidou) property and consequent control thereof is imputable to Turkey, and amounts to a violation of the applicants property rights under Article 1 of Protocol No. 1 of the European Convention on Human Rights.

12. We condemn the actions of the illegal Turkish Cypriot regime, the Turkish military commander in Cyprus, and the Turkish government and military leadership, which regularly result in human tragedy, including:

- October 13, 1996, Turkish troops shot and killed Mr. Petros Kakoullis, 58, a Greek Cypriot who accidentally wandered into the zone illegally occupied by Turkey while collecting snails with his son-in-law. According to eye-witness reports, Mr. Kakoullis was observed standing stationary and with his hands up. He was shot by two Turkish soldiers. After he fell to the ground he was shot again.
- August 11-14, 1996 - Turkish Cypriot security forces, led by the Turkish military, murdered two Greek Cypriots during a peaceful demonstration at the Green Line. Tassos Isaac was beaten to death on August 11 by a ravenous gang of Turks, the Grey Wolves, with Turkish security forces looking on. Solomos Spirou Solomou (Isaac's cousin) was shot to death, also by Turkish Cypriot security forces on August 14
- June 3, 1996 - Turkish troops shot and killed an unarmed Greek Cypriot guardsman inside the U.N. buffer zone.

We condemn these horrific and barbarous acts. The 1997 State Department Human Rights report issued January 30 states that "there has not been any significant investigation by the Turkish Cypriot authorities of the killings." We call on the U.S. government take steps to ensure the apprehension and trial of the perpetrators.

13. We note the statement by Turkish Cypriot leader, Rauf Denktash, on March 1, 1996 that members of the Turkish Cypriot militia, which was and is today under his control, in 1974 killed the 5 Americans and the missing Greek Cypriots in their custody. DNA tests have identified the remains of one of the missing Americans. A U.S. government investigation has concluded that the remaining four are most probably dead. We call upon the U.S. government

9

to investigate thoroughly the validity of the Denktash statement and determine the circumstances in which the 5 Americans met their fate at the hands of the Turkish invasion forces and the Turkish Cypriot militia in 1974, identify the responsible parties and bring criminal charges. We further call upon the U.S. government to insist upon a proper accounting for the 1518 Greek Cypriots who have been missing since the Turkish invasion.

Arms Sales and Transfers to Turkey

1. Despite the end of the Cold War, the Southeast European and the Eastern Mediterranean region remains excessively and dangerously armed. This is highly disadvantageous to regional economic development and the rational allocation of resources.

2. We call upon the United States to halt the sale and transfers of arms to Turkey. Turkey's excessive military inventory, already far beyond its legitimate defense needs, already threatens the regional balance. A cessation of new supplies will reduce tensions and remove the cause of the regional arms race.

3. In as much as Turkey represents the major obstacle to a peaceful resolution of the Aegean and Cyprus issues and is the primary cause of tensions in the region, we oppose any sale of advanced U.S. weapons to the military controlled government of Turkey as contrary to the best interests of the United States and regional stability.

4. We condemn the January 1998 supply of three U.S. Navy "Perry" class frigates to Turkey and the ongoing negotiations to sell advanced helicopters to Turkey.

5. We believe the continued sale of advanced U.S. weapons to the military controlled government of Turkey jeopardizes the balance of military power between Greece and Turkey and threatens regional stability.

6. We oppose the sale of any U.S. arms to the Turkish government as such sales violate U.S. laws because of Turkey's massive human rights violations in Turkey and Cyprus and the continuing illegal occupation of 37% of Cyprus, now in its 24th year.

7. We congratulate the congressional and grassroots efforts against arms sales to Turkey. However, Turkey is undertaking a major modernization of its armed forces. Congress and the grassroots community must remain alert to any Turkish attempts to purchase advanced weapons systems beyond the amounts stipulated by U.S. laws.

8. We support the introduction of S.1067 "The Code of Conduct on Arms Transfers Act" and HR 1757 "The European Security Act" in the 106th Congress. This legislation would condition arms exports on minimum standards of conduct, basic respect for human rights, non-aggression, democratic form of governance, and participation in the UN Register of Conventional Arms.

9. We call upon the Administration to ensure and Congress to monitor that no military technology or U.S. arms reach Turkey in violation of end user restrictions as the result of its

defense relationship with Israel. We call upon the Administration and Congress to ensure that the Turkish-Israel relationship is not misused for aggressive action against third parties.

Ecumenical Patriarchate and the Halki Patriarchal School of Theology

1. Religious freedom is a basic human right as is the right of minorities to practice their religion freely and without interference. We therefore condemn the chronic persecution of Orthodox Christians in Turkey, the harassment of the Ecumenical Patriarch and the attacks on the Patriarchate in Istanbul, including the January 12, 1998 arson attack on the Church of Agios Therapon in Istanbul in which a 73-year old sexton, Vasilios Hadriaopolous, was murdered.

2. We welcome the passage of Section 2804 of the 1999 Appropriations bill passed on October 22, 1998 and signed into law containing provisions calling upon the United States to use its influence with the government of Turkey to guarantee the security of the Ecumenical Patriarchate in Istanbul and to reopen the Halki Theological School. The legislation states:

> "It is the sense of Congress that the United States should use its influence with the Government of Turkey to suggest that the Government of Turkey—
>
> (1) recognize the Ecumenical Patriarchate and its nonpolitical, religious mission;
> (2) ensure the continued maintenance of the institution's physical security needs, as provided for under Turkish and international law, including the Treaty of Lausanne, the 1968 Protocol, the Helsinki Final Act (1975) and the Charter of Paris;
> (3) provide for the proper protection and safety of the Ecumenical Patriarch and the Patriarchate personnel; and
> (4) reopen the Ecumenical Patriarchate's Halki Patriarchal School of Theology."

The Patriarchate issue was introduced at AHIPAC's initiative in the 104th Congress through H.Con.Res. 50. This was carried forward in the 105th Congress in the form of H.Con.Res 6. Congressman Mike Bilirakis (R-FL) introduced both resolutions which attracted numerous co-sponsors. We congratulate Congressman Bilirakis for his determination and persistence throughout this process.

3. We condemn the desecration of Orthodox Christian cemeteries in Istanbul.

4. On regular occasions in recent years senior Turkish politicians have threatened that the Agia Sofia Byzantine cathedral should be converted into a mosque. We call upon the Administration to inform Turkey that any such action would be regarded as a clear attack on the religious freedom of and basic respect for Orthodox Christians worldwide.

5. We condemn the restrictions imposed by Turkey on the celebrations of the Saint Nicholas Festival, a saint worshipped by Christians throughout the world.

6. We call on the U.S. government to protest these actions and to call on the government of Turkey:

11

- to ensure religious freedom in Turkey;
- to provide the proper protection of the Patriarchate and the Ecumenical Patriarch;
- to establish conditions to prevent the recurrence of threats against the Patriarch and to ensure that the Patriarchate is free to carry out its mission; and
- to permit persons to work at the Patriarchate without being Turkish citizens.

7. We condemn the illegal closing by the Turkish Government in 1971 of the Halki Patriarchal School of Theology, which closing is also in violation of Turkey's obligations under the UN Charter and other international agreements, and call on the U.S. government to make a formal request to Turkey to reopen the Halki Patriarchal School.

8. We call for legislation to halt all arms sales and transfer to Turkey and to apply sanctions against Turkey until Turkey removes official restrictions on Christian churches and schools, and protects Christian clergy and property from acts of violence.

9. We call upon Congress to enforce the provisions of all U.S. legislation regarding worldwide religious persecution, including that of Christians in Turkey.

Greece

1. We call on the United States to develop a "special relationship" with Greece as it has with the U.K. and Israel. The United States and Greece share common interests in the Eastern Mediterranean and Balkans. Greece is the key source of stability, prosperity, and peace in the Eastern Mediterranean and the key nation in the Balkans for the advancement of U.S. strategic, democratic, economic and stability interests in the Balkans. Greece played a leadership role in the successful European intervention in Albania in April 1997. In the November 4-5, 1997 Summit of Southeast European leaders in Crete, Greece demonstrated its long-term vision for regional stability. In January 1998 Greece played a mediating role in the volatile situation in Kosovo.

2. Greece, a proven ally since WW1, played a pivotal role in the defeat of Hitler in World War II and an historic turning point role in the defeat of communism in the Greek civil war (1946-49) with U.S. aid under the Truman Doctrine but no U.S. combat troops. Greece, Great Britain and France are the only nations which were allies of the U.S. in four wars in this century.

3. We support Greece's right under international law to extend its territorial waters from 6 to 12 miles.

4. The main security threat to Greece is Turkey. Foreign military sales to Greece should be sufficient to deter aggression from Turkey and, at a minimum, to ensure a military balance in accordance with congressional policy and the U.S.-Greece Defense Cooperation Agreement.

12

Turkey

1. We believe that a critical review of U.S.-Turkey relations is long overdue. This need arises from Turkey's undemocratic constitution under which the military strongly influences domestic policy as well as controlling foreign and national security policy. When combined with Turkey's excessive military strength, this strong military influence threaten regional stability. Turkey's continuing violations of international law, its unreliability as an ally, and recent foreign policy initiatives with regard to countries hostile to the U.S. such as Iran, require a critical review of U.S.-Turkey relations.

2. We call on the U.S. government to conduct:

- a reassessment of the thesis that Turkey's strategic value to the U.S. is such that the U.S. must forgo its fundamental principles and values and acquiesce in all aspects of Turkish policies; and
- a reassessment of the U.S. policy of appeasing Turkey in current issues of dispute between Turkey and Greece and between Turkey and Cyprus.

3. We offer the following recent actions by the Turkish government as reasons for such a review:

- In January 1999 Turkish Prime Minister Bulent Ecevit questioned the U.S. right to use Turkish facilities for operations against Iraq;
- In January 1999 the Turkish military barred the majority Virtue party from participating in the negotiations to form a new Turkish government;
- Since the end of the Gulf War and continuing into 1999 Turkey has condoned the smuggling of oil from Iraq into Turkey, thus undermining international sanctions against Iraq and providing Iraq with a valuable source of hard currency to threaten U.S. interests.
- Throughout 1998 senior Turkish officials made repeated territorial demands against sovereign Greek territory in the Aegean;
- Throughout 1998 senior Turkish officials have raised what Ambassador Holbrooke has described as "unacceptable demands" in relation to Cyprus;
- In January 1998 the Turkish Constitutional Court banned the Refah party, barred its leaders from political participation, and confiscated its property;
- In June 1997 the Turkish military carried out a de facto coup to remove the democratically elected coalition government of the Refah and True Path parties;
- In October 1996 shoot-to-kill policies by Turkish troops in Cyprus claimed another Greek Cypriot civilian life (see section on Cyprus);
- In September 1996 Turkey refused to assist the U.S. in its operations against Iraq;
- In August 1996 Foreign Minister Tansu Ciller claimed that the green line between the Government controlled area of Cyprus and the illegally occupied northern zone represented one of Turkey's international boundaries;
- From August to December 1996 Turkey concluded significant commercial contracts with Iran and Libya in violation of U.S. laws and policy; and concluded a trade agreement with Cuba in opposition to U.S. policy; and

13

- In January 1996 Turkey sought to provoke hostilities with Greece over Aegean territories that are overwhelmingly accepted by the international community as Greek (see section on Aegean).

4. Turkey's numerous and continuing violations of United States laws, the United Nations Charter, the North Atlantic Treaty and international law by its continuing aggression in and occupation of Cyprus, its illegal shipment of arms to the Azeris and to the Balkans, its threats against Greece in the Aegean and Western Thrace, its massive and horrendous human rights violations against its Kurdish citizens and its policy of torture nationwide, must not be tolerated or condoned any longer. The appeasement of Turkey's violations of the rule of law and the application of a double standard on the rule of law and human rights to Turkey must end. Turkey is the source of tension in its region, not the solution.

5. We call for legislation to halt all arms sales or transfers; to implement sanctions against Turkey; and to require U.S. representatives in multilateral agencies to vote against any aid to Turkey until:

- Turkey allows free and unfettered monitoring of the human rights environment within its territory by domestic and international human rights monitoring organizations, including but not limited to the Turkish Human Rights Association, the Conference on Security and Cooperation in Europe, Amnesty International, and Human Rights Watch;
- Turkey recognizes the civil, cultural, and human rights of its Kurdish citizens, ceases its military operations against Kurdish civilians, and takes demonstrable steps towards a peaceful resolution of the Kurdish issue;
- Turkey takes demonstrable steps toward the total withdrawal of its military forces, and illegal Turkish settlers from Cyprus and demonstrates its support for a fair settlement recognizing the sovereignty, independence and territorial integrity of Cyprus with a constitutional democracy based on majority rule, the rule of law and the protection of minority/human rights;
- Turkey lifts its blockade of U.S. and international assistance to Armenia;
- Turkey lifts official restrictions on Christian churches and schools, and offers sufficient protection against acts of violence and harassment against the clergy and vandalism against church and school property; and
- Turkey is in compliance with the United Nations Charter and relevant UN resolutions, the North Atlantic Treaty, the Helsinki Final Act of the Conference on Security and Cooperation in Europe, the UN Universal Declaration of Human Rights, the European Convention on Human Rights and is not engaged in a consistent pattern of gross violations of internationally recognized human rights (within the meaning of sections 116 and 502B of the United States Foreign Assistance Act of 1961, as amended).

14

Other Regional Issues

Albania

1. We continue to be concerned about the threat to the Greek Orthodox community in Albania by denying and restricting the full legal, educational, religious, and employment rights guaranteed to the minority by international agreements signed by Albania.

2. We call on the United States government, in its own interest and the interest of maintaining peace and stability in the southern Balkans, to undertake an intense diplomatic dialogue with the government of Albania to ensure that the issues of the rule of law and minority and human rights cited above are resolved.

Armenia

1. We support the Humanitarian Aid Corridor Act which was passed by the Congress and signed into permanent law as part of the 1997 Foreign Aid Bill. The act calls for a halt in U.S. economic and military assistance to any country blocking U.S. assistance to another country, which consequently includes the Turkish blockade of U.S. assistance to Armenia. The Turkish embargo on aid to Armenia includes U.S. humanitarian and pharmaceutical aid.

2. We believe it is in the U.S. interest to insist that the Turkish government lift its blockade of Armenia.

3. We strongly disagree with the Administration's waiver, on national security grounds, of the Humanitarian Aid Corridor Act as it applies to Turkey. The application of this waiver is contrary to the national security interests of the United States. We urge Congress to pass legislation removing economic aid from the President's waiver authority.

4. We believe it is in the interests of the United States to commemorate on a regular basis the Armenian Genocide of 1915-23 and strongly to urge Turkey to recognize this tragic historical event it its past.

5. We support legislation similar to H.Con.Res. 47 in the 104th Congress and other efforts which commemorate the Armenian Genocide, and call for the recognition of the Genocide by the government of Turkey. This includes initiatives which place sanctions on U.S. aid to Turkey until the Turkish government takes all appropriate steps to acknowledge and commemorate the Genocide committed against the Armenian population of the Ottoman Empire from 1915 to 1923.

Former Yugoslav Republic of Macedonia (FYROM)

1. We call on the United States, in its own self interest, to support a name for this Former Yugoslav Republic which does not include the word "Macedonia."

15

2. Classical Macedonia's Hellenic Heritage is well documented by archaeological evidence and the writings of internationally known historians. Since antiquity, the name Macedonia has referred to a geographic region and not to a specific nationality.

Kurds

1. The capture of the PKK leader Abdullah Ocalan on February 16, 1999 has focused world attention on the aspirations of the Kurdish people for self-determination. It has also highlighted the brutally repressive measures used by the Turkish military, including genocide and other crimes against humanity, to suppress these aspirations. It is a matter of intense shame for American values and principles that U.S. supplied weapons are used for these genocidal purposes. We call upon the Administration to demand and ensure that Mr. Ocalan receives a fair and public trial in accordance with international norms and that he is accorded the right to defend himself through legal counsel of his choice.

2. The Kurdish people have an equal right to self-determination as the Kosovo Albanians and other peoples to whom the U.S. and NATO has provided support. We call upon the U.S., NATO, and other international organizations to show an equal concern for the Kurdish rights and to take equivalent action as in the Balkans to ensure that Turkey respects these rights.

3. The mass flights of Kurds from Turkey in December 1997/January 1998 demonstrate that Turkey's ethnic cleansing and genocidal war against its Kurdish minority is making their life intolerable in Turkey. We believe the United States should support political and cultural freedom and autonomy for the Kurds in Turkey and Iraq

4. We believe it is in the best interests of the United States and to stability in the region to support the political rights of the Kurdish minorities in Turkey, Iraq, and Iran. If the popular wills of the Kurds call for a federal solution to their problem, the U.S. government should honor that decision. Such a decision will bring stability to a volatile region, and help establish the foundations of civil society and economic progress. We note that Turkey refuses to give minority rights and human rights to its 20% Kurdish minority, while claiming equality for the 18% Turkish Cypriot minority.

5. We call for the immediate halt by the government of Turkey of its military and paramilitary operations (with the illegal use of U.S. supplied and produced weapons) against the Kurdish minority and its massive violations of the human rights and ethnic cleansing of its Kurdish minority which is genocidal in nature.

6. We cite the recent reports by the U.S. State Department, Human Rights Watch, and Amnesty International which highlight Turkey's use of U.S. weapons in committing human rights violations against its Kurdish citizens.

7. We call on the United States government to stop supplying arms to the government of Turkey based on the stated reports.

16

8. We call on the United States in its own self-interest to halt all assistance to Turkey, of whatever nature, until Turkey ceases its military and paramilitary operations and its massive human rights violations against its Kurdish minority.

9. We are saddened that the U.S. military and economic assistance to Turkey over the past fourteen years of Turkey's military and ethnic cleansing against the Kurds makes the U.S. an accessory to Turkey's crimes against its Kurdish minority.

NATO

1. As the vigorous NATO engagement in the Balkans shows, NATO has the potential to act as a catalyst for the region's problems. We have long called for a NATO force on Cyprus under UN auspices and acting in full respect of Cyprus' sovereignty as a component of a settlement of the Cyprus problem. However, under pressure from the U.S. government, NATO has applied a double standard to Turkey on the rule of law. NATO's toleration of Turkey's aggression against Cyprus in violation of its own Treaty and the UN Charter is a stain on NATO's record and honor. NATO should call for the immediate removal of Turkey's illegal occupation forces and settlers from Cyprus and the demilitarization of Cyprus coupled with a military force to augment the UN peacekeeping force. If Turkey refuses to cooperate, NATO should consider appropriate action to bring Turkey into compliance.

2. Turkey's invasion and occupation of Cyprus are a continuing violation of the NATO charter. On January 21, 1998, Turkey's banning of the Welfare Party was called "strong-arming" by the *Washington Post* which described Turkey's membership in NATO as an "embarrassing anomaly." The implication is that if Turkey were seeking to join NATO today, it would not be eligible. We call on the U.S. to encourage NATO members to apply pressure to Turkey to abide by the clear and unambiguous requirements of the NATO Treaty to desist from aggression against other states and to reform the constitution of Turkey to reflect normal Western standards of civilian democracy.

3. We call upon NATO to take appropriate action to bring Turkey into compliance with the NATO Treaty preamble and article 1, the UN Charter article 2 (4) and international law.

Exhibit 2

Los Angeles Times
THURSDAY, NOVEMBER 19, 1998 A15

PERSPECTIVE ON TURKEY

Another Problematic Extradition Question



Sometimes peace and human rights must take precedence over the strict imposition of justice.

By JOHN TIRMAN

Europe now faces two perplexing extradition cases. The first and more famous is that of Gen. Augusto Pinochet, accused of thousands of murders during his 17-year dictatorship in Chile. The second involves Abdullah Ocalan, the Kurdish guerrilla leader who fought an authoritarian regime in Turkey for almost 15 years. Both cases present wrenching questions for human rights and peace.

While the Pinochet case is not easy to resolve, it looks simple compared with Ocalan's. The prosecution of Pinochet, for example, might have a divisive impact on a healing Chilean society. In Ocalan's case, a bitter civil war still rages.

The 49-year-old Kurd has conducted a violent guerrilla campaign against the Turks since 1984. He was based in Syria, which protected him until Turkey threatened war this autumn. Ocalan fled to Russia and was arrested after flying to Rome last week. Turkey has demanded extradition. Italy, which will not extradite for political prosecutions or if the accused may be executed, is studying the matter.

The cause of the rebellion by Ocalan's Kurdistan Workers Party, or PKK, is indeed political—namely, the savage treatment of the Kurdish population in Turkey for 70 years. The Kurdish people, settled in southeastern Anatolia long before the Turks arrived from Central Asia, lived peacefully under the Ottoman Empire. But under the Turkish Republic created by Kemal Ataturk in 1923, Kurds have been subjected to repeated *pogroms*. They have been forbidden from using their language and customs. The southeast is impoverished and shortchanged by the central government in Ankara.

These indignities spurred several uprisings, but the PKK's is the most serious. It has led the Turkish military to crack down on all expressions of dissent over its Kurdish policy. No Kurdish political parties can function. Several Kurdish members of Parliament, including the dissident Leyla Zana, are jailed. More than 3,200 Kurdish villages have been evacuated by the military, with 2 million villagers forced out of their homes. Some 35,000 people have died in the fighting between the PKK and the military since 1984. The military will not consider any political solution to the uprising, such as granting full language rights or permitting Kurdish parties, because of its rigid Turkish nationalism.

The evacuation policy and continuing repression are among the worst human rights violations in the world. The extradition of Ocalan to Turkey, which would certainly result in his execution, would reinforce the Turkish military's belligerence. Without some conditions on extradition, Ocalan's trial and death would accomplish nothing.

Here is where the application of law must be flexible. To their credit, the Italians recognize this. But how to proceed? To flatly deny extradition is wrong: Ocalan almost certainly ordered many executions of noncombatants like Turkish teachers in the southeast. These are vicious, criminal acts. But before sending him back, the Italians should insist on certain conditions.

The most ambitious condition would be an actual end to the civil war, with the Turks granting full political and social rights to Kurds and the PKK demobilizing. Truth commissions and war crimes investigations could follow. But that might be too much to hope for.

Instead, the Italians may choose a

'Without some conditions on extradition, [Abdullah] Ocalan's trial and death would accomplish nothing.'

less dramatic course. Demand the release of political prisoners such as Zana in exchange for Ocalan. This would be momentous and symbolic because Zana and other dissidents represent the nonviolent path of reform. By prosecuting Ocalan only for criminal acts of violence and by not imposing a death sentence, Turkey would in effect be saying it, too, is choosing the path of peaceful reform. Ocalan could be persuaded by the Italians to guarantee a permanent cease-fire.

It would then be time for Turkey's friends, like the United States, to insist on the political reforms that would satisfy Kurdish grievances. In fact, the U.S. is crucial to overcoming Turkey's resistance to [illegible]

In these volatile political cases, extradition can be a tool to achieve something larger. For Pinochet, it might be possible to prosecute without imprisonment, establishing an important standard of accountability. For Ocalan, the real goal is to prevent more deaths and refugees and to broaden human rights. In both cases, justice is served imperfectly so that peace is served more generously.

John Tirman, executive director of the Winston Foundation for World Peace in Washington, is the author of "Spoils of War: The Human Cost of America's Arms Trade" (Free Press, 1997).

Exhibit 3

CLEVELAND PLAIN DEALER **February 22, 1999**

By ELIZABETH SULLIVAN

PLAIN DEALER'S FOREIGN-AFFAIRS CORRESPONDENT

KURDS AGAIN ARE VIEWED AS DISPOSABLE

The world's largest non-nation is betrayed again.

The Kurds, a mountain breed with the tribalism and rich hospitality to prove it, just have the bad luck to live on one of the world's great invasion alleys.

It has made them tough warriors. They harried Alexander the Great on his way to pillage the Persians, and, before him, Xenophon.

That was a millennium and a half before Turks even showed up on the scene.

The Kurdish homeland, mostly in modern Turkey but stretching across Iraq, Iran and Syria, was the bridge between Europe and the Middle East. Today, an estimated 15 million to 25 million Kurds still live in a contiguous land that is not a country.

Promised statehood in 1920, they've gotten nothing but broken promises and the abuse only great powers can mete out - arms, succor, funding, then abandonment - in regular cycles. During the Cold War, Soviet-bloc weapons and Marxist safe havens enabled a Kurdish insurgency to kill more than 5,000 Turkish soldiers and make its mountain strongholds no-go zones for NATO's second-largest army.

But the Turks got tough. Since 1984, they have killed more than 26,000 rebels and cleansed traditional Kurdish villages in the southeastern mountain valleys. Half of the Kurdish population of Turkey - about 6 million people – may have been displaced. And the military operation continues. And all of this has had the tacit support of NATO, which needs Turkey's Incirlik air base for operations against Saddam Hussein.

It's widely believed that U.S. intelligence intercepts, shared with Turkey, got commandos to the very spot in Kenya where the insurgents' mustachioed, ladies-man leader, Abdullah Ocalan, was snatched a week ago. So congratulations, Turkey. Through sheer brutality and repression, you're solving your Kurdish problem.

Contrast this with Kosovo, hundreds of miles to the north. There, the international community is forbidding a Yugoslav security crackdown on an armed Albanian insurgency that has taken 2,000 lives and displaced about 200,000 people. NATO is prepared to enforce the prohibition with bombs and soldiers. Yet both insurgencies are inside sovereign nations. In each, insurgents use imported arms and the ugly tactic of murdering and kidnapping co-ethnics who work for the "oppressor."

Kurdish rebels have singled out village schoolteachers in a particularly heinous campaign. Albanian guerrillas pick off court clerks, postal and utility workers.

Both insurgencies feed off the profits of drug smugglers - the modern world's equivalent of Alexander's armies, plying the East-West routes. But there are three crucial differences.

First, Turkey is America's friend, ally and bulwark against Russian disintegration, Iraqi instability, Iranian military expansionism and pan-Arab fundamentalism. Yugoslavia is so demeaned as a nation that America denies it its founders' seat in the United Nations, refuses even to call it Yugoslavia and, as the final insult, has said an

"outer wall" of sanctions that has brought Yugoslavia's economy to its knees will not be lifted, even if there is a Kosovo settlement.

Yugoslavia under Slobodan Milosevic is seen as so irredeemable that Washington directs military aid to a neighbor, Albania, parts of which are in a state of near-anarchy. The second difference is that Yugoslavia once treated its Albanians a lot better than it does now. They used to have autonomy, plum state jobs, schooling in the Albanian language and a whiff of statehood. Now, they have nothing they don't provide themselves. So Yugoslavia has gone backwards.

Turkey has had nowhere to go but forward. It wasn't until 1991 that its Kurds could speak Kurdish without breaking the law. They used to be called "mountain Turks." Now a few hardy souls in the media actually call them "Kurdish-origin Turks." Believe it or not, that's a big step forward in Turkey.

Finally, Yugoslav Slavs really do hate Albanians, and vice versa. They have not intermarried, as have Kurds and Turks. They practice different religions. And they hate one another for what has been taken from them. Both have fought for years, without success, to make a nation for all the world's Albanians and Serbs. Only slightly more than half the Albanians in the Balkans actually live in Albania.

During World War II, Albanians in Kosovo sided with the Axis powers. Many Serbs were killed, jailed or expelled from a region that has sacred meaning for them as the cradle of Serbian culture. After the war - and a period of frenzied but sanctioned bloodletting against rebellious Albanians - Yugoslavia's new Communist government prevented tens of thousands of displaced Serbs from reclaiming their land in Kosovo.

And NATO didn't threaten once to bomb.

The moral of this story? Geopolitics runs the world. And the Kurds are on the losing side of its ledger, again.

Sullivan is the *Cleveland Plain Dealer's* foreign-affairs correspondent.

Exhibit 4

AMERICAN HELLENIC INSTITUTE, INC.

BOARD OF DIRECTORS
James L. Marketos, Esq.
Chairman
Of Counsel, Lane & Mittendorf LLP.
James Pedas, *Vice Chairman*
Co-Owner, Circle Companies
Elem Candilis, *Secretary/Treasurer*
John Charalambous, *Treasurer*
Eugene T. Rossides, *General Counsel*
Senior Counsel, Rogers & Wells

Regional Vice Chairmen
George Benetatos, Esq., *Farwest*
Principal, Law Offices of George Benetatos
Alex Christy, Esq. *Northwest*
Principal, Alex Christy & Associates
William Crassas, *Gulf States*
President, Atlantic Steamers Supply
Gregory Dzinetrakas, *New England*
Principal: Hermes Investment Inc.
Dr. Theodore Lyras, *Mid Atlantic*
Michael Mantas, M.D., *Southwest*
Executive Officer, Associated Medical Providers
Dr. Pete N. Nickolas, *Capitol Area*
Vice President, Drs. Nickolas & Meyers, P.A.
Alec Papadakis, *South*
Partner, Hurt, Sinisi &Papadakis
J. Spyropoulos, *Midwest*
President, Hellenic American National Council
Orestes Varvitsiotes, *New York City*
Basil Yanakakis, Esq. *South Florida*

AHI Business Network

AFFILIATES

AHI Public Affairs Committee, Inc.
Savas Tsivicos
Chairman
President, Paphian Enterprises, Inc

AHI Foundation, Inc.
George Spyropoulos Voyantzis
Chairman
Eugene T. Rossides
President

Staff
Nick Larigakis
Executive Director
Yola Pakhchanian
Director, Publications
Yiannis Stylianakis
Research Assistant
Athene Maganias
Executive Assistant
George Valassis
Assistant

Jonathan Clarke
Public Affairs Consultant

April 28, 1998

The Honorable Sonny Callahan
Chairman, House Appropriations Subcommittee
on Foreign Operations,
United State House of Representatives
Washington, D.C. 20515

Re: The record of Turkey's unreliability as an ally

Dear Chairman Callahan:

In discussion arising from my testimony on March 31, 1998, on the Administration's foreign aid proposals, you said that in fairness to Turkey that you had been informed that Turkey had been with us "every time." It gave me the opportunity to reply that the facts were otherwise and I gave a few examples.

Turkey has poured large sums of money for decades into efforts to influence U.S. congressional and public opinion. These large sums (averaging $3-4 million annually) have enabled Turkey's multiple stable of U.S. agents registered with the Justice Department under the Foreign Agents Registration Act to routinely misinform the Congress and the public as to Turkey's reliability as an ally.

Much to my regret, officials in the State and Defense Departments have done little to set the record straight. As I mentioned in our discussion, Turkey's record of support for the U.S. is an inglorious one. The most recent instance was on display in January 1998 at the time of the crisis over inspections of suspected Iraqi weapons of mass destruction sites. On this occasion, Turkey made clear to the U.S. that it would not permit use of facilities in Turkey for military strikes against Iraq.

This record of Turkish unreliability in times of crisis has a long history. In the climactic events of the first half of this century, the two world wars, Turkey either fought against the U.S. (World War I) or was neutral (World War II) during which time Turkey collaborated with Nazi Germany by supplying vital chromium and other raw material supplies. Albert Speer, the Nazi production minister, credited these supplies for fueling the German war machine long enough to prolong World War II for at least seven months. (See Albert Speer, Inside the Third Reich).

1220 16th Street, NW, Washington, DC 20036 (202) 785-8430, FAX (202) 785-5178, (800) 424-9607
E-Mail: info@ahiworld.com Website: http://ahiworld.com

During the Cold War, Turkey's role was once again ambivalent. Time and time again Turkey gave aid and succor to the Soviet Union. Examples include:

(1) During the 1973 Mid-East War, predating the Turkish invasion of Cyprus by one year, Turkey refused the United States military overflight rights to resupply Israel and granted the USSR overland military convoy rights to resupply Syria and Iraq, and military overflight permission to resupply Egypt. A member of the Turkish Foreign Policy Institute in Ankara wrote: "During the Arab-Israeli war of 1973, Moscow's overflights of Turkish airspace were tolerated. On the other hand, during the same Middle East conflict, Turkey refused to allow the United States refueling and reconnaissance facilities during the American airlift to Israel." Karaosmanoglu, "Turkey's Security and the Middle East," 52 Foreign Affairs 157, 163 (Fall 1983).

(2) In the 1977-1978 conflict in Ethiopia, Turkey granted the Soviets military overflight rights to supply the pro-Soviet Ethiopian communists under Col. Mengistu, who eventually prevailed. C. Meyer, Facing Reality-From World Federalism to the CIA 276-80 (1980).

(3) Over NATO objections, Turkey allowed three Soviet aircraft carriers, the *Kiev* on July 18, 1976, the *Minsk* on Feb. 25, 1979 and the *Novorossisk* on May 16, 1983, passage rights through the Bosphorus and Dardanelles straits into the Mediterranean in violation of the Montreux Convention of 1936 See generally Wash. Post, July 19,1976, at A 16, col. 1; N.Y. Times, Feb 26, 1979, at A 13, col. 1. The Soviet ships posed a formidable threat to the United States Sixth Fleet.

(4) In 1979 Turkey refused to allow the United States to send 69 marines and six helicopters to American military facilities at Incirlik in Turkey for possible use in evacuating Americans from Iran. N Y Times, Feb. 13,1979, at A8, col. 3

(5) Again in 1979, Turkey refused the United States request to allow U-2 intelligence flights (for Salt II verification) over Turkish airspace "unless Moscow agreed." N.Y Times, May 15, 1979, at Al, col. 3. This position was voiced over a period of months by Turkish officials, the opposition party and the military Chief of Staff, Gen. Kenan Evren. See id.

(6) In May 1989, Turkey rejected an American request to inspect an advanced MIG-29 fighter plane, flown by a Soviet defector to Turkey. N Y Times, May 28, 1989, at A 12, col. 1.

(7) The Turkish government refused repeated American requests for the installation of antennas in Turkey concerning 11 transmitters whose broadcasts would have been directed primarily to the Soviet Union and its eastern European satellites. The initiative by the United States Department of State sought to improve reception of programs broadcast by Radio Free Europe, Radio Liberty, and the Voice of America.

(8) Turkey further damaged NATO by vetoing NATO's effort to put military bases on various Greek islands in the Aegean for defensive purposes against the Soviet navy.

As long ago as 1974 strategic analyst Edward Luttwak explained the nature of Turkey's deal with the Soviet Union. He wrote:

"Eager to normalize relations with their formidable neighbor, the Turks have chosen to conciliate the Russians, and have been able to do so at little or no direct cost to themselves. It is only in respect to strategic transit that Turkey is of primary importance to the Soviet Union, and this is the area where the concessions have been made....The alliance relationship in NATO and with the United States no doubt retains a measure of validity in Turkish eyes, but it is apparent that its supportive effect is not enough to counteract Russian suasion." Luttwak, The Political Uses of Sea Power 60-61(1974).

After the Cold War, Turkey's unreliability as an ally continued. In the Persian Gulf War, Turkey sat on the sidelines throughout Desert Shield, refusing to send any forces to the U.S.-led coalition, refusing to authorize a second land front from Turkey (see Wash. Post Jan. 16, 1991 p A6, col. 5) and refusing to allow the use of the NATO airbase at Incirlik, Turkey.

Desert Storm began on January 16, 1991. It was not until over 48 hours after the air war had begun on January 16, 1991 and only after the Iraqi air force and air defenses had been neutralized and the U.S. had achieved air superiority that Turkey allowed a limited number of sorties out of Incirlik. Only one out of twenty coalition sorties originated in Turkey. The Turkish military and Turkish public opinion opposed the use of Incirlik.

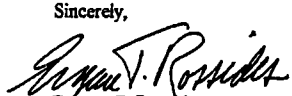
Finally, as mentioned earlier, in January 1998 at the time of the crisis over inspections of suspected Iraqi weapons of mass destruction sites, Turkey made clear to the U.S. that it would not permit use of facilities in Turkey for military strikes against Iraq.

These examples are drawn from the great events of this century. Taken together, they demonstrate that Turkey's support for America has been at best opportunistic. When it suits Turkey or when it can extract a *quid pro quo* from us, Turkey leans toward us. Unlike our other allies who have stood with us through thick and thin, Turkey looks elsewhere whenever it can.

As a counterweight to the routine misrepresentation by Turkey's U.S. agents and Executive Branch officials of Turkey's reliability as an ally, I am sending copies of this letter to the Congress. I will also send it to the President and the pertinent Executive Branch officials.

As mentioned in my testimony, we congratulate you, the Subcommittee, and the full Committee on the role each played in finally halting military aid and economic grant aid to Turkey, thus ending this part of the U.S. complicity in Turkey's violations of law and human rights in Turkey and Cyprus.

Sincerely,



Eugene T. Rossides

Mr. CALLAHAN. We thank you for your testimony and remind you this is the Appropriation Subcommittee. We do not dictate foreign policy. We try to fulfill the request of the Administration's request for money for foreign policy, but we do appreciate very much your testimony.

Mr. ROSSIDES. Right. I appreciate those comments, sir. But on the suggestion regarding congressional actions on freezing loans and trade preference, is that——

Mr. CALLAHAN. We suggest that you go to the International Relations Committee.

Mr. ROSSIDES. We will, we will. But we know that this committee has played a great role in human rights, particularly with yourself, Ms. Pelosi and——

Mr. CALLAHAN. Not our responsibility. We are sometimes forced to.

Ms. PELOSI. Thank you, Mr. Rossides, for your important testimony.

Mr. ROSSIDES. Thank you.

Mr. CALLAHAN. Mr. Lucas. Mr. Lucas, we are running far behind schedule and we would ask you to limit your testimony to five minutes. We will accept your entire statement for the record.

THURSDAY, MARCH 4, 1999.

FUNDING FOR UNDP

WITNESS

C. PAYNE LUCAS, U.S. COMMITTEE ON UNDP

Mr. LUCAS. Thank you, Mr. Chairman and Congresswoman Pelosi.

I am not going to read my testimony. I am going to give you back a couple of minutes.

Mr. CALLAHAN. I will read your testimony.

Mr. LUCAS. I do want to say I am here not so much as an expert witness, though I have worked at the Peace Corps for 12 years since the beginning—I was there at the beginning and 30-some years working for Africare in some 40-some African countries, and now on the new U.S. Committee for UNDP, which I'm sure this committee can understand because the U.S. Committee for UNDP is out looking for money that we have not been able to get from the donor countries.

And the reason that I asked today to come is because we have asked this committee for $110 million dollars and the Administration has asked for only $80.

And I am not here to speak for the Administration, but we are terribly disappointed about that because, at the end of the day, when you are talking about Africa where we work and where most of UNDP's money is spent, unless UNDP is supported, all the talk about foreign trade and stability and bringing Nigeria to some sort of sense and finding some sort of stability in the Congo is really not going to happen.

Because at the end of the day, UNDP is the coordinating agency abroad that prevents all the duplication. It is the principal agency

involved in governance and democracy in Africa. It is the principal agency which is motivating the private sector development and the privatization of the African economies which was reflected in the GAO report and which, by the way, Senator Helms endorsed wholeheartedly.

So we have a track record and we have reduced the cost of running—all the criticisms about UNDP not being run properly may have been corrected through the outstanding, stellar leadership of Gus Speth. So it is this agency which has paid its dues, which is working on democracy, which is rooting out corruption all across Africa, which is pushing good governance, which is pushing the rule of law.

It is every reason why we ought to support UNDP. And we are talking about $110 million dollars for UNDP, which is not a large sum given its mandate of working in 167 countries. And I think it would be a national tragedy if we did not restore this $20 million dollars.

And by the way, this is less money than we had in the old days of—during the Reagan Administration when they said that President Reagan was not even supporting you and we were getting $137 million back in those days.

And I am not satisfied with the $800 million that the committee is—we hope will entertain for our whole aid program for Africa. And I hope that will stand. I am not arguing for any cuts anyplace because we need every nickel we can get in a continent where there are 55 countries, 800 million people.

And now, Mr. Chairman, when we start to talk about oil and oil resource, when we look along the west coast of Africa, most of the oil is there. And for these countries to be stable has a lot to do with the future of our trade and development with Africa, which I want to compliment you for the support you have given our Trade Bill.

So whatever you do when you are divvying up the pie, please restore the $20 million.

[The information follows:]

U.S. COMMITTEE FOR THE
UNITED NATIONS DEVELOPMENT PROGRAM

1200 New York Ave NW
Suite 400
Washington, DC 20005
Tel 202 289 2420
Fax 202 289 2171
info@usforundp org

Testimony of
C. Payne Lucas
Member, U.S. Committee for UNDP
and
President, Africare

Submitted on behalf of the
U.S. Committee for the
United Nations Development Program (UNDP)

before the
House Appropriations Committee
Subcommittee on Foreign Operations, Export
Financing and Related Programs

March 4, 1999

The U S Committee for UNDP serves to raise awareness and increase support within the United States for UNDP UNDP, the UN's largest provider of development assistance, focuses on poverty eradication, good governance, environmental protection and advancement of women

Mr. Chairman, Congresswoman Pelosi, Members of the Subcommittee, esteemed colleagues, friends. Thank you for the opportunity to appear before you today. My name is C. Payne Lucas and I am the President of Africare and a founding member of the U.S. Committee for the UNDP—the United Nations Development Program. My testimony represents my views not just as leader in the field of development in Africa and a member of the Committee, but as an American citizen who is concerned about the direction of U.S. development assistance and U.S. standing in the international community.

With the support of this Subcommittee, in the last two years the United States has returned to its position of leading donor to UNDP. As a member of the U.S. Committee for UNDP, I would like to thank the Subcommittee for the strong support and their endorsement of American leadership of this agency.

I am deeply troubled, however, by the grave position in which the United Nations Development Program has been placed. The President has requested only $80 million for UNDP in the next fiscal year—a dramatic reduction of $20 million from last year's appropriated contribution. The requested level is simply inadequate for UNDP to carry out its mandate to help the world's poorest people rise out of poverty. I am requesting your assistance in seeing that the U.S. restores its support and contributes $110 million to UNDP for FY2000.

UNDP has dramatically enhanced its effectiveness in promoting sustainable human development. It has become one of the most efficient and well-managed member agencies in the United Nations system. This is not the time for the U.S. to reduce its investment in an enterprise that it finally recognizes as an essential component in the ongoing struggle to reduce the greatest threat to world peace and economic growth: poverty.

While a U. S. contribution of $110 million represents less than 10% of UNDP's total budget, that same $110 million would translate into a 200% return for America. For every dollar invested by the U.S. in UNDP, the U.S. historically receives a return of more than 2 to 1 in the procurement of American goods and services.

I know firsthand the value of the work done by UNDP. Africare has collaborated with

UNDP in several African countries during the past decade. UNDP provides the foundation for sound development throughout the Third World by promoting good governance; and by coordinating donor support, giving it greater focus and synergy; and therefore greater impact.

There are three other reasons for the U.S. to maintain its position as UNDP's principle suporter:

First, **UNDP promotes the interests and values of the United States of America.** According to the GAO, UNDP's work is fully consistent with basic U.S. foreign policy objectives of promoting democratic institutions, human rights and free-market economics. The U.S. reaps many important benefits from its participation in UNDP, including reduced poverty, enhanced trade and investment opportunities, fewer refugees and economic migrants, less disease crossing borders, and enhanced protection of the global environment.

Second, **UNDP is the UN's largest and most influential multilateral development organization.** UNDP concentrates its efforts in the poorest countries and in countries in crisis. Ninety percent of its core resources reach countries that are home to 90% of the world's poorest people. To meet its mandate of eliminating poverty, UNDP helps countries reform legal systems to stamp out corruption; protect the rights of women and ensure that women have their fair share of opportunity; and manage natural resources and the environment for economic growth that is equitable and sustainable over the generations.

As we all know, the private sector needs economic stability and a strong, transparent legal system in order to do business in developing countries. Reforming the legal and judicial system and creating the institutions needed to referee a free and open market is a tall order for many poor countries. Often these are sensitive areas of reform, and many developing countries are not responsive to foreign governments getting involved. Instead, these countries turn to UNDP. UNDP is seen as a neutral, honest broker able to provide advice and help build local capabilities in sensitive areas. This is UNDP's comparative advantage.

Third, **as a result of reforms undertaken in recent years, UNDP has become a lean, cost-effective and country-focused organization.** Since 1992, UNDP has reduced its

administrative budget by 19% in real terms and decreased total regular staff by nearly 15%. Headquarters staff has been reduced by 31%.

UNDP is a hands-on organization with 85% of its staff in the countries it serves. In partnership with its sister UN agencies, such as UNICEF and the World Food Program, UNDP is guaranteeing there is good coordination and no duplication of effort at the country level. The UNDP manages the Resident Coordinator system which was created to provide leadership for a team of UN development specialists from various agencies working in each country and to ensure that the programs of the various UN entities are complementary and well-managed.

Similarly, UNDP serves to improve coordination and the effectiveness of total aid flows at the country level. UNDP convenes the key development organizations in each country—including recipient governments, USAID and other bilateral donors, UN agencies (as previously described), and the World Bank—to assess the effectiveness of aid flows to the country and to find ways to reduce duplication of effort.

Mr. Chairman, I repeat: The United States and UNDP have common objectives such as democratization and good governance, the promotion of free markets and environmentally sustainable policies, and the advancement of women and human rights. Restoration of U.S. support for UNDP with a fairly modest appropriation of $110 million will help ensure American leadership of this vital organization, and continue to provide the U.S. with a trusted and valued partner serving to advance American values and interests abroad.

Mr. Chairman, this country has a vested interest in doing ALL that it can to contain, and ultimately defeat, poverty—whether here or abroad. If we cut corners, there will be a price to pay in dealing with human suffering and its consequences: political instability, conflict and lost economic development. Agencies like UNDP, are among our most effective weapons in this struggle. Each needs our maximum support, as does our own USAID program. We cannot borrow from one to help another. They stand together on the same frontline. Please make it strong.

Thank you.

56-751 99 - 8

C. PAYNE LUCAS

4241 Mathewson Drive, N. W.
Washington, D. C. 20011

Date of Birth: September 14, 1933 Family Status: Married
Place of Birth: Spring Hope, North Carolina 3 Children

EDUCATION

M.A., American University, Washington, D. C., 1961
Major: Government

B.A., Maryland State College, Princess Anne, Maryland, 1959, Summa Cum Laude. Major: History and Government

HONORS & AWARDS

Honorary Doctorate of Laws Degree from the University of Maryland, 1975

Cosmos Club, Member since 1976

President of the United States Award for Distinguished Federal Service, 1967

Pi Sigma Alpha Honorary Political Science Fraternity, American University, 1960

Scholar of the Year Award from the Omega Psi Phi Fraternity, 1959

TransAfrica, Board of Directors

New Directions, Board of Directors

Overseas Development Council, Board of Directors

International Voluntary Services, Board of Directors

Carribeana Council, Board of Directors

D. C. Institute of Mental Hygiene, Board of Directors

Washington Metropolitan Junior Citizen Police Corps, Board of Directors

International Development Conference, Board of Directors

HONORS & AWARDS (Cont'd)

The National Science Foundation, American Association of Universities Study on "The Future Research Role of Universities," Member of Advisory Board
Capital Press Club Humanitarian of the Year, 1980

RECOGNITION

Ebony, "The Ebony Honor Roll," Contributions of unheralded performers of major achievements in government and public affairs, 1973

Citation from Mayor Walter E. Washington, Washington, D. C., for Community Service, 1970

Afro-American Newspaper Testimonial Luncheon in honor of C. Payne Lucas for Peace Corps work in Africa

The African Observer, "Profiles on People in the News," 1968

Listed in THE NATIONAL REGISTER OF PROMINENT AMERICANS AND INTERNATIONAL NOTABLES, 1974-75

MARQUIS' WHO'S WHO, INC., 1972-73

WHO'S WHO IN AMERICA, 1970-74

THE BLUE BOOK, Leaders of the English-Speaking World, 1970

EMPLOYMENT

1971 to Present: President ~~Executive Director~~ of Africare. Responsible for the direction and management of all domestic and overseas activities of Africare.

1969 to 1971: Director of the Office of Returned Volunteers, Peace Corps.

Responsible for developing career opportunities and voluntary action programs in which returning volunteers can make an impact on domestic problems; encouraging broader application of voluntarism throughout the U. S.--among former volunteers and Americans at large; raise the standard of Americans' understanding of foreigners and their cultures.

12/67 to 8/69: ✓ Director of the Africa Region, Peace Corps.

Responsible for overseeing all Peace Corps operations in 23 African countries. Duties included hiring and supervision of overseas and Washington-based staff; approval and review of programs involving 4,000 volunteers; approval and review of all training designs and programs for Africa; liaison with African Ambassadors, other U. S. Government agencies, universities, foundations and private organizations interested in Africa; frequent trips to Africa to review programs and negotiate with African Governments. Participated with other Regional Directors in resolution of inter-regional problems and in development and revision of policies affecting the four regional offices.

6/66 to 12/67: ✓ Deputy Director, Africa Region and Special Assistant to the Director of the Peace Corps for Equal Employment Opportunity.

Shared all responsibilities with Regional Director. Responsible for formulating and carrying out the Agency's anti-discrimination policy because of race, color, religion, national origin or sex. In this capacity, substantially helped the Peace Corps to achieve one of the highest ratios in the United States Government of the employment of Blacks in upper grades.

9/64 to 6/66: ✓ Peace Corps Director, Niger.

As Director set up procedures for Peace Corps Volunteers and President Diori to hold daily discussions in English on current events and life in the United States. As a result, Jack Vaughn, Peace Corps Director, wrote in nomination for Presidential Citation, "President Diori is now recognized as the most fluent in English of any of the government leaders in French Africa."

6/64 to 9/64: Top Peace Corps official in Uganda and Kenya.

Was instrumental in establishing Peace Corps programs in both countries.

6/63 to 6/64: Associate Director and Deputy Director, Peace Corps, Togo.

5/62 to 6/63:	Operations/Training Officer, Africa Region, Peace Corps.
9/61 to 5/62:	Research Assistant, Democratic National Committee. University Fellowship.
6/61 to 9/61:	Executive Trainee Defense Department, Office of the Secretary of Defense.
9/60 to 6/61:	Junior Consultant, Police and Citizens Corporation. University Internship.
6/59 to 9/60:	Game Specialist, Montgomery City Recreation Department.
1954 to 1958:	Airborne Technician, United States Air Force.

PUBLICATIONS

"Africa: Millions in Distress," 1980 World Refugee Survey of U.S. Committee for Refugees.

"Africa's Importance to the United States," Africa Update, May/June 1979.

"Africa Below the Sahara: Its Importance to the United States," Vital Speeches of the Day, December 15, 1978.

Keeping Kennedy's Promise--The Peace Corps: Unmet Promise of the New Frontier. Co-authored with Kevin G. Lowther. (Boulder: Westview Press, 1978.)

"A Plan to Make the Sahara Bloom," The Washington Post, August 4, 1974.

"Black Pride Black Action," Vital Speeches of the Day, June 1969.

Role of the House Committee on Government Operations in Foreign Affairs, unpublished Master's Thesis, American University, 1962, Library of Congress.

PAPERS AND TALKS DELIVERED

"The Role of Private Voluntary Organizations in Development," Delivered to AID PPC Staff and Mission Directors at Agency for International Development, June 4, 1979

"Africa Below the Sahara: Its Importance to the United States," Cosmos Club Noon Forum, March 20, 1979.

United Nations Development Program

Supporting and Promoting Good Governance in Sub-Saharan Africa

The decade of the 1990s has witnessed an unprecedented movement toward democratization, open societies and macro-economic reform in Sub-Saharan Africa. The just concluded national elections in Nigeria testify to these developments. Yet while much of Africa is still torn by civil strife and humanitarian emergencies, there is reason to remain hopeful.

The United Nations Development Program (UNDP) is playing a major role in bolstering the positive trends in Africa; its programs focus on improvements in the effectiveness, efficiency and accountability of the public sector, supporting the democratization process both before, during and after elections, and promoting the role of civil society and the private sector in national life.

Ninety percent of UNDP's resources are devoted to the 66 low-income countries that house 90% of the world's poor - people who live in absolute poverty and who must survive on an income of one dollar a day or less. Sub-Saharan Africa contains 50 of these low-income countries, and the overriding priority for UNDP in these countries is poverty eradication. Poverty eradication can never take place in Africa without improved governance. For that reason well over half of UNDP's resources in Africa are used for the promotion and sustaining of sound governance, including a dynamic civil society and private sector. Examples of UNDP's work include:

Support to Constitutional Reform, Elections and Human Rights

UNDP has supported constitutional conferences in Burkina Faso, Rwanda, Senegal, Malawi, Ethiopia, Eritrea, Namibia, Mozambique, Zambia, Kenya, Botswana, Lesotho, Uganda, the Central African Republic, Niger, Guinea and Mali.

Through direct support to elections, UNDP has encouraged multi-partyism, the establishment of electoral commissions and voter education in Namibia, Botswana, Mali, Malawi, South Africa, Tanzania, Zambia, Zimbabwe, Mozambique, Ethiopia, Uganda and the Congo. UNDP has supported the establishment of an Ombudsman Office in Ethiopia and the formation and institutionalization of Human Rights Commissions in the countries of the Southern Africa Development Community (SADC).

To promote greater pluralism throughout national societies, UNDP has provided direct support to local NGOs and other civic organizations, including teachers' associations, journalists and religious groups. In all of this work, UNDP has insisted that the major beneficiaries of these programs are to be women and that gender equality should underpin political and economic reform. Some 20% of UNDP resources spent on an annual basis in Sub-Saharan Africa go toward the promotion of gender equality.

Promotion of the Rule of Law

Promotion of the rule of law and the establishment of an independent judiciary is a hallmark of UNDP's work in Sub-Saharan Africa. In the absence of the rule of law, it is impossible for the African countries to create the enabling environments which are required to attract both domestic and foreign direct investment. Moreover, this is the only way the underlying causes of corruption can be addressed. Corruption is often endemic in many of these countries, and ultimately it is the very poor who are the major victims of corruption. UNDP is working on a broad range of fronts to address this problem in Malawi, Niger, Cameroon, Ethiopia, South Africa, the Central African Republic, Mozambique, Uganda, Kenya and Senegal. In many of these countries, UNDP has helped establish specific governance programs which include training of members of the national legislatures and the judiciaries.

Post-Conflict Management (including Demobilization of former Combatants and Control of Small Arms)

UNDP is active in many countries just emerging from crises or still in a state of crisis. Some 29 Sub-Saharan African countries fall into this category, and UNDP works in this area in close association with other relevant UN institutions, the World Bank, bilateral donors and non-governmental organizations. For example, in Burundi, UNDP has formulated a community-based conflict management program which stresses employment generation. In Mali, UNDP has worked with the national authorities to consolidate the peace process in that country through the collection of small arms, and through activities designed to build confidence between the civilian and military authorities. UNDP is also working with the countries of the Economic Community of West African States (ECOWAS) in a program called Coordination and Assistance on Security and Development, designed to address the proliferation of small arms and light weapons in strife-torn West Africa. Training and re-integration of demobilized soldiers is very much at the heart of UNDP's work in these affected countries.

Support for Social Safety Nets and other Anti-Poverty Efforts

Many Sub-Saharan African countries went through an often painful process of "structural adjustment" throughout the 1980s and early 1990s in order to establish a basis for achieving sustained economic growth. UNDP has assisted these countries to address the problem of what to do with workers who have been laid off as a result of retrenchment programs in the public sector. Through its support to improved public resource management, UNDP has sought to improve the capability of the state to deliver much needed social services to the poor and marginalized populations of these countries.

Promotion of the Business Sector and Private Ownership of Assets

UNDP has developed and implemented programs designed to increase access of people to micro-credit and training in entrepreneurship skills in Uganda, Ethiopia, Malawi, Niger, Burkina Faso, South Africa, Senegal, Cameroon, Zimbabwe, Mali, Kenya and Ghana. It has also assisted those countries to establish sound and transparent banking systems and to reduce the bureaucratic bottlenecks to the licensing of businesses.

The Africa Governance Forum

UNDP has had a long history of promoting regional and subregional cooperation in Africa. This has been done in the belief that African countries can learn more from each other's experiences than from anyone else. Thus, UNDP has established an African Governance Forum to promote a dialogue among the African nations on "best practices" in good governance. The Forum has already convened two major meetings, and has led to the establishment of the first-ever Ministry of Governance in Tanzania, the Accountability Survey in Ghana, and dedicated national governance programs in Senegal.

Partnerships

Most of UNDP's work in Sub-Saharan Africa is done in partnership with others organizations, NGOs and the private sector. UNDP collaborates with a number of U.S. based organizations such as Africare, the National Democratic Institute (NDI), the American Bar Association (ABA) to underpin the process of democratization and the establishment of the rule of law.

Mr. CALLAHAN. I wish you had had the opportunity to present your case to the President before he made his request. We do not know why the Administration did not fulfill what we think is something that should be funded, but we know the President was anxious to submit a balanced budget.

And you know Senator Helms' position on this. You know this committee's position and so does the President. So he says well, what can we do? We know they are going to go in and fund these X, Y Z program. We know they are going to give money to child survival.

We know they are going to do all those things no matter what we say. So he balances the budget and then he tells me you break the budget. Because he takes money away from your program and is giving it to someone else.

So we have to take it away from someone else, which is what we are going to do.

Mr. LUCAS. I hope you do not—I really hope—I really hope that you do not take it from Africa.

Mr. CALLAHAN. We have to take it from somewhere.

Mr. LUCAS. Do not take it from Africa, please, whatever you do. This is a desperate situation. You see what is going on in Sierra Leone. We see what has to happen in Nigeria.

Mr. CALLAHAN. Would you suggest that I take it from Israel?

Mr. LUCAS. No, I would not do that because—I cannot recommend that because some of our strongest supporters——

Mr. CALLAHAN. Neither will Bill Clinton. [Laughter.]

Mr. LUCAS. Well, but there are some places—if you want me to send you a little letter, a private letter where I think you can take that money, I will be happy to do that. Do you see what I mean?

Mr. CALLAHAN. We hear your message and we are disappointed, too, that the President did not make the request. But we will entertain your suggestions.

Mr. LUCAS. Thank you, sir.

Ms. PELOSI. Thank you, Mr. Lucas, very much for your eloquent testimony.

Mr. CALLAHAN. Mr. Lowman.

THURSDAY, MARCH 4, 1999.

FUNDING FOR MIGRATION AND REFUGEE ASSISTANCE ACCOUNT

WITNESS

SHEP LOWMAN, REFUGEES INTERNATIONAL

Mr. LOWMAN. Thank you, Mr. Chairman, Ms. Pelosi. I appreciate the opportunity to be here and to present Refugees International's suggestions for the President's proposal on the migration and refugee assistance account.

And maybe to put the bottom line summary at the top and say that we urge you to consider an increase in the President's recommendation of $660 million for migration and refugee assistance to $700 million, an increase of $40 million, of which we would sug-

gest $25 million to be added to the overseas assistance part of that account.

And in particular, to focus that additional amount on repatriation programs since those are the part of that activity that is going unfunded or insufficiently funded by the international community, and yet it is a vital part of sort of the end of solving a refugee crisis.

The other $15 million we suggest be added to the refugee admissions side to include a number of different groups that need to be considered for admission, including additional Bosnians.

And also including our former U.S. Government employees in Vietnam who have had a rather badly handled resettlement situation for quite a number of years and that is now being at least discussed in Washington and there is some possibility of some action being taken, but they are going to need some admission numbers as well.

Now, Refugees International is an advocacy organization and we do our work by sending our advocates to many parts of the world to take a look at situations that we find there, refugee emergencies, and to try to recommend how to help these folks' situation.

In doing that job, we have brought to us everyday the depth of the misery that exists out there in this post-Cold War world and the extent of the need. Now, the President has suggested $463 million for overseas assistance.

That seems like a generous amount. It is a generous amount. But when you really look at it, it ends up that it is working on refugee problems on the cheap. That is what it comes down to. And when you do that, like in most other areas of human endeavor, it is not cost efficient.

It is not humane efficient either, by the way.

One of the most important parts of dealing with the refugee crisis is getting folks home. If the situation in their home country changes and they can finally go home, you want, maybe, you hope you will have funds for this—the United Nations High Commissioner for Refugees has been operating on about a two-thirds level, two-thirds steam, for the last few years, year and a half.

Contributions have gone down, and yet the need has stayed up. They have been able to fund refugees in the camps. They get shelter and food and some medicine. But when it comes time to go home, the repatriation programs are not well funded.

A couple of quick examples. In both Cambodia and Burundi recently, there were returns in which the returnees found that there was very little—if anything, in the way of rural health or water. In Rwanda recently, this past year, I guess, there were something like 300 school rooms with no roof. No roof, no funding. Not cost efficient and not humane efficient.

Now if these folks come back into that kind of a situation and there is not the infrastructure or the ability to come back into the mainstream of society, they remain an indigestible lump in the body of politic and they sit there. It is bad for them; but they also form, and too often become, the source of conflict and tension, renewed violence and renewed waves of flight.

So it is not a cost efficient way to deal with it. And we urge that you consider an increased appropriation that would focus on that part of the problem.

Another piece of repatriation is particularly important, the situation of the child soldiers. Mr. Chairman, there is something like 250,000 child soldiers, many of them under the age of 15 fighting in 33 wars around the world.

We recently read of some of these kids in the low teens doing really terrible things in Sierra Leone. Now what they did was horrific, but the effect on them is also horrific. And there are programs to help them, and they have to be brought back into the society both in humane and humanitarian terms for them, but also in prudential terms.

Because if they are not brought back in, they are going to remain a serious element of violence in that society for the rest of their lives. And yet, in Liberia where this is an important problem, UNICEF has some well regarded programs to work on this problem.

But they are only working in two out of four areas that they wanted to work. Question of funding. Not cost efficient, not humane efficient.

Briefly, with respect to admissions, the President's budget will fund 80,000 admissions. That is a level—33% below the beginning of the Clinton Administration. In 1993 they had 132,000 admissions. There is no real reason for this drop.

New programs have come along. The Bosnian program is the biggest program now; in the biggest element of the U.S. Refugee Program. Many members of Congress, on a bipartisan basis, have suggested a range of refugee admissions between 90,000 and 110,000.

We are suggesting that you add 10,000 to that 80,000 budgeted by the President, which would cost an extra $15 million. We believe that that would take care of some important pieces. Maybe not every piece, but especially our former employees and some additional Bosnian members.

[The information follows:]

REFUGEES INTERNATIONAL

Statement

by

Shep Lowman
Vice President for Policy
Refugees International

on

The President's Proposed Budget for Migration and Refugee Assistance for FY 2000

before

The Subcommittee on Foreign Operations Export Financing and Related Programs

Committee on Appropriations
United States House of Representatives
March 4, 1999

2639 CONN. AVE., NW • WASHINGTON, DC 20008 • TEL (202) 828-0110 • FAX (202) 828-0819 • EMAIL RI@REFINTL.ORG • WEB HTTP://WWW.REFINTL.ORG

STATEMENT

BY
SHEP LOWMAN
VICE PRESIDENT FOR POLICY
REFUGEES INTERNATIONAL

ON

THE PRESIDENT,S PROPOSED BUDGET FOR MIGRATION AND REFUGEE AFFAIRS FOR FY 2000

BEFORE

THE SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS

COMMITTEE ON APPROPRIATIONS

March 4, 1999

Thank you, Mr. Chairman, for the opportunity to offer to you and the members of the Subcommittee, Refugees International's views on the United States' Foreign Operations budget for Fiscal Year 2000. In particular, I wish to comment on the proposed appropriations for the Migration and Refugee Assistance (MRA) account and the U.S. Emergency Refugee and Migration Assistance Fund (ERMA). These, along with the Pentagon's Office of Humanitarian Assistance and the Agency for International Assistance's Office of Foreign Disaster Assistance and Bureau of Humanitarian Response are the principal components of the United States' response to humanitarian emergencies around the world.

Refugees International is an advocacy organization. To preserve our independence we accept no funding from governments or international organizations. Refugees International is a voice for the voiceless. We press for protection for vulnerable refugees and displaced persons when the system fails and for assistance when it is lacking. We do this by dispatching our advocates to the scene of a crisis, assessing the situation, pin pointing areas

or problems being neglected and catalyzing needed responses by governments and the United Nations.

Through our work, Mr. Chairman, we have driven home to us every day the depth of the misery and loss that affects so many millions of our brothers and sisters in humanity. There are fifteen million refugees and more than seventeen million internally displaced persons in the world today. Think of it! All together a total of thirty two million persons. Some eighty percent of these are women, children or elderly. Many have lost everything. Their future is bleak and gravely uncertain. They are desperately dependent on the help that the international community can bring.

The post-Cold War world has unleashed widespread ethnic, clan or tribal strife which has taken civilian populations as its target. Ever increasingly, the victims of this strife are the vulnerable civilian population. The complexities of the large displacements created by such attacks have both disastrous human consequences and heavy financial costs if those who suffer such tragedies are to be given even a meager opportunity to rebuild their lives at home or in a new country.

As we at Refugees International follow these tragic events, we see the critical importance of American leadership. As in the political arena, major humanitarian challenges can only be successfully met if America steps forward and shows the way. In the field of foreign policy the international community is still struggling to build a new construct which can meet the challenges of the twenty-first century in a post-Cold War world. If that new construct is a successful one, we may face in the future far fewer complex humanitarian emergencies and find those that do arise easier to deal with. But, for now, we must assume that the chaos which we face in so many countries will continue and one of our

goals must be to improve the incomplete and discordant response of the international community.

The President's request for FY 2000 is for $660,000,000 for the MRA account and an additional $30,000,000 for the ERMA replenishment. Refugees International strongly urges that the Subcommittee consider an appropriation of at least $700,000,000 for the MRA account. This increase of $40,000,000 should be allocated with $25,000,000 for overseas assistance and $15,000,000 additional for refugee admissions.

The President's proposed budget for Overseas Assistance is $463,300,000. Refugees International believes this is inadequate. When one looks at the assistance programs for refugees and displaced persons, it is clear that the international community is trying to get by on the cheap. And, as is the case in many areas of endeavor, this turns out not to be cost efficient. The end result is that there are often recurring cycles of violence with recurring waves of displacement. The long term cost to the international community for basic care and maintenance turns out to be far greater than might have been the case if adequate investments in resolving the problems had been made from the start.

There are several related issues which illustrate this point that we would call to the attention of the Subcommittee; 1) repatriation problems, 2) demobilization and reintegration, especially of child warriors, and 3) the relief-to-development gap.

Repatriation: The UNHCR is responsible for repatriation of refugees and sometimes the reintegration of displaced persons. The returnees often find their homes destroyed or confiscated. There are rarely jobs waiting for them and, if they have lands, they may be untillable due to landmines. These problems must be addressed. When they are not, the returnees may find themselves forced to flee again to survive. Even when they do not flee,

the competition for scarce resources may rekindle the passions that drove them from their homes originally. A lack of adequate funding for reconciliation programs may leave the wounds to the society unhealed and ready to flare up at any time.

The UNHCR probably has adequate funding to provide basic care and maintenance for their foreseeable caseload but too often repatriation programs, which should constitute a top priority for the international community, go only partially funded.

Demobilization and Child Warriors: When peace finally comes to a land of civil strife, one of the most difficult problems is the reintegration of the soldiers back into society. And of these, the most difficult is the reintegration of the child warriors. The United Nations estimates that 250,000 children under 18 are currently fighting in 33 wars around the world. Many under the age of 15. Horrifying atrocities, committed by children in their low teens, in the battle for Freetown in Sierra Leone were recently reported. Yet as terrible as were these acts by children, humanity demands that we recognize how deeply scarred are their young minds. Prudence dictates that we find ways to bring them back into society's fold unless they are to prove the engine of recurring cycles of violence.

Relief to Development: Related to repatriation is the problem of the relief-to-development gap. Though this is partly a problem of the availability of funding to provide for this specific phase in the resolution of a refugee problem, it is also and importantly a problem of coordination of international resources. The failure of that coordination costs dearly in both human and financial terms. Put simply, the refugee and relief agencies have money and mandate to carry the process only so far. When conditions permit, UNHCR can help people to return home. Typically, UNHCR will provide a package of very initial assistance both to returnees and to communities impacted by their return. The World Food Program (WFP) and UNICEF may also provide some initial assistance.

But this is never enough to really complete the job. For this, the infrastructure and job creation activities of the UN Development Program (UNDP), the World Bank and the regional and national development agencies are required. Too often, the development agencies see the initial stages of a repatriation as too unstable and politically fragile to warrant the investment of development funds. That may be good banker mentality but it is not a cost efficient approach to the repatriation process by the international community. A better way has to be found to pass the baton in the process of turning wards of the international community into productive citizens of their home country.

All of these programs cost money but the demands are long and money is short. America has been generous in its assistance, but the needs are still greater. More forthright leadership and an even more generous response is needed if we are to deal with the post-Cold War conflicts in a cost efficient and humanitarian manner while we seek to build a more rational and humane international structure.

Finally, Mr. Chairman, an additional $15,000,000 is needed over and above the President's budget request of $122,900,000 for Refugee Admissions. This sum is budgeted for the admission of 80,000 refugees to the United States in FY 2000. While funding is provided for an increase of 5,000 admissions above those funded in the FY 1999 budget, the FY 2000 request still represents a decline of 33% from 132,000 refugee admissions in 1993. There is no reason for such a decline. Far from it, the number of refugees which have no alternative solution to resettlement is growing. Many of these are of special interest and concern to the United States for foreign policy or humanitarian reasons.

For example, Mr. Chairman, the Administration appears to be planning to terminate the Vietnamese refugee program without paying adequate consideration to the cases of many of our former U.S. government Vietnamese employees. These are persons who have served our government for five years or more during the Vietnam War . A special program was established for them in 1989 but only a few have been approved for admission in the United States. Some of these have never been seen by INS, though they have waited for many years. Others were seen by INS but rejected for refugee status at incredibly high rates, rising to 98% in 1996. This issue is now under discussion and Senators Abraham and Kennedy have urged a review of the cases of our former employees, both the denied and the not-yet-interviewed, and their families; 11,000 persons in all. If a significant number from this group were accepted for admission to the United States, as Refugees International and many of our sister agencies propose, there is no room planned for them within the 80,000 admissions budgeted for FY 2000. Surely, we can be more generous to those who served us in Vietnam and who suffered as a result of that service. There are other worthy groups as well which cannot be included in that ceiling.

The Administration is budgeting about $1.5 million per 1,000 refugee admissions for processing and initial placement costs. Thus, an additional $15,000,000 would allow an additional 10,000 refugee admissions for FY2000 for a total of 90,000. This figure is within the range recommended by senior members of both the Senate and the House of Representatives. We believe that this is a minimum acceptable level and urge that the Subcommittee provide these funds.

Mr. Chairman, we believe that the request of the administration is too lean to serve the best foreign policy interests of the United States and the humanitarian interests that should be a part of that foreign policy. It is prudent for us to spend our resources not only on the task of enabling tens of millions of people to live, but also to address more adequately the

problems which led to their displacement. I have identified three areas in which additional resources are needed to resolve humanitarian crises and to help prevent their reoccurrence: repatriation, child soldiers and the relief to development gap.

We also believe that the budget for refugee admissions is too low to meet our humanitarian responsibilities, particularly our long unfulfilled obligations to our former employees during the Vietnam War. There are, in addition, other worthy groups in need of resettlement as their only viable option who should be considered for the United States Refugee Program but which could not be included under a ceiling of 80,000

Thank you again, Mr. Chairman and members of the Subcommittee for inviting me to speak to you today on these vital humanitarian issues.

Mr. CALLAHAN. Thank you, Mr. Lowman, for your testimony.
Mr. LOWMAN. Thank you.
Mr. CALLAHAN. Thank you very much.
Mr. Hartke.

THURSDAY, MARCH 4, 1999.

UNITED NATIONS DEVELOPMENT PROGRAM

WITNESS

JAN HARTKE, EXECUTIVE DIRECTOR, EARTH VOICE

Mr. HARTKE. As you said, my name is Jan Hartke. I am Executive Director of Earth Voice. I also serve as the co-chairman of the Alliance for United Nations Sustainable Development Programs which now—since my last time to testify in front of you, it now has over 70 national organizations to do education and monitoring.

Not lobbying, but education and monitoring on those issues. And in our membership of constituents, we are over eight million people in this country. So we have tried to gain some public support for the kinds of leadership that this subcommittee is taking.

And I just want to say that your leadership, Congressman Pelosi's leadership, and the subcommittee's leadership on these matters is tremendously appreciated.

In the communities that I work with, the nongovernmental organization community, it is sincere. Your steady support for the kinds of things that need to be done are affecting real situations around the world.

So I want to turn to three examples, if I could.

Earth Voice now, with our partner organizations, operates in 110 countries. I want to give you three examples. When I am in a country, among other projects, I always have made an effort to try to stop in to see the projects of three different institutions that my testimony relates to today and I would like to have incorporated into your record.

First is the United Nations Development Program which Mr. C. Payne Lucas has already alluded to and I want to concur with all of his remarks on that. Second, the Global Environment Facility. And third, the International Fund for Agricultural Development.

First let me direct your attention to Central America. In Belize, the Prime Minister Said Lusa has been very supportive of an effort to try to help create a corridor from the sea near the Port of Honduras in the southern part up into the Maya Mountains, and connecting up to the Meso-American Biological Corridor for all of Central America.

In that country, the United Nations Development Program resident representative proposed that we try to create this corridor with everybody weighing in to help: government, private sector people, nongovernment people, community people.

And they said that the multilateral institutions could help do a lot of sustainable development work, but they were not allowed to buy land, which was at the hub of this particular corridor. And so I said well, how much do we need? They said a million dollars.

In the course of that last year, we have now raised a million dollars to buy that land to work in conjunction with multilateral institutions. A million dollars is not a lot necessary to Congress, but it is hard out there in the world for folks like us to raise land for—money for Belize.

So what has happened? Why are we buying this land? It is one of the principal lowland tropical forest regions left in Belize, number one. Number two, we come from a perspective that the biodiversity of the world is an extraordinary thing to lose, and I would hate to stand and watch while the great creatures of the world disappear.

In that region we have the largest concentration of jaguars in Central America, for example, pumas, marges, tapirs, howler monkeys, unbelievably rich wildlife. So this whole concept was created by the United Nations Development Program, an on the ground program working with peoples and communities.

We participate as a partner of this Congress, an extraordinarily minor partner, but a partner nonetheless. We get no money from the United Nations Development Program, nor do we ask for any.

Second area of concern in the Central Asian area. Half of the Aral Sea, the fifth largest sea in the world, is gone. It is disappearing from the map. If you take your own globe and look at it and put your thumb on it, there it is.

And it is disappearing, an area that size. Now, of course, everybody in the world blamed it on the—and properly so—on the old Soviet Union, who took the two rivers that fed the sea and diverted them to be able to plant cotton in a desert.

Well, it has become a disaster. The whole world condemned it as an old failure of communism. But the question is now that communism doesn't prevail: Are we going to be able to start to save the sea and be able to do something about it?

In that region of the world again, it is the United Nations Development Program that is spearheading the only leadership in terms of trying to pull together the region to, one, push the rivers back into the sea so it does not disappear in our lifetime.

Restore a fishing industry that used to be vibrant and powerful and fed Russia and now has collapsed. So here again, we have an area where UNDP's leadership on the ground I have seen is absolutely crucial.

The third region of the world, and I would just share this with you, is about the second institution I mentioned, the Global Environment Facility. Down in Patagonia off the coast of Argentina, you stand on the beach and you look at an area from that end of the room to this end of the room and you see great southern right whales lolling off the shore with their calves.

This is their breeding ground. This is where they take their calves. Without a Global Environment Facility plan, those southern right whales would all be destroyed. Not only are we saving the whales, but they are creating an economic future for the people because the tourism industry is growing in the region.

In the International Fund for Agricultural Development, my last comment would be they are doing an extraordinary effort of trying to save half of the continent of Africa from becoming a desert. They

and the UNDP are the best in the world at that. That is a significant effort.

C. Payne Lucas has already talked about that. I very much appreciated your remarks and your leadership. I do not see how America can expect to become and stay as a leader in the world if we are going to let our guard down and only adhere to the Administration's $80 million request.

It simply is not worthy of a U.S. power. And I hope that the Congress here will continue the leadership you have manifested in the past.

[The information follows:]

TESTIMONY OF JAN HARTKE

EXECUTIVE DIRECTOR, EARTHVOICE

BEFORE THE HOUSE SUBCOMMITTEE ON

FOREIGN OPERATIONS, EXPORT FINANCING

AND RELATED PROGRAMS

MARCH 4, 1999

My name is Jan Hartke. I am here to testify on behalf of EarthVoice, a global environmental organization that works to promote environmentally sustainable development. I also serve as Co-Chairman of the Alliance for UN Sustainable Development Programs. The Alliance consists of American citizens and organizations who believe that the United States foreign policy must include strong support for international programs which promote environmentally sound economic and social development. The Alliance sees sustainable development as an essential component of American efforts to build a peaceful, democratic, and economically healthy world for current and future generations.

The Alliance believes that a well-functioning United Nations and its associated specialized agencies provide a vital framework for many activities which enhance our national security and well-being. These activities include: poverty reduction and food security; jobs and sustainable livelihoods; environmental protection and sustainable energy; advancement of women; equality of opportunity; and empowerment of peoples. We see an effective UN system as a major channel through which US support for sustainable development should flow.

We see our roles as three-fold:

- To monitor, evaluate, and offer constructive advice for strengthening the various sustainable development programs now underway through UN agencies;
- To undertake activities which will widen public understanding of the importance to the US of sustainable development through an effective UN system;

- To express our concern and our views to those who influence and make policy in Washington, in both the Administration and Congress.

Many of the donor countries which fund the UN specialized agencies, as well as the developing countries of the world, look to the US for leadership and direction in the areas of sustainable development. We cannot hope to build a world that is just, equitable, sustainable, and humane if we do not step up to the challenge of providing necessary leadership and funding for the UN sustainable development programs.

As Executive Director of EarthVoice, my request today is that the House Subcommittee on Foreign Operations, Export Financing, and Related Programs fully fund those key UN agencies and programs that help nations develop in an environmentally sustainable manner. These include $110 million for the UNDP, $143 million for the Global Environment Facility (GEF), and $5 million for the International Fund for Agricultural Development (IFAD).

Strong US support for these programs is essential for three primary reasons. First, they are cost effective for the US taxpayer. The US contribution to these specialized agencies constitutes approximately 10% of their overall funding with 90% coming from other donor countries. Few multilateral burden sharing programs tilt in favor of the US to this degree. Full US funding of these agencies will send a powerful and positive message to other donors and help ensure continued high levels of international participation. Contrariwise, a low level of US funding will have a negative impact on commitments by many other nations. Second, the UN sustainable

development programs are a significant and positive force, advancing our economic, social, political, and environmental objectives. The sustainable development work undertaken by UN agencies and associated programs have struck a very responsible and effective balance between promoting sound economic, financial, and social developments while protecting and regenerating the great ecological life support systems upon which, ultimately, we rely for our very survival. If these UN agencies were not active in forging the framework for environmentally sustainable development in developing countries, there would be no globally coordinated effort on behalf of the international community whatsoever. These are the only multilateral tools we have. We must make them work. Third, UN sustainable development programs promote US economic and strategic interests overseas. The UN programs for sustainable development actively promotes good governance structures and sustainable livelihoods, facilitating trade by building financial and legal infrastructure, encouraging foreign investment, developing a healthy and educated work force, and elevating the status of women. In short, UN development efforts help create stable, market-oriented, and democratic countries.

The first multilateral organization which deserves full funding is the United Nations Development Programme (UNDP), which is undeniably a world class leader in the global effort to improve people's lives in developing countries. UNDP has the world's largest network of country offices, focuses heavily on the neediest countries, and has a comprehensive mandate spanning economic, environmental, and social issues. This broad mandate allows UNDP the flexibility to target assistance to sectors that need it most.

The UNDP is the UN system's only grant making organization for sustainable development in the world, working with 172 developing countries to build national capacities for sustainable human development while promoting economic growth.

Poverty eradication programs funded by UNDP include extending education programs, improving access to productive assets, promotion of reform to create employment, extending healthcare to enhance income, and support for small and micro-enterprises, cooperatives, and self-employment.

UNDP funds governance programs that promote greater accountability in performance and use of resources by government and institutions; support processes that facilitate transition to democracy promote economic liberalization; and support international consultative mechanisms for development cooperation. Countries increasingly ask for assistance in promoting free elections, freedom of association and participation, an independent judiciary, bureaucratic accountability, freedom of information, effective and efficient public sector management, increased NGO participation, and transparency in international activities.

In the area of environment and natural resources management, UNDP activities include environmental capacity building at central, provincial, and local levels,; habitat and biological conservation and rehabilitation; promotion and adoption of cleaner and more efficient technologies; support for energy-efficient and renewable energy technologies; support for sustainable forest management; and arresting the spread of desertification.

UNDP also supports programs that promote the empowerment and advancement of women, prevent the spread of HIV and AIDS, provide for disaster prevention and management, and trade promotion.

Full funding of $110 million could help preserve US leadership of the UNDP. I have visited UNDP projects in countries such as Argentina, Chile, Belize, and China. The UNDP is doing an excellent job of making the UN system work in an efficient and cost effective manner.

It is important to recognize that in most countries, the UNDP Resident Representative also serves as the UN Resident Coordinator. One of the principal tasks of the Resident Coordinator is to work with UNDP's partner agencies to ensure that UN development operations are conducted in a collaborative and coherent fashion. This applies especially to those agencies which deal with poverty and environmental issues. The Resident Coordinator system is expected to be strengthened even more in the future as part of the United Nations reform efforts.

Generally speaking, UNDP's mandate is to encourage the countries it serves to assume management of their own development. This is done through UNDP support of national capacity building and through the "graduation" of countries which no longer need UNDP's financial support.

The second organization I would like to discuss is the Global Environment Facility (GEF). The GEF is the most significant financial initiative created by the Earth Summit. Since its creation in

1991, the GEF has emerged as the principal international funding mechanism for global environmental protection. GEF activities around the world results in cleaner air, water, healthy fisheries, access to genetic materials for crops and medicine, and a stable climate system. For example, genetic materials from a native Ethiopian sorghum preserved in a GEF supported seed bank helped American farmers save the important California barley crop.

The GEF was created in 1991 to help protect the global environment. It does this by helping developing countries finance the added costs of making planned projects environmentally-friendly. The actual programs are implemented in conjunction with GEF's implementing partners: the UNDP, the World Bank, and the United Nations Environment Programme (UNEP). The private sector and non-governmental institutions also play a large role in development and implementation of GEF projects. GEF sponsors projects in a variety of areas, including water pollution, coastal and wildlife management, biological diversity, land degradation, energy conservation and renewable energy.

GEF's activities are not only good for the global environment, they also have benefitted American companies and American workers. American companies have received tens of millions of dollars in contracts as a result of GEF sponsored projects. GEF helps build international markets for environmental technologies and services in which the US is a leader, such as solar power systems, fuel cells, biofuels, as well as wind and geothermal technologies. The GEF provides funds for developing countries and those with economies in transition for projects and activities targeting global benefits in four focal areas -- biological diversity, climate change, international waters, and

the ozone layer. GEF operations promote democracy and good governance overseas, by involving NGOs, local communities, private firms, and other stakeholders in all stages of project development. This is crucial for the success of environmental projects and helps to establish democratic approaches to economic and social development within recipient countries.

They are definitely on the right track. Since GEF's creation, every dollar provided by the US has leveraged approximately $15 for environmental protection from other bilateral donors, the private sector, and other multilateral institutions. GEF encourages developing countries to share increasing responsibility for protecting the environment. GEF helps reduce the competitive disadvantage of US firms due to weak environmental standards in developing countries by assisting the developing countries to develop strong, efficient environmental laws. I have seen the efficacy of the GEF in the field of operations as well as on the policy level. It is very impressive. The American people can be proud of the GEF and it deserves full funding of $143 million from this Congress.

The Administration's request for $143 million includes $107.5 million of the FY 2000 commitment and $36 for one third of the arrears created last year. The plan is to pay off the one-third of the arrears in each of the next three years.

The third institution I would like to mention is The International Fund for Agricultural Development (IFAD). IFAD is an example of the potential of UN sustainable development programs. IFAD is widely known for its effective, efficient, and innovative activities to combat

rural poverty and hunger while promoting sustainable use of natural resources. This is especially clear in IFAD's pioneering work to help farmers fight the soil degradation that threatens their lands and livelihhods.

Over the past 20 years, IFAD had committed over $3 billion to help poor farmers in dryland areas meet their immediate food needs while protecting and even enhancing the natural resource base. Much of this effort was made through an innovative special program in Africa, a region where poor farmers stand on the frontlines in the battle against land and water degradation. Soil degradation and erosion are estimated to affect up to half of the continent's farmland. The relentless destruction of land translates into a reduced capacity to produce crops, trees, and fodder. IFAD's decade long special program helped African farmers reduce their vulnerability to drought and desertification through sustainable land management. In Mauritania, for example, over 32 oases--covering an area of over 2100 hectares--were protected with trees and barriers through communal action.

IFAD has amassed considerable experience and knowledge of successful methods to combat desertification, and now plays a vital leadership role in the effort to preserve drylands worldwide. IFAD made unique contributions to the development of an important international treaty, the Convention to Combat Desertification, and it now serves as the host agency of the convention's Global Mechanism. Further, IFAD is finalizing an evaluation of its experience in combatting dryland degradation to identify best practices for replication and upscaling by others and for mainstreaming in its own programs.

IFAD's effectiveness in protecting natural resources and fighting rural poverty is matched by its efficiency. In recent years, IFAD initiated a reform process that reduced its already low administrative budget and project development costs by more than 25% while increasing the projects it delivered by one-third. At a time when the US is calling on other institutions to sharpen their efficiency and effectiveness, it is only fitting that we support an agency that has been a model of success in this area. IFAD's member states, including the US, are currently examining the institution's future resource needs. Throughout this process, I hope you will make your support for IFAD clear and urge the administration to contribute to the resources IFAD needs to remain effective.

In conclusion, let me emphasize the extraordinary importance of the UN sustainable development programs. Without these indispensable institutions being given the full support they warrant, we will witness a series of breakdowns in the systems that undergird our common economic, social, and ecological future. I know that as representatives of the American people, you share my cherished hope that we will preserve the beauty, integrity, and life of the planet. The adverse trend lines need not become the destiny of nations. Congressional leadership in this arena can lay the foundation for a sustainable future.

EarthVoice

2100 L STREET N.W.
WASHINGTON, DC 20037
PHONE: 202-778-6149 FAX: 202-778-6134
E-MAIL: EARTHVOICE@EARTHVOICE.ORG

JAN A. HARTKE

2100 L Street, NW
Washington, DC 20037
(202) 778-6146

EMPLOYMENT

EXECUTIVE DIRECTOR, EarthVoice - a non-profit international environmental organization whose mission is to protect the biodiversity of the planet as well as promote sustainable policies that will work to make the transition to a more humane society. 1992-Present.

VICE PRESIDENT/ENVIRONMENT, The Humane Society of the United States (HSUS) - a non-profit organization with approximately five million members and constituents devoted to animals and environmental protection. 1990-1991.

SENIOR PARTNER, Hartke and Hartke Law Firm, 1987-1990.

DIRECTOR, State of New Mexico, Washington, DC Office, 1983-1986.

STATE TREASURER, State of New Mexico, 1979-1982.

CHIEF PUBLIC DEFENDER, State of New Mexico, 1977-1978.

TRIAL LAWYER, State of New Mexico, 1982-1976.

AWARDS

FRIENDS OF THE UNITED NATIONS ENVIRONMENTAL PROGRAMME -- 1987. Recipient of the 500 Environmental Achiever Award in recognition of "important contributions to protect the Earth's environment since the Stockholm Conference."

EARTH DAY INTERNATIONAL -- 1995. Award for "international environmental diplomacy" (also awarded to Mr. Maurice Strong and Vice President Al Gore).

PRINTED ON RECYCLED PAPER

EDUCATION

University of Virginia Law School; J.D., 1971.
Brown University; B.A., International Relations, 1968.

CURRENT BOARD OF DIRECTORS PARTICIPATION

ALLIANCE FOR UNITED NATIONS SUSTAINABLE DEVELOPMENT PROGRAMS -- Co-Chair and Co-Founder. Over 50 national environmental organizations representing over 15 million Americans, this Alliance provides research and policy evaluation, advocacy, and public outreach.

SECRETARIAT OF THE ALLIANCE OF SMALL ISLAND STATES -- Working with this 41 country organization as their de facto secretariat, publishing books, newsletters, and news conferences on a variety of international and environmental issues.

NORTH AMERICAN COALITION FOR RELIGION AND ECOLOGY -- Chairman of the Board of this hemispheric organization that brings together religious and environmental leaders to effectuate policy changes.

ENVIRONMENTAL LIAISON CENTRE INTERNATIONAL (ELCI) -- Elected by the major U.S. environmental organizations to be the U.S. Board Member to the largest environmental coalition in the world, ELCI, based in Nairobi with 1000 NGOs. 1995-1997.

NATIONAL ENVIRONMENTAL LEADERSHIP COUNCIL -- for the League of Conservation Voters (LCV).

CENTER FOR RESPECT OF LIFE AND ENVIRONMENT (CRLE) -- Board Member of this nonprofit organization which promotes a humane, sustainable environment within the field of higher education, bringing the concerns of the animal kingdom to the attention of academia and the arts and sciences. Also operated as the earth ethics center for the International Union for the Conservation of Nature.

RENEW AMERICA -- Board Member of this non-profit environmental organization which is dedicated to the development of a safe and sustainable society, fostered by programs such as "Searching for Success, " with a national data bank of 1600 specific programs.

NATIONAL ENVIRONMENTAL AWARDS COUNCIL (NEAC) -- Board Member of this group which selects environmental programs in twenty-one categories that have a proven track record of success and are capable of replication.

COALITION FOR ENVIRONMENTALLY RESPONSIBLE ECONOMIES (CERES) -- Member of this organization which consists of major pension fund

managers, religious groups, and environmental organizations working to reform corporate investment policies through socially and environmentally sensitive financial strategies; created Valdez Principles, now the CERES Principles.

RAINFOREST RESCUE -- This international organization is focused on the 95% of rainforest biodiversity that is its non-tree component, such as the orchids, bromeliades, etc.

WORLDWIDE -- The largest women and the environment network in the world which works to enhance the status of women and their participation in the global and community efforts to regenerate the environment.

WILDLIFE LAND TRUST -- Member of the Board that seeks to protect land and the animals which inhabit it.

PREVIOUS ACCOMPLISHMENTS

BLUEPRINT FOR THE ENVIRONMENT -- 1988. Founder and Vice Chairman ("guiding light" according to American Health Magazine) of group of thirty national environmental organizations which prepared over seven hundred recommendations and presented them to President Bush and each of his Cabinet Members.

GLOBAL TOMORROW COALITION (GTC) -- Board Member and former President of GTC, the largest environmental coalition in the United States with more than one-hundred and twenty (120) non-governmental organizations.

1988 PRESIDENTIAL DEBATE -- Conceived and organized "Vote Environment--Priorities of the Next President", a nationally televised debate, from New Hampshire, the broadest discussion of environmental issues in the history of Presidential politics.

EARTH DAY 2000 -- Board Member of Earth Day Network

EARTH DAY 1990 -- National Environmental Liaison and National Religious Liaison.

"AMERICAN AGENDA" -- 1987. Selected as a contributing environmental expert to the "American Agenda", organized by former Presidents Jerry Ford and Jimmy Carter and presented to President Bush.

NATIONAL GOVERNORS ASSOCIATION GLOBAL ENVIRONMENTAL POLICY -- 1985. Conceived, drafted, travelled to Governors offices to pass first such global policy by the National Governors' Association.

GREEN SEAL, INC. -- Board Member of this non-profit organization which is responsible for establishing environmental standards and labeling for major categories of consumer products.

SENIOR ENVIRONMENT CORPS - Founding Member of this national program for senior (over 50 years of age) environment education.

BIODIVERSITY COMMITTEE, U.S. CITIZENS' NETWORK ON THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED) -- Co-Chairman of this group doing preparatory work for a new Biodiversity Convention for UNCED in Brazil in 1992.

TAKE PRIDE IN AMERICA (TPIA) -- Appointed by the Secretary of the Interior to select environmental programs for recognition and emulation that are successful in reducing pollution and saving the natural resources of America.

NATIONAL WILDLIFE REFUGE REFORM COALITION -- 1991. Director.

E.A.R.T.H. (EARTH AWARENESS AND RESTORATION THROUGH HEALING) -- 1990-1992. Chairman of project working to help people to create new lifestyles that will promote wellness and the health of the planet.

Pursuant to Rule XI of the Rules of the House of Representatives, disclosure of Federal grant or contract, EarthVoice has received $50,000.00 in FY 97 and $25,000.00 in FY 98 from the Energy Efficiency and Renewable Energy Division of the US Department of Energy.

EarthVoice will receive no funding from any federal agency in FY 99.

Mr. CALLAHAN. Thank you for your testimony. How is that tree coming along?

Mr. HARTKE. It is still growing, sir. It is coming along in wonderful shape. And we are hoping to have leaves in it in a month. [Laughter.]

Mr. CALLAHAN. Mr. Watson.

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

Mr. CALLAHAN. Thank you, sir. I guess you have heard my admonition to the panelists today. We are going to have to request that you submit your testimony for the record and limit your remarks.

THURSDAY, MARCH 4, 1999.

THE NATURE CONSERVANCY

WITNESS

ALEXANDER F. WATSON, THE NATURE CONSERVANCY

Mr. WATSON. Thank you very much, sir. Thanks for the opportunity to present the views of The Nature Conservancy on assistance for fiscal year 2000.

The Nature Conservancy's mission is to protect plants and animals that make up the natural world, primarily by protecting their habitat. Our budget is approximately 92% from private sources.

Our operations in the United States center on creating and running the world's largest system of private park reserves and also working with local communities and government organizations at every level to try to find the most efficient ways to protect valuable areas.

We also work in more than 30 foreign countries in Latin America, the Caribbean, now in Canada, Asia and the Pacific. Overseas we help local organizations improve the effective level of biodiversity protection mainly in existing parks and protected areas by strengthening local institutional capacities, building infrastructure and engaging local people in community-based conservation.

We help protect more than 74 million acres in Latin America and the Caribbean alone. And we are also working at critical sites in Asia and the Pacific like Indonesia and Papua New Guinea.

It has become increasingly apparent, I think, that the destruction of natural ecosystems can be a major threat to political and economic stability in the developing world, and hence the concern not only to environment—to conservationists and environmentalists, but also to the broader public.

In the Convervancy's international program, we receive the support of the Agency for International Development. It is the primary instrument by which the U.S. Government contributes to biodiversity conservation globally.

The Conservancy's Parks in Peril Program, which is the flagship of our efforts in Latin America and the Caribbean, helps of paper parks—that is to say parks that exist only on maps become genuinely protected areas with assistance from multi-year cooperative agreement with AID.

We are certainly grateful for that support. Currently, while continuing to implement the Parks and Peril Program, we are design-

ing an improved program which we are calling at this point Parks and Peril 2000, for want of a better term.

And the core of that program is projected to be to work at a number of large platform sites from which we expect to influence conservation practices in the broader system level by national park authorities and others and private citizens as well in the countries where we work.

Aid commitment to international conservation leverages resources from non-U.S. Government sources. For example, the $32 million that Parks and Peril has received since 1990 from AID has leveraged more than $180 million from a wide range of donors, including the multilateral banks, the GEF as well as private donors in the U.S. and local governments and local in-country partners.

This committee traditionally has a record of recognizing the importance of defending biodiversity and approving funding for it. We certainly appreciate these past endorsements and urge the committee once again to strongly support funding for Parks in Peril, as well as the rest of AID's biodiversity programs in the fiscal year 2000 appropriations process.

In recent years, biodiversity funding has typically totaled between $50 and $70 million annually. We recommend that it be continued at the high end of that range.

We also endorse the proposed appropriations to two other items of great potential for international conservation. First, we strongly support full funding of the Administration's $50 million request level for the Tropical Forest Conservation Act, which is an innovative measure that emerged from a bipartisan consensus in the Congress last year. I believe Congressman Portman has already testified before this committee today on that issue.

I would assume the leverage of about two or three to one in these kinds of debt-for-nature swap deals. So this could leverage between $100 and $150 million in the first year of activity to protect tropical forests around the world.

And, secondly, we endorse appropriation at the $143 million level requested by the administration of the Global Environmental Facility (GEF). It is projects to help biodiversity conservation in developing countries that are the largest single beneficiary of GEF funds.

We have appended to the statement submitted for the record, with your permission, some report language, suggested report language that may be useful, we hope, in your consideration of these matters.

That concludes my statement.

[The information follows:]

The Nature Conservancy®
Saving the Last Great Places

International Headquarters
4245 North Fairfax Drive
Suite 100
Arlington, Virginia 22203-1606

TEL 703 841 5300
FAX 703 841-1283
www.tnc.org

STATEMENT
OF
ALEXANDER F. WATSON
VICE PRESIDENT AND EXECUTIVE DIRECTOR,
INTERNATIONAL CONSERVATION,
THE NATURE CONSERVANCY,
TO
THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FOREIGN OPERATIONS
MARCH 4, 1999

Mr. Chairman, I appreciate this opportunity to present the views of The Nature Conservancy on foreign assistance for Fiscal Year 2000. With your permission, I will present a short summary and submit my complete statement for the record.

SUMMARY: The Nature Conservancy's mission is the protection of the plants and animals that make up the natural world, primarily through protection of their habitat. Our budget is approximately 92 percent from private sources. Our operations in the United States center on creating and running the world's largest system of private nature preserves. We also work in more than 30 foreign countries, in Latin America, the Caribbean, Canada, Asia, and the Pacific region. Overseas, we help local organizations improve the effective level of biodiversity protection, mainly in existing parks and protected areas, by strengthening local institutional capacities, building infrastructure, and engaging local people in community-based conservation. Since the beginning of our international program in 1981, we have helped protect more than 74 million acres at biologically significant sites in the Western Hemisphere alone, as well as critically important marine and forest sites in Pacific countries such as Indonesia and Papua New Guinea.

The destruction of natural ecosystems can be a major threat to political and economic stability in the developing world, hence of concern not only to conservationists but to legislators and statesmen. In the Conservancy's international program, we benefit from the support of the Agency for International Development (AID), which is the primary instrument through which the U.S. Government contributes to biodiversity conservation globally. The Conservancy's Parks in Peril (PiP) program, the flagship of our Latin American and Caribbean efforts, turns "paper parks" into genuinely protected areas with assistance from a multi-year cooperative agreement with AID. We are grateful for that help. Currently, while continuing to implement PiP,

we are designing an improved program known as "PiP 2000". The core of that new program is projected to be our work at a number of large "platform" sites, from which we expect to influence conservation practices on a broader "system" level by national and private conservation authorities and groups in the countries where we work.

AID's commitment to international conservation leverages resources from non-U.S. Government sources. For example, the $32.6 million that PiP has received from AID since 1990 has been formally matched by more than $11.4 from The Nature Conservancy, local in-country partners, and governments, but that total greatly understates the real multiplier. Local partners and governments, helped by the expertise, credibility and "brand-equity" of the PiP program, have thus far attracted more than $180 million of non-AID commitments to conservation.

This Committee has a record of recognizing the importance of defending biodiversity and approving funding for it. The Nature Conservancy appreciates these past endorsements, and urges that the Committee once again strongly support funding for Parks in Peril as well as the rest of AID's biodiversity programs in the FY2000 appropriations process. In recent years, AID's worldwide biodiversity funding has typically totaled between $50 and $70 million annually; we recommend that it be continued at the high end of that range.

We also endorse the proposed appropriations for two other items with great potential for international conservation. First, we strongly support full funding at the Administration's $50 million request level for the **Tropical Forest Conservation Act**, (TFCA), an innovative measure that emerged from a bipartisan consensus in the Congress last year. Assuming a reasonable leverage of between 2 and 3 dollars to one, debt reduction deals in FY2000 under the TFCA should mobilize between $100 million and $150 million in local currencies to protect tropical forests. Second, we endorse appropriation at the $143.333 million request level for the **Global Environment Facility** (GEF). Projects to help protect biodiversity in developing countries are the largest single beneficiary of GEF grants. We have appended to my written statement draft report language regarding PiP, biodiversity, the Tropical Forest Conservation Act, and the GEF, which we hope the Committee may find useful. **END OF SUMMARY**

THE IMPORTANCE OF BIODIVERSITY

The world's population depends on living natural resources and the maintenance of biodiversity for a multitude of economic and social benefits. According to the World Resources Institute, 4.5% of the U.S. Gross Domestic Product is due to economic benefits from wild species. Important U.S. industries rely heavily on biodiversity, including biotechnology, agriculture, and pharmaceuticals. One quarter to one third of all the prescriptions drugs in the U.S. contain compounds derived from wild species. One hundred and twenty prescription drugs currently come from about

95 species of plants; of these, 39 grow in tropical forests. Botanists believe that more than 35,000 plant species (mostly native to tropical forests) provide traditional medicines to local peoples and, hence, are candidates for future pharmaceutical research. Modern agriculture also needs biodiversity: genetic diversity used in plant breeding accounted for about one-half of all the gains in agricultural yields in the U.S. between 1930 and 1980.

The conservation of biodiversity is an issue everywhere, but it is especially critical in the poor countries. Here in the United States, and within the economically advanced countries more generally, many high-profile "charismatic" species have improved their status in recent decades. However, many other species have become endangered. In the United States, many species of freshwater fish, amphibians, clams and mollusks, and more than 100 species of birds, are at risk, but there is cause for optimism if we continue to work hard using private and public means. Conditions are much more challenging in the developing world, where the world's highest levels of species and habitat diversity are found. Local population growth, peasant land hunger, unchecked industrial pollution, and continued poverty are having disastrous effects on biodiversity. Many thousands of species of plants, insects, birds, fish, and mammals are being lost in what has been called the greatest mass extinction since the disappearance of the dinosaurs.

These losses are of concern to us as conservationists. They must also be of concern to legislators and statesmen. The destruction of natural ecosystems in the developing world is now viewed widely as a major threat to political and economic stability. Economic development in poorer countries (and, ultimately, the health of much of our environment here) unquestionably is tied to the thoughtful conservation of natural resources.

Coastal wetlands, mangrove forests and off-shore reefs, for example, are essential for healthy fish populations -- and fish is currently the leading source of animal protein in the human diet worldwide. The U.S. National Marine Fisheries Service has calculated that destruction of U.S. coastal estuaries between 1954 and 1978 cost our country over $200 million annually from fisheries. Globally, the losses from damage to marine ecosystems are certainly much larger. Forests are also heavily threatened. Forests buffer heavy rains, help control flooding, retain water for gradual release, and reduce erosion of soil into waterways that provide drinking water, hydropower, irrigation and transportation to billions of people. Forests also help control carbon dioxide buildup in the atmosphere.

The degradation of natural and biological resources often leads to poverty, hunger, disease and civil unrest. Massive shifts in population (both within and among countries) may occur when affected peoples migrate from areas that once were productive but now cannot support them. The social and political effects of natural

resource depletion in developing countries can threaten the global security interests of the United States, imposing new burdens on our foreign policy and defense.

AID'S COMMITMENT TO BIODIVERSITY PROTECTION

The Foreign Assistance Act states that the protection of tropical forests and biological diversity is a goal of U.S. foreign policy. AID is active in implementing this goal. Worldwide, its biodiversity conservation activities typically have totaled between $50 million and $70 million per year and reach more than 60 countries. AID's biodiversity programs focus on: developing sustainable economic uses of biological resources; building local capacity for the management of biologically diverse areas, including parks, protected areas and buffer zones; supporting innovative programs for non-governmental organizations in conservation and resource use; encouraging participation of stakeholders, including women, indigenous peoples, and local communities at every stage of decision making; and facilitating the setting of conservation priorities at the local, national and regional level.

The Nature Conservancy strongly believes that the U.S. Government should continue to devote significant resources to the protection of biodiversity. Recently, AID's biodiversity funding has tended toward the lower end of its historic range of $50 to $70 million annually. This decline should be reversed, and programs should return to the $70 million level.

THE EXAMPLE OF PARKS IN PERIL

AID increasingly looks to non-government organizations (NGO's) with strong scientific expertise and management experience for long-term cooperation to help achieve its biodiversity goals in a cost-effective manner. The Conservancy's Parks in Peril program (PiP) has been a model of such long-term cooperation. In recent decades, many nations of Latin America and the Caribbean took important initial steps to conserve their living resources by establishing protected area systems to safeguard critical watersheds, coastal and marine ecosystems, wildlife, and scenic and tourist attractions. Unfortunately, for lack of resources too many of these areas remained "paper parks" without effective protection. To address this serious problem, in Fiscal Year 1990, AID began supporting our Parks in Peril program, a public-private partnership that seeks to protect the most threatened national parks and reserves in this hemisphere.

Parks in Peril was designed to secure minimum critical management for a series of sites, transforming them into functional protected areas. Parks in Peril is administered by the Conservancy and its Latin American and Caribbean partners, under a series of multi-year cooperative agreements with the AID Bureau for Latin America and Caribbean (LAC). The program builds collaborative partnerships among

national, international, public and private organizations. It has become the largest site-based biodiversity conservation project in the tropical world and has drawn wide support from other governmental and non-governmental constituencies in the region and around the globe.

Parks in Peril works to build on-site protection and management infrastructure; integrate the protected areas with the human societies inhabiting their surrounding regions; create long-term funding and policy mechanisms to sustain the local management of the Parks in Peril sites; and use PiP's activities to influence conservation in other sites in the region's most imperiled ecosystems.

AID and the Conservancy have designed a scorecard to measure how well particular sites meet these goals. As they do so, they are consolidated -- that is, having achieved the program's original goals, they are phased out from receiving direct assistance from the centralized AID program. This transition to long-term sustainability has been from the outset a goal of the program. To date, AID LAC Bureau funds have supported conservation efforts at 36 PiP sites comprising over 24 million acres in 15 countries. Of those 36 sites, 17 have been consolidated. (The Conservancy also works at 27 additional PiP sites, totaling another 50-plus million acres.)

PiP has provided exceptional leverage for the American taxpayer. The $32.6 million that PiP has received from AID since its inception in Fiscal Year 1990 was matched formally by more than $11.4 million from The Nature Conservancy, local in-country partners, and governments, but that total greatly understates the real multiplier. Local PiP partners and governments have thus far attracted more than $180 million of non-AID funding. This includes debt-for-nature swaps, carbon sequestration projects with major U.S. utility companies and partners in developing countries, grants from the Global Environment Facility (GEF) and foreign governments including Japan, the Netherlands, and the European Union.

PiP has worked to protect cloud forests, coral reefs, tropical forests, and savannas. PiP funding has supported efforts to demarcate critical boundaries; recruit, train and equip rangers and community extensionists; build protection infrastructure and provide transportation and communication technology; promote compatible natural-resource use in local communities; carry out baseline studies and biodiversity monitoring; and establish sources of long-term financing for reserve operations. At all PiP sites, local peoples' involvement is stressed, including measures to involve them in management decisions, creation of local opportunities for compatible resource uses and tangible economic benefits from the park. Parks will not survive ultimately unless local people value them and take pride in the their preservation. Parks in Peril is, thus, fundamentally different from one-time grant programs for park protection, and its methodology has become a model toward which the rest of the world is looking.

Recently, we initiated discussions with AID about a draft plan for the next generation of Parks in Peril, which we are calling "PiP2000." The approach is evolutionary, not revolutionary. We would remain true to our core methodologies and expertise of science-based conservation and working with local partners. However, as our knowledge of Western Hemisphere biodiversity and the threats to it has become more profound, we realize that hundreds of sites ultimately need some degree of conservation protection. Such protection need not preclude many forms of sustainable, compatible economic development at the sites. No program of assistance can possibly work at all these sites. So, our proposed strategy is to use ecoregional planning methodologies to select a relatively small number of "platform" sites, do excellent work there with local partners, and to emphasize leveraging the conservation practices at those sites to influence actions taken elsewhere by national parks authorities, NGO's, and private landowners. We are optimistic that PiP2000 will prove even more successful and influential than the original Parks in Peril program has been.

AID has also provided support to the Conservancy's Asia/Pacific conservation programs. We look forward to a continuation of such cooperation, particularly as regards Indonesia, which is second only to Brazil for biological diversity. We are hopeful that AID will support (through the new "Global Program to Conserve Biological Diversity" of AID's Global Bureau) an Asia/Pacific regional program to help protect the world's most extensive coral reefs.

The Tropical Forest Conservation Act of 1998

The Tropical Forest Conservation Act of 1998 (TFCA), a bipartisan Congressional initiative, was signed into law last July. It is based firmly on the precedents and administrative structure of the "debt-for-environment" provisions of the Bush Administration's Enterprise for the Americas Initiative (EAI). Under EAI, Western Hemisphere developing countries can pay, in local currency to national environmental and child survival funds, money that would otherwise have gone to pay some official debts. The debt reduction, swaps and buybacks to be carried out under provisions of the TFCA would operate under rules similar to EAI's, but would focus on tropical forest conservation. Furthermore, eligibility is extended to developing countries worldwide. The Nature Conservancy has strongly supported the TFCA since the idea was first proposed two years ago.

The TFCA has great potential to boost tropical forest protection by creating long-term funds for on-the-ground action. The current status of the world's tropical forests is alarming. Scientific projections show that half of all the remaining tropical rain forests could disappear within 25 years. With them will disappear about 10 percent of all the species currently alive on the Earth. This has implications for the countries where the forests are located, and also for the people of the United States. More needs

to be done. The Tropical Forest Conservation Act represents an investment by the American people in the survival of forests that have great economic and environmental value. This is the kind of sensible, results-oriented effort with staying-power that the Conservancy has promoted through the years. We stand ready to promote and cooperate with forest protection initiatives under the TFCA.

We commend the Representatives and Senators who brought the TFCA forward and carried it to passage, the President for approving it, and the senior leaders within the Administration who have now, despite a difficult and complex budget environment, found room for the Act in the Administration's FY2000 budget proposal. The proposed appropriation of $50 million in FY2000 is below the authorized level of $125 million, but is still enough to have a truly significant impact on tropical forests in such critical countries as Brazil and Indonesia. The Act offers the possibility of good leverage -- each dollar appropriated can generate a larger stream of payments in local currencies, normally in the range of 2 or 3 to one. We urge that the Committee appropriate the full request level of $50 million. Furthermore, we suggest that the Committee allow whichever U.S. Government agency implements the TFCA to keep a small amount (such as two percent) of the total appropriation to cover its management expenses.

The Global Environment Facility (GEF)

The Nature Conservancy supports the proposed appropriation of $143.33 million to the GEF -- enough, if approved, to fund the current U.S. pledge level of $107.5 million and pay down the United States' arrears by $35.833 million. The GEF, with 120 members, is an essential financial mechanism. There is just no substitute for the GEF in dealing with the major global environmental issues. The U.S. share leverages grants from many other countries. The GEF has committed more than $2 billion for over 200 large projects, plus more than 300 smaller projects funded through its successful Small Grants Program and its new Medium Sized (up to $750,000) Grants Program.

Thirty-eight percent of total GEF funds have gone to support and conserve biodiversity. For example, GEF's Coral Reef Rehabilitation and Management (COREMAP) program in Indonesia is helping to protect key reef fisheries that millions of Indonesians depend upon for food and livelihood -- helping to promote economic development and greater stability in that country, while protecting the coral reef ecosystems. Another GEF project is helping to stabilize populations of the Javan and Sumatran rhinos, in Indonesia and Malaysia. GEF's South Pacific biodiversity project has identified and helped establish 14 conservation areas in 11 countries. Trust accounts have been established with funds from income-generating activities. The project launched a regional "year of the sea turtle" campaign which resulted in a four-year moratorium on commercial harvesting of sea turtles in Fiji, and helped develop a whale-watching industry in Tonga. In Central America, eight countries (Belize, Costa

Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama) are participating in the GEF-funded regional program for the consolidation of the Meso-American biological corridor - a proposed network of protected areas and buffer zones to be linked by biological corridors with a variety of uses and degrees of protection. These are some examples of GEF's importance to conservation in developing countries. There are many more. We urge the Committee to fund GEF at the request level.

As we have done in past years, I have appended to this statement some draft report language, which we hope the Committee may find useful in its work.

Thank you for this opportunity to submit The Nature Conservancy's views on foreign assistance and international conservation.

APPENDIX
TO TESTIMONY BY THE NATURE CONSERVANCY
SUGGESTED LANGUAGE FOR FY2000 FOREIGN OPERATIONS REPORT

Parks in Peril

The Committee notes its strong support for the existing AID Parks in Peril program, a partnership with the private sector to promote biodiversity conservation in imperiled ecosystems throughout Latin America and the Caribbean. AID/Parks in Peril has worked at 36 sites in 15 different countries, comprising more than 24 million acres. It has made significant progress at turning 'paper parks' into genuine protected areas, to the extent that 17 sites have been "consolidated" from the program; central AID funding is being phased out to those sites, and the program is shifting its successful methodology to new locations. Since its inception, Parks in Peril has received $32.6 million from central AID funds, formally matched by more than $11.4 million from The Nature Conservancy, foreign partners, and foreign governments, and has indirectly leveraged more than $180 million from non-AID sources. The Committee welcomes the prospect of "PiP 2000", a renewed program that seeks to extend the influence of PiP more broadly.

Tropical Forest Conservation Act of 1998

The Committee welcomes the Administration's decision to seek $50 million to begin debt reductions under the Tropical Forest Conservation Act, which has the potential to be a significant, cost-effective means for protecting important tropical forests. The Committee recommends that whichever U.S. Government agency implements the TFCA be allowed to keep two percent of the total appropriation to cover its management expenses.

AID's Support to Conserving Biodiversity

The Committee has repeatedly urged that AID make biodiversity a higher priority. The Committee welcomes the initiation of the Global Program to Conserve Biological Diversity. The Committee strongly supports a reversal of recent declines in AID funding for biodiversity conservation, and a return to historical levels of ca. $70 million per year. Such activities should continue to emphasize the use of non-government organizations (NGO's) through cooperative agreements and other innovative, cost-effective financing vehicles.

Draft Committee Report language, continued:

Global Environment Facility

The Committee believes that the GEF should play an essential role in addressing global environmental problems. The Committee further notes that, in many developing countries, NGO's have superior capacity and expertise to implement biodiversity conservation projects, and therefore the U.S. should continue to press for improved access for NGO's to GEF funding, such as through active implementation and funding of its Medium-Sized Grants window with simplified application and accounting procedures.

The Nature Conservancy®
INTERNATIONAL CONSERVATION

Alexander F. Watson
Vice President & Executive Director

International Headquarters
4245 North Fairfax Drive
Suite 100
Arlington, Virginia 22203-1606

TEL 703 841-4861
FAX 703 841-8796

ALEXANDER F. WATSON

VICE PRESIDENT & EXECUTIVE DIRECTOR, INTERNATIONAL CONSERVATION – Alexander F. Watson joined The Nature Conservancy in April 1996 as Vice President and Executive Director for the Latin America and Caribbean Division. On July 1, 1998, Mr Watson assumed responsibility for the full range of the Conservancy's work abroad, managing programs in the Asia/Pacific Region, Canada, Latin America and the Caribbean, and the new Climate Change Program. Previously, he was a career foreign service officer for over thirty years, serving in his last assignment as Assistant Secretary of State for Inter-American Affairs from 1993-1996. Immediately prior to this, Ambassador Watson served as United States Deputy Permanent Representative to the United Nations with the rank of Ambassador from 1989 until 1993. He was Ambassador to Peru from 1986 to 1989; Deputy Chief of Mission in Brasilia, Brazil (1984-86), Bogotá, Colombia (1981-84), and La Paz, Bolivia (1979-81). Early assignments were in Santo Domingo, and Madrid, followed by service in the State Department as an intelligence analyst. From 1969 to 1973 Ambassador Watson served in Brasilia, and in Salvador da Bahia, Brazil. He later returned to the State Department as Brazil desk officer; and then in the Bureau of Economic and Business Affairs as Special Assistant for Legislative and Public Affairs and subsequently Director of the Office of Development Finance. Ambassador Watson has been decorated by the governments of Brazil, Bolivia, Colombia, El Salvador and Perú. He is currently a member of the Council on Foreign Relations, the Pacific Council on International Policy, the American Academy of Diplomacy and the Inter-American Dialogue and serves on the boards of the Western Hemisphere Region of the International Planned Parenthood Federation, the Pan American Development Foundation, Caribbean/Latin America Action and the Banco Caja, an Argentine Bank. Ambassador Watson is a graduate of Harvard College and the University of Wisconsin. His foreign languages are Spanish and Portuguese. He is married and has two children.

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
Environmental Protection Agency	66		
		X 990381-01-0	$ 215,403
		GL995819-02-0	208,349
		C R 824598-01-2	142,365
		X-999560-01	82,136
		CB99343500100	80,633
		GL995612-02-0	74,171
		GL985591-01-0	70,935
		C003291	69,417
		X825122-01-0	64,594
		GL985513-01-0	55,544
		X824485-01-0	46,861
		GL985200-02-0	42,779
		MM99 8580-01	42,352
		X825429-01-0	39,060
		GL985129-01-0	35,993
		X985476-01-0	32,576
		GL985200-01-0	32,289
		GL985701-01-0	30,029
		GL985556-01-0	27,290
		X991788-01-0	22,624
		BG991890-97-0	20,149
		EQ-993599-01-0	18,919
		X998752-01-0	17,931
		X993219-01-0	15,868
		GL985178-01-0	14,832
		X990381-01	13,000
		15650	12,590
		NE991108-01-0	11,356
		MM990923-01-0	10,609
		1600-9-8006	10,602
		GL985179-01-0	8,871
		GL985831-01-0	7,273
		X825429-01-1	7,189
		CR 822688-01-0	6,838
		NE999547-01-0	5,954
		NW991518-01-0	4,600
		NE996618-01-0	2,595
		X990640-01-0	2,286
		GL985181-01-0	1,839
		X995714-02-0	860
		CP991539-01-1	121

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
Environmental Protection Agency (cont.)			
IL Environmental Protection Agency		95-01	$ 192,227
CA State Water Resources Control Board		6-069-255-0	92,393
TN Dept. of Agriculture		GR-96-0758-00	62,120
		0001-CLINCH-0001	11,800
ID Dept. of Fish and Game		94-K493Y-12-5	52,120
NY Dept. of Environmental Conservation		C003620	46,924
MI Dept. of Environmental Quality (MIDEQ)		No #	35,138
KY Div. of Water		C9994861-97	29,451
University of Rhode Island (URI)		91896/530817	23,106
IN Dept. of Environmental Management		C9995008-97-0	22,221
PA Dept. of Conservation and Natural Resources		SP 292048	21,783
PA Dept. of Environmental Resources		CD-993246-01-0	21,228
NC Dept. of Environment, Health and Natural Resources		J 6027	15,000
IL Conservation Foundation		ILCF ATLAS	11,307
KY Dept. of Environmental Protection		C999-4339-93-0	8,745
RI Dept of Environmental Management		CD991519-01-0	8,471
MI Dept. of Natural Resources (MIDNR)		CRITWET-95	5,978
		751P8002578	504
VT Dept. of Fish & Wildlife		FW98	3,458
Western PA Conservancy		03-ICC-93-023	3,048
University of New Mexico (UNM)		3-46241-7810	17
Environmental Protection Agency Total			2,276,721
National Science Foundation	47		
		DEB-9219951	2,581
National Science Foundation Total			2,581
Tennessee Valley Authority	62		
		TV-93560V	19,203
Tennessee Valley Authority Total			19,203
U.S. Department of Agriculture	10		
University of Georgia		RD-309-019/2401494	83,461
		2031-94-3	3,191
U.S. Forest Service		96-CCS-211	143,965
		8-97-NR-PA-1	55,724
		97-CCS-230	38,327
		28-C4-856	34,053
		NA-96-0170	32,256
		08-98-NR-PA-01	30,498
		CCSA-6-97-20-016	23,471
		CCS-02-02-4060-96	18,893
		COMANCHE RNA	17,505

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of Agriculture (cont.)			
U.S. Forest Service (cont.)		28-CCS3-003	$ 16,364
		94-6-12-94	15,843
		1102-0001-93-011	15,821
		6-94-20-035 A1	15,760
		2112	13,705
		113-10-005	13,701
		08-97-50-G-55	12,623
		KNF 97-20	11,502
		23-95-54	11,365
		23-947	10,901
		19-1151	10,780
		06-93-04-033A1	9,823
		CSA-5-96-09-026	9,670
		INT-96096-RJVA	9,310
		CCS 97-06-04-108	8,847
		53-0343-5-00021	8,841
		1102-1410-96-17	8,634
		96-CCS-1037	8,413
		CCS-11020797-12	8,277
		97-06-11-11	7,500
		INT-97049-CCSA	7,400
		INT-94983-RJVA A1-A2	7,332
		CCS-98-06-12-015	6,541
		CCS6-16-97-396	6,486
		0304-96-D17-368	6,068
		11021410952	5,889
		CCSA-6-97-20-024	5,865
		11-2-4-21-95	5,853
		R9-WM-97-017	5,414
		8-95-FWR-CCS-1	4,156
		CCS6-98-16-9043	3,305
		CCS-11020797-30	2,614
		CCS 6-16-98497	2,383
		97-CCS-06-01-26	2,093
		08-97-08-PA-04	1,323
		NO AGREEM NO. R716	1,041
		9-5-119	897
		17-CCS-97-050	877
		97-CCS-029	716
		INT-97036-CCSA	456
		1999 CWPD	311
		SRS 33-G-97-109	260

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of Agriculture (cont.)			
U.S. Forest Service (cont.)		3-CC-95-23	$ 220
		95-CCS-00-000085-001	217
		6-090250-CCS-08	68
		95-95CC27	27
Natural Resources Conservation Service		68-6526-7-R2	13,986
		65-9104-7-70	3,312
		68-6322-5-84	1,778
Great Outdoors Co.		8000	170,000
IL Conservation Foundation		No #	222,918
		97.1Y	55,590
		CW2n	10,979
		97.1D	8,352
		97.1C	4,419
		97.1S	2,145
MIDNR		FSP-97-01	5,645
U.S Department of Agriculture Total			1,285,960
U.S. Department of Commerce	11		
ME Dept. of Conservation		04A797355	27,075
		04A1297323	24,761
MIDEQ/Coastal Zone Mgmt		97-309-20	22,591
		90-309-25	9,685
		96-62-17-2	1,229
U.S. Department of Commerce Total			85,341
U.S. Department of Defense	12		
		DPW-ENV 97-A-0001	1,285,828
		OM95 244	252,715
		DAMD17-98-2-8006	226,388
		2172040	183,404
		F0865096C0069	77,255
		N62470-95-LT-000719	76,310
		DACA87-98-H-0002	60,233
		F08635-94-2-0001	50,170
		M67004-91-D-0010	46,073
		DAMD17-98-2-8012	39,91[illegible]
		9296MORD7182	32,440
		N62467-96-RP00177	26,075
		X 985357-01-0	25,632
		DABT5189F1747	19,314
		N62467-95-RP00235	12,970
		N62467-95-RP00236	11,718

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of Defense (cont.)			
		DAMD17-93-J-3061	$ 8,466
		WPAFB-SJ090ENV384	7,514
		N62467-96-RP00215	7,106
		KPD-BO-7232-0284	5,337
		DAMD17-94-V-4030	4,776
		DACW33-98-M-0310	3,035
		B2-2-8C8G9-B2-GM	2,692
		OM95-218	2,535
		No #	623
Eagan, McAllister Associates, Inc.		95-H026-14	54,373
UNM		W45XMAS525-80978	29,518
		3-48451	11,674
		3-34041	6,054
		3-48541	6,001
		3-49081	3,004
		3-48831	309
		3-45221-7810	273
Spectrum Associates		93-677-RS	1,096
U.S. Department of Defense Total			2,580,825
U.S. Department of Energy	81		
		DE-FG06-94RL12858	176,015
OR Dept. of Fish and Wildlife		DE-B779-89BP97701	17,148
U.S. Department of Energy Total			193,163
U.S. Department of the Interior	15		
Bureau of Land Management		1422E930A960015	59,583
		1422G910A960011	58,127
		K910-A4-0011	29,927
		SAN MIGUEL	17,028
		1422P850A70011	13,541
		NM-060-06-1150-03	8,254
		1422H110-P97-1055	8,017
		1422P52-P4-4835	5,662
		1422E060P960082	4,828
		1442E930A960015	4,275
		4-14-97	3,988
		CO-930-PR8-028	3,903
		1422E070P60058	3,165
		1422E950A10006	2,950
		1422E070P60063	2,553
		1422E060P960084	2,299

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of the Interior (cont.)			
Bureau of Land Management (cont.)		1422H010P981060	$ 2,036
		1422H100P80503	1,924
		1422 C950A50016	1,698
		1422H020P960047	1,539
		1422E070P60057	1,006
		1422E930-A96-0015	990
		1422E060P50069	532
		1422H090P970164	205
		1422-H030-P96P0052	41
		1422E060P960079	30
Clark County, NV		NV052	14,700
Bureau of Reclamation		1425-97-FG-32-720	149,101
		14258FC1003910	7,987
National Biological Survey		14-48-3-96-XXXX	63,838
		14-48-1-96544	30,678
ME Dept. of Conservation		04A1297163	20,272
UNM		3-47361-7810	22,594
		3-47331-7810	5,731
National Park Service		CA-5000-2-9031	81,848
		1443 CA-3100-9-5001	73,781
		CA5090-6-9004	44,854
		1443-CA-0001-9-6034	35,102
		1443 CA5530 96 001	16,076
		1443PX934097026	8,331
		1600-9-8006	7,695
		CA 1268-2-9011	6,451
		CA 8601-96-011	847
		5000-4-9018/5	784
Appalachian Trail Conference		258-97-1	8,477
HI Cooperative Park Service Unit		P0 9069001	1,243
UNM		3-47471	7,112
U.S. Fish and Wildlife Service		1448-11332-7-G017	1,258,238
		14-48-11332-97-G030	385,540
		14-48-9-96-1203	215,912
		14-48-98210-97-G034	182,273
		14-48-0009-95-1203	127,831
		14-48-5-93-9002	84,458
		1448-98210-97-J039	63,588
		14-48-0003-98-911	61,785
		14-48-11620-97-J243	55,934
		14-16-4-90-946	46,780
		14-48-40181-97-G-099	44,221

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of the Interior (cont.)			
U.S. Fish and Wildlife Service (cont.)		14-48-9-96-1210	$ 43,927
		14-48-98210-97-G084	36,149
		14-48-13410-97-J405	33,736
		14-48-4-95-9178	31,571
		14-48-0005-93-9064	26,877
		1448-4-96-9111	18,956
		14-48-20181-97-G920	13,766
		14-48-0009-94-1210	13,563
		14-48-20181-97-G-588	12,021
		14-48-6-95-1153	12,000
		14-48-98210-98-G021	11,375
		14-48-0001-93631	9,586
		14-48-5-95-9012	9,464
		14-48-50181-97-5063	8,641
		14-46-4-90-946	8,400
		AZFO 081297	7,640
		1448-0004-94-947	7,423
		1448-4-94-940	7,076
		1448-4-96-9122	6,838
		14-16-0005-90-9026	5,771
		14-48-0002-94083	5,709
		14-48-0001-93657	5,686
		96-6-11-8	4,544
		14-48-5-95-9101	4,454
		14-48-3-96-1052	4,243
		14-48-40181-97-G-068	4,187
		SE-5-P-9	4,164
		14-48-6-95-949	4,109
		071B4100119	4,066
		1448-2-94-835	3,677
		14-48-30124-8-M0043	3,627
		14-48-40181-97-G-039	3,453
		61130-7-J079	3,168
		No #	3,005
		14-48-0003-97-988	3,000
		1448-4-96-971	2,873
		32720-6-0125	2,821
		14-48-14420-8-J031A	2,716
		110114406	2,474
		14-48-0001-93724	2,335
		14-48-20181-97	1,979
		14-48-3-95-1084	1,858

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of the Interior (cont.)			
U.S. Fish and Wildlife Service (cont.)		14-48-3-95-1079	$ 1,858
		25517	1,839
		14-48-40181-97-G-047	1,750
		14-48-6-96-3001	1,602
		14-48-60181-98-J380	1,490
		CONTE 3	1,466
		14-48-0003-97-1099	1,230
		1448-4-96-9148	1,127
		14-48-40181-98-G-114	1,124
		1448-4-95-9191	1,124
		1448-4-96-9147	1,063
		1448-00002-95-0#	761
		14-48-6-96-3019	744
		14-48-3-94-1041	636
		14-48-60181-98-J378	632
		1448-2-93-242	589
		14-48-6-96-3021	565
		14-48-0005-94-9102	525
		1448-4-96-9121	461
		14-48-0003-97-1101	388
		14-8-0004-97	303
		14-48-40181-97-G-069	284
		14-48-0005-96-9026	209
		14-48-6-96-3023	164
		14-48-60181-98-J377	155
		14-48-1-9-4652	121
		14-48-3-95-179	119
		14-48-0003-95-994	98
		14-48-11450-97-J209	88
		14-48-0005-94-9070	18
		14-48-10181-97-M329	16
National Fish and Wildlife Foundation		97-58	294,390
		96-236	159,680
		98-067	121,178
		96-064	100,000
		97-207	89,972
		94-62	66,002
		95-082	63,000
		97-128	57,730
		97-127	29,362
		97-155-016	27,221

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of the Interior (cont.)			
National Fish and Wildlife Foundation (cont.)		97-073-011	$ 23,969
		96-110	22,717
		5-FC-20-11410	19,356
		97-073-033	17,192
		96-066-326	14,387
		97-N14	10,040
		97-59	8,070
		96-25	7,880
		98-022	7,803
		97-032	7,233
		97-115-015	6,579
		98-183	5,568
		97-115-016	3,908
		96-66-307	3,259
		97-073-001	3,031
		97-289	1,993
		97-155-024	1,824
		91-56	1,715
		2-13-98	441
CA Dept. of Fish and Game		94-97	32,000
AL Dept. of Conservation and Natural Resources		95C-CNR-100	1,056
		95C-CNR-103	531
MIDNR		751P8002929	13,344
		751P8002355	8,799
		K00P8000183	8,410
		071B4100119	5,220
		R3 E5 GRANT	4,247
Lake Heritage Parks Foundation		14-48-9-95-1207	51,924
NH Fish and Game Dept.		020-075-2453-090	6,987
Smith College		636922	1,137
TN Wildlife Resource Agency		FA-97-12222-00	30,735
		FA-6-11801-6-00	21,631
		FA-5-11252-5-00	1,796
NC Dept of Agriculture		C00415	7,742
ND Game & Fish Department		14-48-0006-95-933	5,028
NY Dept. of Environmental Conserv.		C003620	18,202
		ES98NYWAH	240
Geological Survey		14-45-0009-95-0082	50,791
		1434-HQ-97-AGO1779	38,693
		1434-HQ-97-AG-01882	35,508
		14-45-CA03-96-1012	32,442

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
U.S. Department of the Interior (cont.)			
Geological Survey (cont.)		1434-CR-97-AG-00008	$ 30,058
		1434-HQ-97-A6-01760	26,643
CODNR		070397-01	74,029
MIDEQ		No #	2,270
U.S. Department of the Interior Total			5,482,683
U.S. Department of Transportation	20		
Federal Highway Administration			
CA Dept. of Transportation		02-0020	200,000
CO Dept. of Transportation		SB CO93-010	111
NJ Dept. of Transportation		ISTEA	7,859
U.S. Department of Transportation Total			207,970
U.S. Agency for International Development	02		
		LAG-A-00-95-00026-00	3,478,740
		596-0180-A-00-5125-00	1,437,793
		520-0395-A-00-1223-00	558,430
		512-784-A-0-4011	507,985
		LAC 0782-A-00-0047-00	254,258
		517-G-00-97-07102-00	121,346
		518-69-A-0-516800	107,243
		524-0314-A-00-3033-0	93,402
		518-A-00-97-00247-00	77,549
		527-341-G-0-1323	22,858
		FAO-A-00-97-00061-00	16,891
		532-0173-C-00-4188	13,619
		FAO-A-00061-00	7,976
		596-0150A-00-0586-00	450
		525-308-G-0-221600	129
International Resources Group, Ltd.		596-180-C-0-6062-0	281,685
World Wildlife Fund, Inc.		N109	84,493
		N112	21,459
U.S. Agency for International Development Total			7,086,306

The accompanying notes are an integral part of this schedule.

Continued

The Nature Conservancy

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

Federal Agency and Pass-through Entity	Federal Agency CFDA Number	Grant Identification Number	Federal Expenditures
Federal Emergency Management Administration	83		
		FEMA003	$ 53,894
		FEMA001	12,668
Federal Emergency Management Administration Total			66,562
National Aeronautics and Space Administration	43		
		NAG8-1421	16,967
National Aeronautics and Space Administration Total			16,967
Total Expenditures of Federal Awards			$19,304,282

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals	
AID/DOE/SNL	AO-0101	89,819	89,819	USAID
BLM	1422H020-P4-0031	486		
BLM	K910-A4-0011	956		
BLM	1422 C950P50382	149		
BLM	N657-P4-0766	230		
BLM	1422H090-P5-0099	403		
BLM	C950-A5-0016	741		
BLM	1422H010P960037	1,496		
BLM	G910-A1-0004	2,176		
BLM	1422H010P960061	4,440		
BLM	1422H100P60514	4,435		
BLM	1422H120P960055	10,286		
BLM	1422H010P971015	10,598		
BLM	BLM - SNOWY PLOVER '97	11,433		
BLM	1422H010P960055	12,887		
BLM	1422 0950A50016	17,022		
BLM	1422H952-P5-4481	24,289		
BLM	ACQUATIC ECOREGIONAL PLAN	32,954	134,981	BLM
BOR	5-FG-30-500	1,995		
BOR	1425-97-SP-81-91001	6,503		
BOR	1425-98-PG-81-20392	31,268	39,766	BOR
DOD	9510031	6,316		
DOD	1443PX528096262	7,942		
DOD	25CZ00M1 EWW68EWD6	20,198		
DOD	411-44-60102	47,229		
DOD	531-95	1,409		
DOD	695-102	93,443		
DOD	95-1006-2	38,976		
DOD	95-1006-3	15,998		
DOD	ADDENDUM#1 DOD MOA	111,601		
DOD	AED94005	458,791		
DOD	AED95008	107,402		
DOD	AFZH-DEQ	101,193		
DOD	CAMP ROBERTS	1,185		
DOD	COE FLOOD CONTROL	2,141		
DOD	DAAH03-96-P-1607	3,605		
DOD	DAAHH03-95-P-2813	6,993		
DOD	DABT 63-94-P3307	1,913		
DOD	DABT02-95-P-2218	21,552		
DOD	DABT02-95-Q-0568	13,847		
DOD	DABT10-96-P-2192	12,373		
DOD	DABT63-95-T-0873	2,048		

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals
DOD	DABT63-96-P-1665	42,398	
DOD	DACW33-95-M-0580	30,393	
DOD	DACW33-96-M-0433	9,912	
DOD	DACW33-96-M-0434	5,236	
DOD	DACW33-96-M-0435	16,364	
DOD	DACW33-96-M-0624	22,733	
DOD	DACW33-96-M-0634	20,579	
DOD	DACW33-97-M-0284	3,865	
DOD	DACW33-97-M-0288	3,621	
DOD	DACW33-97-M-0289	6,919	
DOD	DACW33-97-M-0335	37,562	
DOD	DAHA72-96-P-0247	866	
DOD	DAHA90-95-M-0835	11,415	
DOD	DAHA90-95-M-0836	12,594	
DOD	DAHA90-96-N-0528	3,987	
DOD	DAKF36-95-F-5405	5,798	
DOD	DAKF40-95-R-0012	10,954	
DOD	DAKF61-94-M-3716	2,915	
DOD	DAMD17-93-J-3082	12,785	
DOD	DAMF17-94-V-4018	35,104	
DOD	DBEH931858 EEIC 5347	14,861	
DOD	DEV. OF END SPECIES	29,398	
DOD	DOD PROJ NO 1205	29,379	
DOD	END/SENS PLNT SURVEY	42,906	
DOD	F08650-96-RA028	34,674	
DOD	F48608896WEO61	7,550	
DOD	F4860895WE037	1,744	
DOD	F4860896WE054	2,335	
DOD	F4860896WE060	266	
DOD	FB4852-94200-071	4,866	
DOD	FIELD SURVEYS OF C #	29,059	
DOD	FT.GORDON COMMUNITY CLASS	35,502	
DOD	FT.STEWART-LLP RESTORAT.	4,585	
DOD	FY7621-94-90245	180,653	
DOD	INV FOR AMPHS & REPS	80,403	
DOD	INV FOR WTR HOWELLIA	33,402	
DOD	J-94-1699	17,654	
DOD	M67004-91-D-0100	484,974	
DOD	N00140-95-C-H026	26,221	
DOD	N44255-97-M-5151	8,538	
DOD	OAHC77-96-C-0042	116,208	
DOD	P.B. ARSENAL - FAUNAL INV	13,351	
DOD	PHASE II	164,636	
DOD	PR 94-0626	103,756	
DOD	PROJ7897AED0001	28,970	

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals	
DOD	PROT OF FT LEWIS RNA	204,646		
DOD	RIPARIAN RESTORATION	68,801		
DOD	TX93-LEG-01 ENV372	64,751		
DOD	TX94-LEG-03-MIPR 723	53,955		
DOD	W41XDE62548327	11,712		
DOD	WAFO-97-2	28,272		
DOD/DNR	CAMP GRAYLING SOLIDA	1,451		
DOD/RMTC	1-17488-0-C	186		
DOD/TPWD	CAMP BARKELEY ES MGMT	25,430	3,327,252	DOD
DOE	97AP33618	2,422		
DOE/UNIV FL	942242401	3,264		
DOE/UPVG	GIA9601/GIA9602	61,727	67,413	DOE
DOT/GOCO	BIOLOGICAL RESOURCES	6,668		
DOT/U TN	CUT085	469	7,137	DOT
EPA	13420-6-283	15,003		
EPA	5B0755NANA	6,979		
EPA	CD99195-01-0	9,377		
EPA	MM990661-01-0	7,282		
EPA	X984077-97-0	24,222		
EPA/DEC	C003620	6,626		
EPA/DEP	96-3526	220		
EPA/DFW	CD991322-01-0	56,073		
EPA/DFW	CD991596-01-0	2,812		
EPA/DFW	RIVERINE SYSTEMS	42,102		
EPA/DNR	CD994673-95-0	72,354		
EPA/DRED	ID & PROTECT. OF NC	10,946		
EPA/LHVA	NAT. AREAS INVENTORY	31,326		
EPA/ODFW	97-58	11,441	296,763	EPA
FHA	DTFE70-94-P-1562	3,480	3,480	FHA
HUD/ADAMS CT	ADAMS NAI	5,916		
HUD/YORK CTY	PA HP YORK NAI	25,956	31,872	HUD
NBS	1448-4-94-996	6,184		
NBS/DNR	GAP GAPS	2,409		
NBS/DNR	GAP MA	23,654		
NBS/SSC	1445-4-95-9147	21,529		
NBS/U OF ID	14-16-9-1579	10,445		
USGS	14-45-CN7985-96-1012	26,699		
USGS	81070-7-112	1,589		
USGS	USGS-NBS-LMERS-REPORT	3 563		

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals	
USGS/ESRI	B1701	2,166	98,238	NBS & USGS
NPS	1268-2-9011	280		
NPS	1443 PX 1700 95 218	2,693		
NPS	1443PX45096067	1,791		
NPS	1443PX750097028	218		
NPS	1443TD4520-96-604	1,500		
NPS	1600-9-8006	87,487		
NPS	HABITAT PROTECTION	8,010		
NPS	VEGETATION CHANGE ##	3,700		
NPS/ERSI	B 1701	120,232		
NPS/UVI/ECC	UVI/ECC AGREEMENT	65,640		
NPS/WV DNR	MD HP PROJECTS	34,874	326,423	NPS
USFS	110451079305	2,129		
USFS	40-4146-6-156	1,497		
USFS	40-82X9-4-0390	1,814		
USFS	40-82X9-4-0392	1,370		
USFS	42-82X9-6-0275	26,930		
USFS	42-82X9-6-0276	9,425		
USFS	43-04NO-3-0296	223		
USFS	43-04TO-6-0075	2,921		
USFS	43-0-5-5173	778		
USFS	43-05GG-6-0085	4,801		
USFS	43-05GG-6-0088	19,906		
USFS	43-0-6-6138	1,081		
USFS	43-343-5-148	1,914		
USFS	43-343-6-156	332		
USFS	43-343-6-206	24,750		
USFS	43-343-6-207	22,939		
USFS	43-355-6-84	17,627		
USFS	43-82FT-5-0750	108		
USFS	43-82FT-5-1194	843		
USFS	443-05GG-6-0087	2,042		
USFS	53-0343-3-00045 A1-5	33,085		
USFS	53-04H1-3070 A4-R	21,097		
USFS	53-04NO-2-040RD	640		
USFS	53-343-3-36	14,375		
USFS	AMD #1	17,362		
USFS	BIG HORN RNA	5,500		
USFS	FORESTRY SCIENCE LABS	22,794		
USFS	RESEARCH NAT AREAS	141		
USFS	RM-ALB-96-072	982		
USFS	SIVERSPOT POP. '97	465	259,669	USFS

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals
USFWS	10130-6-310	464	
USFWS	10181-4-1055(PM)	13,359	
USFWS	10181-5-1736 (EM)	11,676	
USFWS	12200-6-3150	22,069	
USFWS	13420-4-520	4,500	
USFWS	13420-5-871	244	
USFWS	13420-5-884	3,795	
USFWS	13420-5-887	4,589	
USFWS	13420-5-908	2,111	
USFWS	13420-6-153	4,776	
USFWS	13420-6-282	4,480	
USFWS	13590-5-88	29,886	
USFWS	14-16-0004-89-961 M1	304	
USFWS	14-16-002-91-248 A# 8	2,000	
USFWS	14-16-1-90506	13,026	
USFWS	14-16-2-89-212	10,000	
USFWS	14-16-2-91-233	98,988	
USFWS	14-16-4-92-988	4,438	
USFWS	14-16-5-91-88	2,653	
USFWS	14-46-2-91-233	12,394	
USFWS	14-46-4-90-946	11,546	
USFWS	14-48-0001	8,425	
USFWS	14-48-0005-93-9002 #	5,892	
USFWS	14480005939002 A#25	2,894	
USFWS	14-48-1-93631	17,590	
USFWS	14-48-1-95821	1,999	
USFWS	1448-2-96	201	
USFWS	14-48-40181-97-G-32	8,376	
USFWS	1448-4-96-9102	11,430	
USFWS	1448-4-96-9118	24,588	
USFWS	1448-4-96-986	1,251	
USFWS	1448-4-96-987	220	
USFWS	14-48-5-93-9002	2,051	
USFWS	14-48-5-93-9002	579	
USFWS	14-48-5-93-9054	5,029	
USFWS	14-48-5-93-9063	12,214	
USFWS	14-48-5-94-9113	1,504	
USFWS	14-48-5-95-9099	281	
USFWS	30181-2-1534	2,332	
USFWS	32720-6-125	332	
USFWS	43910-5-192	249	
USFWS	50181-0-0791	52,699	
USFWS	50181-4-5033	4,487	
USFWS	50181-4-968	5,456	
USFWS	50181-5-813	8,000	

The Nature Conservancy
Schedule of Expenditures on Fixed Price Federal Agreements
For the Year Ended June 30, 1998

Federal Agency/Pass-Through Entity	Agreement Identifier	Expenditures	Agency Totals	
USFWS	52410-3-0209 14-48-0	3,719		
USFWS	52410-3-256	1,799		
USFWS	52410-3-269	1,387		
USFWS	52410-4-469	911		
USFWS	52421-3-5406	378		
USFWS	53410-5-671	2,142		
USFWS	61411-4-0126	20,929		
USFWS	61570-6-0012A	1,641		
USFWS	BOTANICAL UPDATE	38,109		
USFWS	CA FOR TECHNICAL SUP	7,305		
USFWS	EP-1-8	836		
USFWS	GARDEN CREEK SCIENCE OPS	6,018		
USFWS	SAMPLING DESIGN	1,043		
USFWS	SE-5-P-7	249		
USFWS	USFWS AMARANTHUS 96	1,847		
USFWS	USFWS FENDER BB '97	758		
USFWS	WLDLF EXTEN AGREE	10,387		
USFWS/DEC	C003620	6,176		
USFWS/DNR	93-90820 CA 0663	1,602		
USFWS/DNR	DNR CLUB 97	3,162		
USFWS/DNR	DNR KB-MS 97	996		
USFWS/DNR	DNR LOC-97	16,664		
USFWS/DNR	HERITAGE ECOL. CONTRACT	13,371		
USFWS/DNR	KB-MS 96	50,036		
USFWS/DRED	RECOV. & RESEARCH	305		
USFWS/DWR	PW-1	18,450		
USFWS/NM ENE	94-521-04-244/95-52#	9,693		
USFWS/VADOAC	ICNCVFO-01-96	1,374		
USFWS/VDACS	ICNC-01-97	514	657,178	USFWS
			5,339,991	TOTAL ALL

Mr. CALLAHAN. Thank you, Mr. Watson. We appreciate very much your testimony.

Ms. PELOSI. I want to thank Mr. Watson also for his leadership and his excellent testimony.

And he did not use up all of his time, let the record show, Mr. Chairman.

Mr. CALLAHAN. Certainly, we will give you some money.

Mr. WATSON. Thank you very much.

Ms. PELOSI. Thank you, Mr. Watson.

Mr. CALLAHAN. The less time they take, the more money they get, is that——

[Laughter.]

Mr. CALLAHAN. Ms. Fitzhugh.

THURSDAY, MARCH 4, 1999.

INTERNATIONAL CONSERVATION PROGRAMS

WITNESS

ESTRELLITA JONES FITZHUGH, WORLD WILDLIFE FUND

Ms. FITZHUGH. I represent World Wildlife Fund, known worldwide by its panda logo. WWF is the largest international conservation organization with 1.2 million members. We work in over 100 countries to protect and save the earth's rich biological diversity.

Today we are witnessing a conservation crisis. During our tenure as the dominant species on this planet, we are causing the loss of plants and invertebrates at an extraordinary rate. We are losing forest cover at an astounding rate of over an acre a second. This loss of species and their habitat is our loss. Some 950 million people depend on fish as a major source of protein, yet 60 percent of the world's major fisheries are overfished. As forest destruction and degradation increase, our protection against CO_2 emissions decreases. The Central African chimpanzee being hunted into extinction, is now potentially an important source of the AIDS cure.

This disturbing stress on biodiversity goes largely unnoticed in our daily lives. Societies have second chances to bail themselves out of financial crises. We do not get second chances when plants, animals, and their habitats disappear.

WWF believes the subcommittee can help address this conservation crisis in four ways:

One, direct USAID to adequately fund its conservation programs, and, where appropriate, restore funds to these programs. Why is this necessary? Mounting anecdotal evidence suggests that AID's commitment to conservation and natural resource management has been seriously compromised in the last few years.

This is distressing, given the fact that USAID has been the world's premier bilateral agency in integrating biodiversity conservation and sustainable use of natural resources in its development programs. Yet, in the past few years, USAID has whittled down its funds for biodiversity and natural resource management, seriously undermining the staff's ability to carry out initiatives noted above.

The reasons for those reductions are unclear. Some at AID argue that faced with congressionally-mandated overall budget cuts they are forced to cut conservation funding to fulfill congressional priorities in other areas.

On the other hand, some in Congress contend that the agency, in its rush to be responsive to this legislative body, overreacts by slashing other programs' budgets. A strong subcommittee directive to USAID, as noted above, would considerably clarify this situation.

I have attached to my testimony examples of AID's proposed budget cuts in biodiversity conservation.

The subcommittee's directive to USAID is critical and timely. Why? Many countries today facing fiscal crises are tempted to accelerate environmental degradation for quick financial gain. The subcommittee, therefore, must make clear to AID it is especially vital at this time to stay engaged in these countries.

Two, urge AID to update its action plan on biodiversity.

Three, support full U.S. contributions to the global environment facility. WWF urges both the Congress and the administration to remove GEF as a hostage to the Kyoto Protocol debate and allow the facility to continue its valuable work in conservation.

Four, provide full funding for the Tropical Forest Conservation Act.

Finally, Mr. Chairman, and members of the committee, we urge you all and your staff to visit these natural resource management projects around the world. It is the only real way to really experience the world's great natural systems and to understand the programs that are there to address the threats to those systems.

Thank you very much. I hear you are taking a plane, Mr. Chairman. So for your reading pleasure, I would like to give you a copy of our annual report, and National Geographic's February Publication. [Laughter.]

The February issue was entirely devoted their whole issue to biodiversity. I would like to also give copies to the gentlewoman from California as well.

Ms. PELOSI. Thank you.

Mr. CALLAHAN. Thank you very much.

Ms. FITZHUGH. Thank you.

[The information follows:]



WWF

Statement of

Estrellita Jones Fitzhugh

Congressional Liaison
Government Relations

World Wildlife Fund - U.S.

Foreign Operations, Export Financing, and Related Programs

Appropriations for FY 2000

Committee on Appropriations
Subcommittee on Foreign Operations, Export Financing, and Related Programs
United States House of Representatives

March 4, 1999

World Wildlife Fund
1250 Twenty-Fourth St., NW Washington, DC 20037-1132 USA
Tel: (202) 293-4800 Fax: (202) 293-9211
Affiliated with World Wide Fund for Nature



Processed Chlorine-Free Recycled Paper

On behalf of World Wildlife Fund's 1.2 million members, I welcome this opportunity to testify on the fiscal year 2000 Foreign Operations Appropriations bill. Known worldwide by its panda logo, WWF is the largest international conservation organization working in over 100 countries to protect the rich biological diversity necessary to save life on Earth.

We are witnessing a conservation crisis. During our tenure as the dominant species on this planet, we are causing the loss of plants and invertebrates at an extraordinary rate. Noted Harvard biologist E.O. Wilson estimates that 100 species are lost every day. At least half of Earth's original forest cover is gone. We are losing the remaining forest cover at an astounding rate of 1.3 acres per second. Some of the world's most outstanding examples of nature are on the verge of collapse: the Atlantic coast rain forests of Brazil, the rain forests of Madagascar and the Philippines, the coastal sage communities of southern California

The loss of species and their habitat is our loss. Some 950 million people depend on fish as a major source of protein, yet 60 percent of the world's major fisheries are overfished or fished to the limit.

As forest destruction and degradation increase, our protection against CO_2 emissions decreases. A subspecies of west African chimpanzee, a potentially important source of a cure for AIDS, is being hunted to extinction.

This disturbing stress on biodiversity — which is the variety and variability of life on Earth — goes largely unnoticed in our daily lives. Most endangered species are small, inconspicuous plants and aquatic life. They are not in our faces like financial crises and political upheavals. Societies have second chances to bail themselves out of financial crises and security emergencies. We do not get second chances when plants, animals, and their habitats disappear.

WWF believes the Subcommittee can help address this crisis in four ways:

I. Direct the United States Agency for International Development to adequately fund its conservation programs and, where necessary, restore funds to these programs. Why is this necessary? Mounting anecdotal evidence strongly suggests that USAID's commitment to conservation and natural resource management has been seriously compromised in the past few years. This is distressing given the fact that USAID has been the world's premier bilateral agency in integrating biodiversity conservation and sustainable use of natural resources in its development programs. One of its most ambitious and successful undertakings in this regard has been the Biodiversity Support Program (BSP) which, in projects throughout Africa, Latin America and Asia, has worked in the past decade with local stakeholders to integrate conservation with social and economic development.

In the past few years, however, USAID has whittled down its funds for biodiversity and natural resource management. These reductions seriously undermine the staff's ability to effectively carry out important initiatives in biodiversity conservation, forestry reform, climate change initiatives, and environmental education. The reasons for the reductions are unclear. Some at USAID argue that, faced with congressionally mandated overall budget cuts, they are forced to cut conservation funding to fulfill congressional priorities in other areas. On the other

hand, some in Congress contend that the agency, in its rush to be responsive to this legislative body, overreacts by cutting or slashing other programs' budgets. A strong Subcommittee directive to USAID as noted above would considerably clarify the situation. The agency cannot successfully reach its goals if any part of USAID's six strategic objectives — of which "protecting the environment for long-term sustainability" is one — is regularly under budgetary siege.

Attached to my testimony are the details of incidents in the past few months in which the agency proposed substantially cutting funds for biodiversity conservation and natural resource management, both in its missions and in its Center on Environment.

The Subcommittee's message to USAID is critical and timely. Why? As you know, many countries are facing fiscal crises and suffering political upheavals. The temptation for these governments and their communities to accelerate environmental degradation for quick financial gain and/or pull local funds for conservation is overwhelming. The Subcommittee must make clear to USAID that, having laid a foundation and a way of thinking about sustainable resource use in these countries, it is vital not to reduce or eliminate its conservation programs.

II. Urge USAID to update its action plan on biodiversity. Since the early 1990s, the agency's Environmental Center has struggled unsuccessfully to update this plan. The plan would reinforce the agency commitment to and clarify its direction in conservation activities.

III. Support full U.S. contribution to the Global Environment Facility. Of GEF's four environmental objectives, the largest percentage of its projects (46 percent) is devoted to conserving biodiversity. By funding the U.S. contribution to the GEF, the Subcommittee is signaling its support for the U.S. government to join other nations to help developing countries solve problems of deforestation, threats to endangered species, climate change, and ozone depletion. In response to the controversy swirling around the GEF, WWF urges both the Congress and the adminstration to remove GEF as a hostage to the Kyoto Protocol debate and allow the GEF to continue its valuable work in conservation.

IV. Support long-term funding for the Tropical Forest Conservation Act. Enactment of this law last year was the 105th Congress's most significant contribution to global forest conservation. Effective implementation depends on appropriating its authorized levels of funding.

WWF also urges members of the Committee to visit on a regular basis conservation sites and natural resource management projects around the world. Visits are the only real way to experience first hand the world's natural systems and to understand the programs addressing the threats to those systems.

In conclusion, by securing the U.S. government's commitment to global biodiversity conservation, the Subcommittee is helping developing communities from backsliding, especially during these fiscally difficult times, on their efforts to protect their environments.

APPENDIX
INCIDENTS OF PROPOSED BUDGETARY CUTS BY USAID

Environment Center's biodiversity funds cut: The agency recently proposed slashing the fiscal year 1999 budget for the natural resources program in USAID's Environment Center by 67 percent, from $10.3 million to $3.5 million. After Congress and senior administration officials questioned the decision, the agency decided to cut the program's budget by 31 percent, to $6 million.

Proposed cuts to natural resource programs in Indonesia mission: USAID, while substantially increasing FY 1999 funds for its mission in Indonesia to better address that country's financial and economic crisis, proposed cutting to nearly half its original amount for the Natural Resources Management Program. Reportedly one of the motivations was to increase funds for democracy activities, as requested by Congress — although, allegedly, pipeline funds for democracy remained unspent at the time. Ultimately, following stated support for the mission's natural resources programs, the FY 1999 level remained intact.

Proposed cuts in conservation programs in Madagascar: Competition between democracy and environment funds led to an initial cut of environment funds by $1.5 million in the FY 1999 budget. Ultimately, $600,000 was restored to the environment budget, resulting in a cut of $900,000.

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

DISCLOSURE STATEMENT

1. Name:

Estrellita Jones Fitzhugh

2. Business Address:

World Wildlife Fund
1250 24th Street, NW
Washington, D.C. 20037

3. Business phone number:

(202) 778-9767

4. Organization you are representing:

World Wildlife Fund

5. Any training or educational certificates, diplomas or degrees which add to your qualifications to testify on or knowledge of the subject matter of the hearing:

Johns Hopkins University School of Advanced International Studies, Masters, U.S. Foreign Policy and International Economics

Smith College, Bachelor of Arts, Government/International Relations

6. Any professional licenses or certifications held which add to your qualifications to testify on or knowledge of the subject matter of the hearing:

7. Any employment, occupation, ownership in a firm or business, or work-related experiences which relate to your qualifications to testify on or knowledge of the subject matter of the hearing:

1996-present: Congressional Liaison, Government Relations, World Wildlife Fund, Washington, D.C.

1979-1980: Congressional Relations Specialist, U.S. Department of State, Bureau for International Organizations, Washington, D.C.

Legislative Aide, Foreign Affairs: Office of Senator Edmund S. Muskie, U.S. Senate, Washington, D.C.

8. Any offices, elected positions, or representational capacity held in the organization on whose behalf you are testifying:

9. Any federal grants or contracts (including subgrants or subcontracts) which were received since July 1, 1997, from any source under the purview of the Foreign Operations Subcommittee by the organization which you represent at this hearing, including the source and amount of each grant or contract:

See attached.

11. Any other information you wish to convey to the committee which might aid the members of the committee to better understand the context of your testimony:

Country/Project Title	Prime Agreement No./ Date/Award Amount	Donor Contact	Project Description
BMZ/WWF-I			
Socio-Economic Root Causes of Biodiversity Loss (II)	9Z0707.02 01/01/1997 - 06/30/1999 Donor: $349,208 Match: $0 Total: $349,208	Ms Maria Boulous, WWF-International Avenue due Mont Blanc Gland, 1196 Switzerland	The objectives of the program are. 1) To contribute to an understanding of the economic and social root causes of biodiversity loss through a program of case studies, 2) To develop local capacity to address issues related to the economic and social root causes of biodiversity loss, 3) To derive conclusions and recommendations that reflect the complex causal linkages between socio-economic policies and biodiversity loss; 4) To develop an analytical framework that can be used as an input to the ongoing discussions on medium to long-term national strategies for biodiversity conservation, and 5) To identify actions that effectively address root causes of biological diversity loss
DANIDA/WWF-Denmark			
Socio-Economic Root Causes of Biodiversity Loss	(no agreement number specified) 01/01/1996 - 07/31/1998 Donor: $483,000 Match: $0 Total: $483,000	Mr. Kim Carstensen, Secretary General WWF-Denmark Ryesgade 3F DK-2200 Kobenhavn N	To contribute to an understanding of the economic and social root causes of biodiversity loss through development of local capacity, and to develop strategic approaches which would eventually assist in identifying opportunities for projects that address effectively root causes and that may be suitable for GEF financing in accordance to the standard procedures and requirement of the GEF project cycle.
DGIS/WWF-I			
Socio-economic Root Causes of Biodiversity Loss	WW122101 07/01/1997 - 06/30/1999 Donor: $700,000 Match: $0 Total: $700,000		

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
UNDP/OPS			
Vietnam Vietnam - GEF	VIE/91/G31 08/17/1992 - 12/31/1998 Donor: $2,553,500 Match: $0 Total: $2,553,500	Mr. Pasquale di Filippo, Assoc Proj Mgmt UNDP/OPS Division for Environmental Programs 220 East 42nd Street, 14th Floor New York, NY 10017	To strengthen the capacity of the Vietnam Government to implement programs which protect areas of high biodiversity importance through a broad range of training activities.
Gabon Conservation of Biodiversity through Effective Wildlife Management	C-95918/GAB/92/G31/KSV 07/01/1995 - 03/31/1999 Donor: $779,203 Match: $0 Total: $779,203	Mr. Pierre Julien, Project Mgmt Ofcr UNOPS 220 East 42nd Street 14th Floor New York, NY 10017	To create a mechanism to sustainably manage wildlife trade in Gabon and to reinforce government and local community capacity to ensure long-term sustainable management and conservation of biodiversity.
UNECA			
Environmental and Natural Resource Accounting (ENRA)	FSSD/ENV/ENRA/FY98 04/01/1998 - 03/31/1998 Donor: $37,000 Match: $0 Total: $37,000	Mr. P.K. Makinwa-Adebusoye, Chief United Nations Economic Commission for Food Security and Sustainable Development P O Box 3001 Addis Ababa, Ethiopia	To plan and prepare jointly with the ECA the Seminar on Environmental and Natural Resources Accounting. This includes developing each topic in the program and discussing with the individual speakers their presentation at the seminar. Specific guidelines for presentations will be produced in order for the seminar to achieve maximum effectiveness

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
USAID			
Uganda Rwenzori Mountains Conservation and Development Project, Phase II	623-A-00-95-00107-00 10/01/1994 - 12/31/1998 Donor: $1,831,508 Match: $492,033 Total: $2,323,541	Ms. Alvera Reichert, Grant Officer US Agency for International Development Uganda	To assist Rwenzori Mountains National Park and surrounding communities to conserve the natural resources of the area, in particular to protect the biodiversity of the Park and its value as a wathershed.
Tanzania Tarangire National Park Project	623-A-00-98-00064-00 09/21/1998 - 04/19/2003 Donor: $2,740,632 Match: $0 Total. $2,740,632	Mr. Francis Kavulu, Project Officer US Agency for International Development Regional Economic Development Services for East and Southern Africa (REDSO/ES Unit 64102 Nairobi, APO AE 09831-4102 Kenya	The overall goal of the project is to sustainably conserve the natural resources of the Tarangire National Park. The project objectives are: 1) to develop and implement a strategy/management plan for sustainable conservation of the Tarangire wetland system; 2) to produce vegetation and participatory land use maps and associated databases for selected areas; 3) to carry out regular Ecological Monitoring in the Tarangire National Park; and 4) to establish and train a desktop publishing unit at Tanzania National Parks headquarters.
Russia Conserving Biological Resources in the Russian Far East	118-A-00-95-00303-00 10/01/1995 - 09/30/2001 Donor: $2,025,000 Match: $500,000 Total: $2,525,000	Mr. Orlon Yeandel, Regl Contracts Ofcr USAID/Moscow Office of Environment and Health American Embassy, PSC 77 APO AE Moscow, 09721 Russian Federation	To establish the framework for long-term biodiversity conservation in the Russian Far East, and, in particular conservation of endangered species and habitats in a globally important temperate forest ecosystem; to increase capacity of Russian conservationists and resource managers to preserve the unique wildlife of the region; and to provide timely assistance to existing Russian reserves and agencies to reduce the risks of extinction for endangered Amur tiger populations, Amur leopards, and other rare endemics.

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
Philippines United States-Asia Partnership (US-AEP) Asian Biodiversity Conservation Network	AEP-A-00-92-0043-00 09/29/1992 - 09/30/1999 Donor: $20,000,000 Match: $0 Total: $20,000,000	Mr Jerry Bisson, Project Manager US Agency for International Development G/ENV/ENR Ronald Reagan Building 1300 Penna Avenue, Suite 3 07-031 Washington, DC, 20523-1812 USA	To promote conservation of biodiversity based on sound biological, social, economic, business, and tenurial principles that lead to improved economic conditions and quality of life in the Asian region. The purpose is to improve the capacities of non-governmental organizations, government agencies, universities and businesses in Asia and the U S to support community enterprise-based strategies that conserve biodiversity for subsistence, production, and commerce
Nepal Northern Mountains Environment and Conservation Area Management	367-G-00-96-00221-00 10/01/1996 - 09/30/2001 Donor: $644,000 Match: $288,917 Total: $932,917	Ms Alvera Reichert, Grant Officer US Agency for International Development Uganda	To initiate a concerted, multi-year project that realizes two mutually dependent objectives. sustainable, productive use of natural resources by local people; and protection of threatened habitats and species.
Namibia Namibia: Living in a Finite Environment (LIFE)	623-A-00-93-00135-00 05/07/1993 - 08/18/1999 Donor: $13,780,507 Match: $3,065,320 Total. $16,845,827	Ms. Carol Culler, Program Officer USAID/Namibia Private Bag 12028 Ausspannapatz Windhoek, 9000 Namibia	To enhance the capabilities of poor, rural communities living on marginal lands to meet their basic human needs by broadening Namibia's resource base and managing its natural resources in a sustainable manner

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
Mexico Mexico's Biodiversity Strategy Meetings	523-97-037 10/01/1997 - 09/30/1998 Donor: $14,000 Match: $0 Total: $14,000	Mr. Frank Zadroga, Project Officer USAID/Mexico American Embassy Paseo de la Reforma, No. 305 Colonia Cuauhtemoc , 06500 Mexico, D F	To coordinate and carry out strategic planning meetings which will support the development and periodic updating of "Mexico's Biodiversity Strategy."
Madagascar Institutional Support of the Malagasy Department of Sustainable Management of Forest Resources	687-A-00-98-00029-00 02/02/1998 - 08/01/2002 Donor: $1,500,000 Match: $379,666 Total: $1,879,666	Ms Jackie Ramanitrera, Acquisition Special USAID Madagascar B.P. 5253 Antananarivo, 101 Madagascar	To provide institutional support to the Malagasy Waters and Forests Department for the restoration of a sustainable equilibrium between man and his environment in Madagascar. Principally, the project focuses on reinforcing field intervention capacity of the Malagasy Waters and Forests Department as well as promoting community management of forest resources.
Jamaica Eastern Caribbean Environment and Coastal Resource Project	538-A-00-93-00231-00 04/16/1993 - 02/26/1999 Donor: $5,442,441 Match: $210,000 Total $5,652,441	Ms. Nicole Pitter Patterson, USAID/Jamaica Kingston, Jamaica	To provide management assistance, technical assistance, and organizational support to the Organization of Eastern Caribbean States (OECS) and its member states to assist with development and coordination of environmental conservation in the Eastern Caribbean

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
Global Biodiversity Support Program	DHR-5554-A-00-8044-00 09/30/1988 - 12/31/2001 Donor: $65,500,700 Match: $0 Total: $65,500,700	Mr. Jerry Bisson, Project Manager US Agency for International Development G/ENV/ENR Ronald Reagan Building 1300 Penna Avenue, Suite 3 07-031 Washington, DC, 20523-1812 USA	A consortium project with The Nature Conservancy and World Resources Institute designed to assist countries, governments, and PCOs in undertaking conservation activities in conjunction with development. Components include identifying and prioritizing activities, research and training, and creating networks for information collecting and dissemination.
Gabon Central Africa Regional Program for the Environment (CARPE)	PCE-A-00-96-90026-00 04/26/1996 - 04/25/2001 Donor: $2,500,000 Match $0 Total: $2,500,000	Ms Kathy Frascella, Contracting Officer US Agency for International Development M/OP/A/HRN Ronald Reagan Building 1300 Penna Avenue, Suite 7 09-103 Washington, DC, 20523	To lay the groundwork for a multi-faceted effort to conserve the Congo Basin tropical forest ecosystem by identifying and beginning to establish the conditions and practices necessary for the conservation and sustainable use of the natural resources of the Congo Basin.
Brazil Emergency Help for the Traditional Population of the North of Roraima - Brazil	512-G-00-98-00030-00 04/14/1998 - 07/13/1998 Donor: $25,000 Match: $0 Total: $25,000	Ms. Maria Elba Villegas, USAID/Bolivia PO Box 4530 La Paz, APO AA 34032 Bolivia	To provide support for a program in emergency help for the traditional population of the North Roraima, Brazil in response to the combined effects of an eight-month drought and fire

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
Brazil Brazil Global Climate Change (III)	512-G-00-96-00041-00 09/27/1996 - 09/30/1999 Donor: $4,790,000 Match: $1,650,000 Total: $6,440,000	Mr. Audon Trujillo, U.S. Agency for International Development - Bolivia APO AA , 34032 Bolivia	To build on and enhance the activities that have been carried out since 1990 under Grant #512-0784-G-00-1043, while addressing the new USAID strategy of biodiversity conservation and climate change, and broadening the geographical focus to include Cerrado/Pantanal, Atlantic Forest, and the Amazon.
USAID/CARE			
Vietnam Cambodia Environmental Management Process (CEMP) Project	CEMP-WWF-6507-01/442-0110-A-00-6057-00 01/26/1996 - 10/03/1997 Donor: $233,960 Match: $95,000 Total: $328,960	Mr. Graham Miller, Country Director CARE Cambodia House 18a, Street 370 Quarter Boeung Keng Kang 1 District Chamcar Morn Phnom Penh, Cambodia	To provide the services of a Biodiversity Conservation Officer who will in turn provide technical assistance and guidance to the Ministry of Environment (MOE) and other relevant agencies of the Royal Cambodian Government (RCE) in biodiversity conservation planning, training, and field activities; to coordinate and manage the drafting of a Cambodia Biodiversity Action Plan and provide guidance in MOE's strategic planning; to identify conservation training priorities with the MOE, other RCG agencies, and local NGOs and take the lead in providing and coordinating the identified training, to design and implement pilot conservation field projects and associated field research in cooperation with the CEMP partners and in collaboration with local counterparts; to provide management inputs to CEMP through the participation on the Steering Committe by WWF; and to participate in the development of the sustainability plan as required by USAID.

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
USAID/CH2M Hill			
NIS Environmental Policy and Technology in the Newly Independent States	CCN-0003-Q-00-3165-00 09/29/1993 - 09/28/1998	Mr. Milton Brown, Agreement Officer CH2M Hill 1819 H Street, NW Suite 700 Washington, DC, 20006 USA	The goal of this project is to ensure that economic and social restructuring in the New Independent States (NIS) is achieved in an environmentally sound manner. This contract will contribute to both immediate and long-term environmental quality improvements while encouraging US private sector participation in the region's environmental management.
USAID/MOPAWI/VIDA			
Central America Mocoron Community Forestry Development Project	CA-522-0385-A-00-333-00 08/28/1995 - 08/28/1998 Donor: $122,000 Match: $0 Total: $122,000	Sr. Osvaldo Emigdio Munguia, Executive D MOPAWI Apartado Postal 2175 Tegucigalpa, MDC, Honduras	
USAID/PACT			
Madagascar Rural Development Around the Future Andohahela Park	TRANS-006 07/01/1997 - 09/30/1998 Donor: $213,962 Match: $0 Total: $213,962	Ms. Susan Liebold, Program Officer PACT 1901 Pennsylvania Avenue, NW Suite 501 Washington, DC, 20006 USA	This project has the following objectives: 1) continuation of strategies/activities begun under the ICDP which give indication of being the most promising in promoting sustainable natural resource use and biodiversity conservation; 2) further development of those strategies/activities within the broader context and consultative process of landscape ecology/eco-regional approach of the EP2; 3) empowerment of Malagasy partner institutions/organizations in the implementation of field activities and through continued capacity building; 4) development of more sustainable institutional and financial arrangements for the key development activities begun under the ICDP; and 5) support for ANGAP's new park management role through mutual consultation, information sharing, and the implementation of development for conservation activities.

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
Madagascar Development for the Northern Region Project (Amber Mountain)	TRANS-005 07/01/1997 - 09/30/1998 Donor: $110,508 Match: $0 Total: $110,508	Ms Susan Liebold, Program Officer PACT 1901 Pennsylvania Avenue, NW Suite 501 Washington, DC, 20006 USA	This project has the following objectives: 1) continuation of strategies/activities begun under the ICDP which give indication of being the most promising in promoting sustainable natural resource use and biodiversity conservation; 2) further development of those strategies/activities within the broader context and consultative process of landscape ecology/eco-regional approach of the EP2, 3) empowerment of Malagasy partner institutions/organizations in the implementation of field activities and through continued capacity building; 4) development of more sustainable institutional and financial arrangements for the key development activities begun under the ICDP, and 5) support for ANGAP's new park management role through mutual consultation, information sharing, and the implementation of development for conservation activities
USAID/SNLabs/DOE			
Mexico Renewable Energy Grants Program: Mexico	A0-100/DE-AC04-94AL85000 04/20/1995 - 03/31/1999 Donor: $230,000 Match: $0 Total: $230,000	Mr. Charles Hanley, Sandia National Laboratories Org. 6201, MS 0704 P.O. Box 5800 Albuquerque, NM 87185-0704 USA	To implement pilot projects using renewable energy technologies for productive use or other applications to enhance existing conservation and sustainable development activities in protected areas in Mexico.
USAID/TNC			
Central America PROARCA	596-0180-A-00-5125-00 09/23/1995 - 06/30/2000 Donor: $2,321,000 Match: $800,574 Total: $3,121,574	Ms. Miriam Ostria, The Nature Conservancy International Headquarters Latin America and Carribean Division 4245 North Fairfax Drive, Suite 100 Arlington, VA 22209 USA	To provide support to the Coastal Zone Management (CZM) Component under the PROARCA project WWF is responsible for project activities in the geographic sites of El Salvador, Honduras, and Nicaragua, providing leadership in the policy activities of the project and coordinating the monitoring and evaluating of the strategic objectives of PROARCA/CZM project in coordination with the Biodiversity Support Program.

Country/Project Title	Prime Agreement No./ Dates/Award Amount	Donor Contact	Project Description
World Bank			
Papua New Guina Papua New Guinea Forest Management and Monitoring Program for Environmentally Sustainable Forestry in Papua New Guinea	TF 028440-K21876 11/01/1996 - 12/31/1997 Donor: $22,000 Match: $0 Total: $22,000	Mr. Ken Newcombe, World Bank 1818 H Street, NW Washington, DC, 20433 USA	To develop a forest management and environmental and social monitoring program which will meet guidelines established by the Forestry Stewardship Council The guidelines will identify needed actions to conserve biological diversity (both within and outside of production forests), maximize social benefits, and achieve sustainable wood production in the biological and cultural contest of PNG.
Marine Aquarium Fish Council Initiative	A37970 04/13/1998 - 09/15/1998 Donor: $40,000 Match: $0 Total: $40,000	Ms. Judy Bobb, The World Bank Institutional Procurement Unit 1818 H Street, NW Room I2-010 Washington, DC 20433,	
Socio-Economic Root Causes of Biodiversity Loss	(no agreement number specified) 11/07/1997 - 12/30/1998 Donor: $50,000 Match: $0 Total: $50,000		

Mr. CALLAHAN. David Nemtzow.

THURSDAY, MARCH 4, 1999.

U.S. AID ENERGY PROGRAMS

WITNESS

DAVID NEMTZOW, PRESIDENT, ALLIANCE TO SAVE ENERGY

Mr. NEMTZOW. Thank you, Mr. Chairman. Thank you for the opportunity to testify today. I am here to testify in strong support of the administration's fiscal year 2000 request for USAID's energy programs. And if time permits, Mr. Chairman, I will respond to the question you asked to Mr. Lucas about how you can find some money, as well as how to spend some. So stay tuned.

I am David Nemtzow. I am President of the Alliance to Save Energy. We are a bipartisan nonprofit coalition of business, government, environmental, and consumer leaders dedicated to energy efficiency. We were founded by Senator Charles Percy in 1977. We are chaired by Senator Jeff Bingaman today and co-chaired by your colleagues, John Porter and Ed Markey. Over 70 companies participate in the Alliance to Save Energy's programs.

I am here today, Mr. Chairman, to testify in strong support of USAID's energy efficiency programs, and to thank you for your past support of these invaluable activities. We believe that USAID plays a vital and a unique role in promoting the development of sustainable and rational energy policies in developing countries.

These are countries, of course, that typically lack reliable supplies of electric power and other forms of energy AID spurs the transfer of U.S.-made energy efficiency technologies and services to the countries. AID is also helping to leverage millions of dollars from The World Bank, from foundations, corporations, and other agencies.

By working with the private sector, AID has also been instrumental in expanding markets for U.S.-made products. You know, Mr. Chairman, from your service in Congress that energy is an international issue. It is inherently international, and we all learned that from the Arab oil embargo and the Gulf War.

And a barrel of oil saved in Bombay helps world oil markets, much as a barrel saved in Birmingham. It helps decreased world demand keep prices down. So by helping the international environmental equation, we are helping our own at the same time.

And we have had a lot of success working at the Alliance with AID in Ghana, Mexico, Russia, Hungary, India,and elsewhere to get this message across of creating jobs, reducing energy costs, and protecting the local and global environment.

So, in short, Mr. Chairman, energy efficiency is a very attractive approach in the developing world to solve energy problems. There are lower costs in building power plants in many cases, and they reduce the risk of electric shortages throughout the developing world.

I would like to offer four concrete suggestions for your consideration and for the subcommittee's consideration as you work on the AID budget.

First, I strongly and respectfully urge you to provide continued support for USAID's energy programs. And I ask you to ensure that the agency continues to include efficiency prominently throughout all its work. This can only succeed if efficiency is fully integrated into their work.

This is really the heart of the problem with the agency, Mr. Chairman. For the different bureaus and missions, energy is rarely at the top of the list. Hunger or population or these other issues are at the top of the list. But energy is always on the list. And unless this subcommittee continues to provide direction to the agencies, energy will get cut off. It is never at the top, but it is always on the list, and you need to remind them of that.

Secondly, I urge you to work with the agency to undertake the same kind of bold initiatives in the energy sector that you have done in child survival and in biodiversity and the other areas. With direction from this subcommittee, the agency can raise the profile of energy and infrastructure issues, and that is very important to the missions in the bureaus.

Three, we see disasters increasing worldwide, Hurricane Mitch being the most recent example. And to rebuild from those disasters is, of course, a terrible burden to the local population and to governments who want to help. But at least it provides us an opportunity to rebuild sustainably, to use energy wisely for future generations. And our chairman, Jeff Bingaman, recently wrote to USAID asking that efficiency in renewable and coal technologies be built into redevelopment efforts.

And, fourth—and this is the area, Mr. Chairman, where you can save some money, not just spend it—AID, as well as the State Department, for that matter, and other agencies under your jurisdiction, have a great opportunity to provide leadership in this area by incorporating energy efficiency into the construction and retrofit of their own buildings.

The missions overseas, the embassies, should be built energy efficiently for two reasons. It helps showcase U.S. technologies. And we are rebuilding in Nairobi and Dar es Salaam, of course, as well as a new AID mission in Cairo. But it also helps to cut the agency's utility bills.

The Alliance to Save Energy recently did a study. I do not know if you know, but the Federal Government owns 500,000 buildings worldwide—Army barracks to embassies abroad. The U.S. Federal Government spends $8 billion a year on energy bills. At least a billion and a half of that is wasted.

So by directing the agency—I know you will have Secretary Albright, Administrator Atwood before you. I hope you will ask them what they are doing to cut their own energy bills, so you can spend the money on UNDP or biodiversity or Israel or whatever the subcommittee's higher priorities are.

And so while I recognize that AID's broad mission makes your challenge so great about finding support for their different activities, I hope you will continue your work in the past to send a message to the agency that energy matters. And by helping nations cut their energy bill, they will help promote their local development, they will help promote the sale of U.S.-made products and services, and they will help protect the local and global environment.

So I thank you again, Mr. Chairman, for providing us the opportunity to testify before you today.

Mr. CALLAHAN. We thank you for coming.

[The information follows:]

TESTIMONY OF

DAVID M. NEMTZOW
PRESIDENT
THE ALLIANCE TO SAVE ENERGY

BEFORE THE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

ON THE FY'00 BUDGET FOR USAID'S ENERGY PROGRAMS

MARCH 4, 1999

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify before you today in support of the Administration's request for Fiscal Year 2000 spending for the U.S. Agency for International Development's energy programs.

Introduction

My name is David Nemtzow. I am the President of the Alliance to Save Energy, a bi-partisan, non-profit coalition of business, government, environmental, and consumer leaders dedicated to improving the efficiency with which our economy uses energy. The Alliance was founded in 1977 by Senators Charles Percy and Hubert Humphrey; and is currently chaired by Representatives John Porter and Ed Markey, as well as your colleagues Senators Jeff Bingaman and James Jeffords. Over seventy companies currently participate in the Alliance's Associates program and with your permission Mr. Chairman, I would like to include for the record a complete list of the Alliance's Board of Directors and Associates. This list includes the nation's leading energy efficiency firms, electric and gas utilities, and other companies committed to promoting sound energy use.

The Alliance has a long history of designing and evaluating energy efficiency programs in the U.S. and abroad. We also have a history of supporting efforts to promote energy efficiency that rely not on mandatory federal regulations, but on partnerships between government and business and between the federal and State governments. I am here today, Mr. Chairman, to testify in support of USAID's energy efficiency programs and to thank you for your past support of these valuable activities. The Alliance to Save Energy believes that USAID plays a vital and unique role in supporting efforts to promote the development of sustainable energy policies in developing countries. USAID's funding for energy efficiency, renewable energy, and power sector reform not only helps to leverage millions of additional dollars in foundation, development bank, and other Federal agency support, but also spurs the transfer of energy-efficient technologies and services overseas. By working with the private sector to design and implement policies that break down barriers to energy efficiency activities, USAID has been instrumental in helping the U.S. energy efficiency industry enter new markets and further increase sales of their products.

The Alliance has had a great deal of success in replicating this unique blend of private-public partnerships on behalf of USAID in such countries as India, Mexico, Russia, Hungary, and Ghana. Our work has clearly proven the USAID premise that a strong institutional framework for energy efficiency in developing countries creates jobs, reduces costs, and protects the environment. USAID's continued support is critical to the ability of the Alliance and other organizations to carry out their international mission and to leverage funding for these activities.

The Role of USAID in the Energy Sector

Although USAID's energy programs do not often receive the visibility of the Agency's more "traditional" development programs like humanitarian relief and child survival, they are crucial to the goal of sustainable development in the poorest regions of the world. While it is impossible to ignore the pressing physical needs of the communities USAID serves, reasonably priced, clean, and reliable energy supplies often play an equally important role in the lives of the world's poorest citizens by reducing respiratory illnesses and improving access to heating, lighting, refrigeration, and hot water. Whether it is fuel for cooking in Africa, electricity for refrigeration in tropical climates, or heat for regions of Russia's frozen north, energy plays a very central role in the lives of all the world's inhabitants.

Unfortunately, energy supplies in most of the world's countries are not always reliable or safe. Power plant emissions from the combustion of poor-quality coal have fouled not only the skies but the lungs of millions of Chinese; radiation from the failed Chernobyl nuclear reactor in Ukraine has sickened a generation of children; and drought conditions in many parts of Africa have left hydropower turbines quiet and cities dark. In addition, explosive economic growth in most of the developing world, especially Asia, has precipitated a surge in demand for cheap energy supplies. While energy prices are relatively low today, over one billion of the world's people lack access to reliable supplies of fuel for cooking or electricity for rudimentary lighting and refrigeration. Residents in some of the developing world's largest cities continue to experience rolling electricity brownouts, blackouts, and inadequate access to the power grid. These electricity shortages lead to constraints on industry and the commercial sector, that stifle economic growth and lead to further hardships from unemployment and foregone export revenues.

Energy efficiency provides an attractive solution to these problems. Not only are energy conservation programs in developing countries a relatively low-cost alternative to the construction of new hydroelectric or fossil fuel plants, they can also reduce the risk of electricity shortages and increase the competitiveness of the industrial sector. One of the most successful examples of a national energy conservation program has been Brazil's National Electricity Conservation Program (PROCEL). With support from USAID, PROCEL has developed demonstration and education programs to foster energy efficiency savings and reduce the need for new construction of costly power plants. The country has developed energy efficiency standards, regulatory measures, and joint-venture projects that have become a model for the rest of Latin America. PROCEL's energy efficiency measures have resulted in direct savings of over 1200 gigawatt-hours per year or approximately 300 megawatts of hydroelectric capacity.

Another example of where energy efficiency has provided an effective solution to more traditional supply-side options is in the City of Kaliningrad, Russia. The Alliance, with seed funding from USAID, assisted the City of Kaliningrad to receive a World Bank loan for improvements to the city's central heating system. Upon completion of the $5.5 million project, more than five miles of pre-insulated piping will have been laid, and the project will have generated enough savings to finance the fuel switch of a nearby generating station from coal to gas. The project will result in an approximate annual reduction of 12,000 tons of greenhouse gases. With yearly fuel savings of $1.6 million, the project is estimated to pay back the city in three years.

These examples clearly demonstrate how USAID's programs serve a unique and valuable function in helping policymakers and other stakeholders in developing countries adopt sustainable energy practices and programs. The Agency's programs have been instrumental not only in replicating the broad energy lessons of the United States, such as the importance of integrated resource planning, competition, and proper pricing, but have also been useful in demonstrating more specific policy measures such as energy efficient appliance standards and model building codes. In addition, USAID's activities play a role in leveraging the resources of others. For example, the Alliance's Sustainable Cities Initiative partnership with USAID has leveraged grants from foundations such as Rockefeller, W. Alton Jones, Honeywell, and Merk, as well as in-kind support from the private sector and the Department of Energy.

Recommendations

I would like to offer three suggestions to the Subcommittee to help USAID further promote sustainable energy in the developing world.

- First, I strongly urge the Subcommittee to provide continued funding support for USAID's energy programs and to ensure that the Agency continues to include energy efficiency prominently in its work. Energy efficiency must not be an afterthought to other energy programs such as restructuring and privatization, but must be fully integrated with both the policy and the regulatory components of the Agency's work. Energy efficiency provides an environmentally acceptable alternative to new supply by displacing unsafe sources of power from aging nuclear reactors and inefficient coal-fired plants.

- Second, I urge the Subcommittee and the Agency to undertake the same bold initiatives in the energy sector that they have taken in the child survival and biodiversity arenas. Possible topics for focused USAID intervention and funding include energy efficient appliance standards, building codes, and rural electrification. These types of activities, while invaluable in the promotion of energy efficiency in developing countries, are almost impossible to finance through corporate foundations and traditional private sector funding mechanisms. Without a strong policy and regulatory framework for sustainable energy in these countries, it is doubtful that markets for energy efficiency in developing countries will grow sufficiently enough to attract U.S. business to any significant degree. USAID is one of the few organizations in the world that can provide the technical and financial assistance developing countries need to undertake these structural and legal reforms. This fact was demonstrated by the Subcommittee in last year's "energy directive" contained in the Foreign

Ops Appropriation Bill, which called on the Agency to maintain level funding for USAID's Office of Energy, Environment, and Technology. The Alliance applauds continued level funding for the office's many programs, and we also urge the Subcommittee to provide similar support for the regional bureaus that fund so many of USAID's Mission and regional energy activities in the face of shrinking budgets.

- Third, while recognizing the unexpected pressures that the Agency is facing from natural and social calamities in countries such as Indonesia and Honduras, the Alliance urges the Subcommittee to ensure that USAID stands by its established energy programs, and even consider expanding them within these nations in crisis. Sustainable redevelopment in Central America, and improved access to municipal services such as electricity and sewers in Indonesia, will not only help these countries rebuild their physical and social infrastructure in a more sustainable way, but may help alleviate the underlying social pressures that can lead to political instability. I would also like to note that several Members of Congress, including our Chairman Jeff Bingaman, wrote several agencies including USAID last December to suggest that energy efficiency and renewable energy technologies be employed wherever practical in all U.S.-sponsored rebuilding efforts [see attachment]. By helping these countries rebuild from Hurricane Mitch in a more sustainable manner, the U.S. is helping these countries ensure a more sustainable future.

  For example, many municipalities are using a growing share of their budgets to pay for the delivery of municipal services such as street lighting and water pumping. Improvements in the delivery of essential city services can lead to considerable cost savings that can then be used to pay for things such as mass transit and social programs. In Ahmedabad, India, the Alliance, with initial support from USAID, supported upgrades to the municipal water system. The equipment and process upgrades have allowed the City of Ahmedabad to realize savings of over $300,000 in fuel costs for water pumping, 4.3 million kilowatt-hours of electricity, and reduced carbon dioxide emissions of 4,650 tons. These savings are expected to more than triple in 1999 with the next phase of investments planned for that city.

Conclusion

USAID's energy programs assist policymakers, non-governmental organizations, and businesses in developing and transition countries use energy efficiently and economically, just as we have been doing in the United States for over 21 years. While we realize that USAID's broad development mission makes it impossible to maintain current funding levels in all programs, the Alliance respectfully urges the Subcommittee to recognize and support the important work the Agency is doing in the energy sector. In addition, we ask the Subcommittee to provide the Agency with the full-time employees and funds to administer and manage their energy programs efficiently. Without an effective organization in Washington and in the field, programmatic resources will not be used to their full advantage.

In short, vigorous Congressional support for USAID's energy programs will help to ensure that countries such as Mexico, India, Brazil, and Russia are not only able to develop their economies in a manner that is environmentally sustainable, but to take on additional responsibilities to curb greenhouse gases and environmental degradation.

Thank you again, Mr. Chairman, for the providing the Alliance to Save Energy with the opportunity to testify before you today. I would be happy to answer any questions that you or the other members of the Subcommittee may have.

***

Mr. CALLAHAN. Mr. Derrick.

THURSDAY, MARCH 4, 1999.

INTERNATIONAL ENERGY PARTNERSHIP PROGRAM

WITNESS

JOHN DERRICK, VICE PRESIDENT AND TREASURER, U.S. ENERGY ASSOCIATION

Mr. DERRICK. Good afternoon. I appreciate the opportunity to appear before you to represent the United States Energy Association, of which I am First Vice Chairman and Treasurer, and I am also the President and Chief Executive Officer of PEPCO.

I would like to first begin by stating that our association, the U.S. Energy Association (USEA), considers the International Energy Partnership Program to be one of the most effective and cost efficient foreign assistance programs of any sector. Evidence of this fact is that the Europeans have replicated this program in the energy sector specifically, as well as other sectors.

Perhaps most compelling is the continued participation of the United States private sector participants, electric utilities, and others who contribute their time and expertise toward meeting the partnership goals. None of these companies would continue to invest their time and resources if they were not convinced of the value of our program.

USEA's partnerships are also recognized as being in the strategic interest of the United States by promoting economic stability, democracy, environmental protection, and market economies. Our very national security is enhanced by these efforts.

In 1992, utilizing the experience and resources of the U.S. energy industry, USEA launched our International Energy Partnership Program. To date, USEA has established 45 utility and regulatory partnerships in 22 developing countries or countries in economic transition. Over 5,000 utility and regulatory executives have participated in USEA partnerships since 1992.

Since the inception, 35 U.S. electric and gas utilities and eight U.S. regulatory commissions have participated. Examples of these include the Alabama, Mississippi, and Georgia Power companies, the California Public Service Commission, Public Utilities Commission, Pacific Enterprises, Sacramento Municipal Utility District, and the Independent System Operator of California. And from Texas, Central Southwest, Houston Power and Light, and Texas Utilities. And there are many, many more.

USEA receives funding support from three sources—first, the USAID Office of Energy, Environment, and Technology of the USAID Global Bureau; secondly, the USAID Bureau for Europe and New Independent States; and, thirdly, the Overseas USAID Missions.

The goal of these partnerships is to promote more efficient, environmentally sound supply and use of energy by transferring commercially viable, market-oriented approaches to overseas electric and gas utilities. Additionally, these partnerships help to enhance opportunities of U.S. investment and trade in international energy markets.

The partnerships are very cost effective. On average, every dollar of USAID funding leverages two to three dollars from the U.S. and overseas utility partners.

We understand that in last year's report this subcommittee urged the USAID to stress particular matters in its energy programs, including power sector and energy use efficiency, collaboration with U.S. Industry, host country institutional capacity building, legal or regulatory reform, trade and technology transfer.

From the following abbreviated list of results emanating from USEA's International Energy Partnership Program, I believe you will see the usefulness of this collaborative approach to foreign assistance. In India, the Southern Company of Atlanta, Georgia, has been short-listed to participate in a joint venture with their partner, Calcutta Electric Supply Co., to build, own, and operate a 700-megawatt independent power plant in India.

The Columbia Gas Distribution Company helped its Russian utility partner establish an automated customer information system and direct access payment centers that is projected to save $61 million.

Niagara Mohawk Power Corporation's international subsidiary has signed a joint venture to market solid state electric meters, made under a Niagara Mohawk patent, in India to replace the unreliable mechanical meters used by most utilities.

And moving to modern technology, microchips, and so forth, we essentially are able to take a system like India's and just leapfrog several generations that America has gone through to reach this point. So it is a great leap forward kind of an approach. Plus, it provides business for U.S. companies.

USEA established the U.S. Caspian Oil and Gas Environmental Program to join U.S. oil and gas companies with the nations bordering the Caspian Sea to solve critical environmental problems.

In India, Pennsylvania Power and Light helped its partner to improve the generation efficiency of coal-fired power plants and utilize fly ash waste. in Senegal, GPU—General Public Utilities—from New Jersey helped to redraft the electricity laws and regulations to permit private sector participation in its power generation and distribution system.

It seems like a bureaucratic thing to do, but I have come to learn how fundamentally important it is to get the laws and regulations in these evolving overseas economies straight, so that there can be maximum opportunity for others to help out.

USEA would like to thank you for this opportunity the subcommittee has given us, and for USAID for supporting our International Energy Partnership Program, and we would like to make three requests.

The first request is that the Subcommittee on Foreign Operations support continued or increased funding for the energy programs of USAID Global Bureau and USAID Bureau for Europe and the New Independent States, especially for the international energy partnerships.

Secondly, we would urge your support for the lifting of sanctions on India to enable our program to continue to assisting the electric utilities and regulatory commissions of that important nation.

And, finally, we would urge you to encourage USAID to support a Central American utility partnership to enable U.S. utilities to provide management assistance to the utilities in Central America that were devastated by the impact of Hurricane Mitch.

Thank you very much.

Mr. CALLAHAN. Thank you, Mr. Derrick. And your entire statement shall be inserted into the record.

Mr. DERRICK. Thank you.

[The information follows:]

TESTIMONY
BEFORE
THE U.S. HOUSE SUBCOMMITTEE
ON FOREIGN OPERATIONS
OF THE COMMITTEE ON APPROPRIATIONS

BY

JOHN M. DERRICK, JR., FIRST VICE PRESIDENT,
U.S. ENERGY ASSOCIATION AND PRESIDENT & CEO,
POTOMAC ELECTRIC POWER COMPANY

USEA'S INTERNATIONAL ENERGY PARTNERSHIP PROGRAM: THE VALUE OF INTERNATIONAL UTILITY AND REGULATORY PARTNERSHIPS IN THE U.S. FOREIGN ASSISTANCE PROGRAM

March 4, 1999

56-751 99 - 11

Chairman Callahan and members of the Subcommittee, thank you for the opportunity to appear before you to address how USEA's International Energy Partnerships contribute to the foreign assistance goals of the United States.

I. INTRODUCTION

Let me begin by stating that our association considers our International Energy Partnership Program to be one of the most effective and cost efficient foreign assistance programs in any economic sector.

Evidence of this is the fact that the Europeans have replicated this program in energy specifically -- as well as in other economic sectors.

Perhaps most compelling is the continued participation of U.S. private sector participants, electric utilities, and others who contribute their time and expertise toward meeting the partnership goals. None of these companies would continue to invest their time and resources if they were not convinced of the value of our program.

USEA's partnership are also recognized as being in the strategic interest of the United States by promoting economic stability, democracy, environmental protection, and market economies. Our very national security is enhanced by these efforts.

II. USEA'S INTERNATIONAL ENERGY PARTNERSHIP PROGRAM

In 1992, utilizing the experience and resources of the U.S. energy industry USEA launched our International Energy Partnership Program. To date, USEA has **established 45 utility and regulatory partnerships in 22 developing countries or countries in economic transition.** Over **5,000** utility and regulaotry executives have participated in USEA partnership activities since 1992 (1/3 from U.S. and 2/3 from overseas).

Since inception, 35 U.S. electric and gas utilities and 8 U.S. regulatory commissions have participated (see attached list of energy partnerships). These include:

- **Alabama, Mississippi and Georgia Power Companies**
- **CINergy and Columbia Gas Distribution** of Ohio
- **Commonwealth Edison** of Illinois
- **Pennsylvania Power and Light and DQE** of Pennsylvania
- **General Public Utilities** of New Jersey
- **Pacific Enterprises** and **Sacramento Municipal Utility District** of California
- **Brooklyn Union, NYS Electric and Gas, and Niagara Mohawk Power Corp.** of New York
- **Portland General Electric and Pacificorp** of Oregon
- **Central SouthWest (CSW), Houston Power and Light, and Texas Utilities** of Texas
- **Public utility regulatory commission** from Kentucky, Ohio, Oregon, California, Iowa,

Florida, Massachusetts and the District of Columbia

HIGHLIGHTS:

A. In India, the **Southern Company** of Atlanta, Georgia has been short listed to participate in a joint venture with their partner, the Calcutta Electric Supply Co., to build-own-operate a **700 MW independent** power plant in India.

B. **Columbia Gas Distribution Co.** helped its Russian utility partner establish an **automated customer information system** and **direct access payment centers** that is projected to **save US$61** million.

C. **Niagara Mohawk Power Corp.'s international subsidiary** has signed a **joint venture agreement to market solid state electric meters,** made under a Niagara Mohawk patent, in India to replace the unreliable mechanical meters used by most utilities.

D. USEA established the **U.S./Caspian Oil and Gas Environmental Program** to join U.S. oil and gas companies with the nations bordering the Caspian Sea to solve critical environmental problems.

E. In India, **Pennsylvania Power and Light** helped its partner to **improve the generation efficiency of their coal-fired power plants** and **utilize fly ash waste.**

F. In Senegal, **General Public Utilities (GPU)** of Parsippany, N.J. helped redraft the electricity laws and regulations to permit **private sector participation in its power generation and distribution system.**

FUNDING:

USEA receives funding support from (1) the USAID Office of Energy, Environment and Technology of the USAID Global Bureau, (2) the USAID Bureau for Europe and New Independent States, and (3) overseas USAID Missions.

GOAL:

The goal of these partnerships is to **promote more efficient, environmentally sound supply and use of energy by transferring commercially viable, market-oriented approaches to overseas electric and gas utilities.**

Additionally, these partnership help **enhance opportunities of U.S. investment and trade in international energy markets.**

PARTNERSHIPS ARE COST-EFFECTIVE:

- On average, every $1 of USAID funding leverages $2 to $3 from the U.S. and overseas utility partners;
- USAID funds are used only to pay for travel, lodging, and incidental expenses;
- U.S. and overseas utilities and agencies make pro bono contributions of their time, salaries, fringe benefits and overhead.

KEY PARTNERSHIP ISSUES:

Each year, the partners develop a Work Plan that focuses on 3-4 key issues, which may include:

- Energy efficiency
- Finance and tariffs and capacity building
- Utility restructuring
- Commercialization
- Environmental impact reduction and renewable energy
- Utility regulation
- Management improvement
- Customer service

PARTNERSHIP CHARACTERISTICS:

The utility and regulatory partnerships have the following characteristics:

- One-on-one partnerships between peers;
- 2-3 years in duration
- Work plans focus on 3-4 issues
- 4-5 executive exchanges or seminars each year
- High level, senior management participation

WHY DO THE UTILITIES PARTICIPATE?

U.S. utilities participate to:

- Identify international **investment opportunities** - understand how overseas markets operate;
- Identify reliable **international strategic partners;**
- Develop **staff and management capabilities;**
- Foster **humanitarian interests.**

III. PARTICULAR ENERGY DIRECTIVES OF THE SUBCOMMITTEE

We understand that in last year's report, this Subcommittee urged USAID to stress particular matters in its energy programs, including power sector and energy use efficiency, collaboration with U.S. industry, host country institutional capacity building, legal or regulatory reform, trade, and technology transfer. From the following list of results emanating from the USEA International Energy Partnership Program, I believe you will see the usefulness this collaborative approach to foreign assistance.

IV. PARTNERSHIP RESULTS

COMMERCIAL RESULTS FOR U.S. FIRMS

As a platform for U.S. foreign investments and joint ventures, the partnerships have resulted in the following:

- In India, the **Southern Company** of Atlanta, Georgia has been short listed to participate in a joint venture with their partner, the **Calcutta Electric Supply Co.**, to build-own-operate a **700 MW independent** power plant in India.

- In Ukraine, **PP&L** will provide utility management training to **Centerenergo** a thermal generating company under a loan from the European Bank for Reconstruction and Development.

- In the Philippines, **CSW** of Dallas, Texas has proposed to conduct an Automated Meter Reading pilot program for **MERALCO** of the Philippines to improve energy efficiency and revenue collection by installing special electronic meters that can be read remotely for large industrial and commercial accounts.

- **Columbia Gas Distribution Co.** helped its Russian utility partner establish an automated customer information system **and direct access payment centers** that is projected to **save US $61** million.

- **Niagara Mohawk Power Corp.'s international subsidiary** has signed a joint venture agreement to market solid state electric meters, made under a Niagara Mohawk patent in India to replace the unreliable mechanical meters used by most utilities.

ENERGY IMPROVEMENT RESULTS FOR OVERSEAS PARTNERS

What have been the results of the partners? Let me give you a few examples:

1. **Capacity Building in Utility Restructuring, Commercialization and Revenue Collection**

- The General Director of long-time USEA utility partner **Kyivenergo** was promoted to be the Minister of Energy of Ukraine.

- In the Philippines, **VECO** established a power marketing and sales department modeled after PacifiCorp to better serve strategic customers.
- In the Ukraine, **Otter Tail Power** commenced a second utility partnership in Ukraine with **Lvivoblenergo**, the electric company serving the Lviv oblast. The partners are focusing on improving Lvivoblenergo's accounting system.

- In India, **Calcutta Electric Supply Company (CESC)** has consolidated its regional customer service facilities into two main branches.

- **Otter Tail Power** worked with its first Ukrainian partner, **Crimenergo**, the electric company serving the Crimean peninsula, to produce its first annual report containing western style accounting information.

- Armenian Prime Minister, Armen Darbinian, was the featured speaker at the USEA/USAID sponsored *Armenia Energy Sector Investment Conference*. The conference drew over 100 participants to discuss Armenian energy privatization and new projects.

- In Moldova, after a one month internship at **Yankee Gas, Moldovagaz**, the nation's natural gas transmission and distribution company, developed procurement policies designed to reduce costs of purchased products and services.

- In Armenia, **Delta Natural Gas** of Winchester, Kentucky, commenced a partnership with **Yerevangaz**, the natural gas company serving Yerevan. The partners are working on technical and managerial challenges to reintroducing gas service to Armenia.

- In the Philippines, **MERALCO** -- which serves metropolitan Manila -- has established a "Key Accounts System" based on **CSW**'s model. The new system assigns case managers to large industrial customers in order to increase the reliability/quality of electric service and to increase accuracy in billing

- **Entergy** of Louisiana has assisted the Russian utility that serves St. Petersburg to introduce market-orient utility operations, business administration concepts and management training practices into its business.

- **Columbia Gas Distribution Co.**, based in Columbus, Ohio, helped its Russian utility partner, **Penzagaz**, to increase the revenue and profitability of the Russian utility by developing an automated customer information system. **Penzagaz** also plans to open direct access payment centers introduced by **Columbia Gas**. Penzagaz expects to save 342 million rubles (US $61 million) in the two districts it serves by establishing the direct payment centers and avoiding the transaction fees imposed by the banks.

- Information gained from the Customer Service Executive Exchange Visit between **Central Maine Power (CMP)** and the **Bulgarian National Electric Company (NEK)** has assisted **NEK** in setting up customer service centers throughout Bulgaria.

- **National Power Corp.** of the Philippines, through its utility partner **Georgia Power**, has contracted the **Southern Company College** to conduct its "Student of the Business" course in the Philippines. Using computer simulation and team role playing, this course simulates the real life decisions by senior managers in investor-owned utilities. Topics include alternative investments in generation capacity, IPP purchases, environmental pollution control, improved energy efficiency, customer service enhancements, and other options. The computer program then determines the ultimate impact of these investment decisions on stock price, dividends and long term corporate viability.

- In Indonesia, **PLN**, in order to increase commercial productivity orientation in its work force, has agreed to cooperate with **SEI** trainers to develop a human resources course for PLN employees based on **Southern Company College** courses.

- **Brooklyn Union Gas, now Keyspan Energy**, helped its Russian natural gas partner in Vladimir Russia to develop a 14 step process to improve metering and collections as part of a study conducted by the World Bank. The plan led to USAID's provision of 500 U.S. manufactured meters to implement a pilot project, through which the Russian utility has encouraged energy conservation and stimulated improved revenue collections.

- In Kyrgyzstan, **Washington Water Power**, based in Spokane, Washington, worked with its electric utility partner to develop cost based electric power tariffs. **Washington Water Power's** commitment to the partnership program is evidenced by the transfer of its proprietary cost of service tariff model and software to its utility partner. The successful adaptation of that model in Kyrgyzstan has led the Kyrgyz utility to request further assistance on accounting and revenue collection, both of which are essential for its eventual privatization.

- In the Republic of Georgia, the **Tennessee Valley Authority** worked with the electric power generation and transmission company partners to help them adopt and comply with internationally accepted accounting standards, which is a critical first step toward privatization. TVA donated seven surplus computers to launch a pilot accounting program in the utilities.

- In Ukraine, **Kentucky Utilities** is working with its generating company partner to assist it in the development of an internationally accepted accounting system as a condition precedent for a World Bank loan to rehabilitate and refurbish its power plants.

- **Pennsylvania Power & Light** has worked with its Ukrainian electric distribution partner in Kyiv to implement a new worker health and safety regime. Following implementation of the new safety program, **Kyivenergo** reduced worker fatalities from seven to zero in one year.

2. **Environmental Pollution Control and Efforts to Avoid, Reduce, and Mitigate the Climate Changing Impacts of Their Energy Sector Activities**

- USEA established the **U.S./Caspian Oil and Gas Environmental Program** to join U.S. oil and gas companies with the nations bordering the Caspian Sea to solve critical environmental problems.

- With input from our utility partners, USEA prepared a preliminary draft **Handbook on Climate Mitigation Options for Developing Countries and Regulatory Agencies** to help guide overseas utilities in coping with GHG emissions.

- With USAID funding, EPP developed the ***International Climate Change Project Fund*** to support the analysis of projects by U.S. energy companies which avoid, reduce and mitigate green houses gases.

- USEA conducted the *Ukrainian-U.S. Conference on Global Climate Change and Greenhouse Gas Mitigation Through Ukraine-U.S. Emission Trading and Joint Implementation Projects*. The conference, which drew 100 senior policy makers, researchers and utility managers, provided a forum to discuss how Ukraine can benefit both environmentally and economically from mitigating greenhouse gas emissions

- In the Czech Republic, the national utility, **CEZ**, decided to implement an Environmental Management System in the generation sector to comply with environmental standards imposed by various international organizations. The company's environmental program has focused on the suppression of gas and particulate emissions from the fossil plants to comply with the requirement of the Clean Air act set in 1991.

- In India, the **Andhra Pradesh State Electricity Board** of Hyderabad is applying up-to-date methods to improve the generation efficiency of their coal-fired power plants,

which they learned from their utility partner, **Pennsylvania Power and Light (PP&L).** The direct result of this will be a decrease in C02 emissions for the utility's plants.

- In Hungary, the national utility, **MVM Rt,** finalized environmental audits of its power plants. The audits focused primarily at disclosing soil and ground water contamination as well as non-compliance. Environmental inspectors are to issue resolutions prescribing clean-up orders and other necessary measures.

- In the Slovak Republic, **Slovenske Elektrarne** implemented the Environment Management and Audit System (EMAS).

3. **Increased Power Plant and Generation System Efficiency**

- **National Power Corporation (NPC)** of the Philippines is considering a long range strategic planning tool modeled after **Georgia Power Company's (GPC)** Generation Facility Evaluation Tool (GFET) for determining the economic life of generation units.

- In Bombay, the local utility, **BSES,** implemented a computerized distribution system control system (SCADA) based on **Niagara Mohawk's** SCADA system

- In Senegal, **SENELEC,** in conjunction with **GPU,** has developed an accelerated maintenance procedure to reduce plant down-time during scheduled maintenance by 50 percent

- And, **SENELEC** will request bids for the building of a water/fuel/materials laboratory, modeled on **GPU's** analysis facility, in order to extend plant life and to improve furnace combustion efficiency.

- In India, **Southern Energy International (SEI)** and **Gulf Powers** of Florida are conducting a generation plant assessment to determine procedural methods to increase energy efficiency in one of **CESC's** aging coal fired generation facility.

- In India, **Karnataka Power Corp. (KPCL)** has proposed the implementation of multicrafting, the training of employees to do multiple tasks in order to qualify for higher compensation, to the unions, which it learned from **DQE** of Pittsburgh. By implementing Multicrafting **KPCL** could significantly reduce its workforce

4. **Demand-side Management and Energy Efficiency**

- **VECO** has shifted to more efficient distribution line connectors based on lessons learned from their utility partner **PacifiCorp.**

- **Karnataka Electricity Board (KEB)** of southern India, and **DQE (Duquesne Light Company)** are finalizing a pilot program on distribution automation to improve distribution efficiencies and decrease distribution losses.

- Romania is developing an incentive system for promoting energy efficiency appropriate to the energy sector and implementation of the new energy law.

- **Sacramento Municipal Utility District** helped their Philippine partner to complete its demand-side management program for submittal to the federal government for final approval.

- In India, **APSEB** used procedures borrowed from **PP&L**'s energy audit program to determine that distribution losses could be reduced by roughly 4 percent by installing single phase water pumps in agricultural areas.

5. **Improved Regulation**

- **Orissa Energy Regulatory Commission (OERC)** in India has established a Regulatory Information Management System (RIMS), a Consumer Complaint handling system, and a web site with the assistance the **Colorado Public Utility Commission** and the **District of Columbia Public Utility Commission.**

- In Russia, USEA is working with the **Federal Energy Commission (FEC)** of the Russian Federation to develop competitive models for electric power and natural gas industry restructuring as a way to reduce prices and improve the efficiency of the Russian electric sector. Andrey Zadernyuk, the Chair of the FEC and a key reformer in the Yeltsin administration, has publicly credited USAID and his participation in the partnership program with his accession to the FEC.

- **ANEEL**, the electric regulatory agency for Brazil, is cooperating with:
  - the **Oregon Public Utility Commission** to define the regulatory commission's role in Integrated Resource Planning and Demand Side Management;
  - the **Iowa Utility Board** to develop policies, procedures, and methods to delegate the regulatory process from the federal to the state level.
  - the **Florida Public Service Commission** to enhance training and staff capacity building capabilities.

- As a result of a partnership between **General Public Utilities (GPU)** of Parsippany, N.J., and **Societe Nationale d'Electricite du Senegal (SENELEC)**. Senegal redrafted its electricity laws and regulations to permit private sector participation in its power generation and distribution system. Senegal used a team of U.S. lawyers to help in the process.

- With USEA assistance, the government of Romania developed a draft ordinance for the design and establishment of a Regulatory Commission.

- The government of Poland amended the energy law and published the new version on June 4, 1997. The new law provides for the establishment of Energy Regulatory Office. Also, according to the law, the Minister of Finance may set electricity prices (for the next 2 years) and retail competition based on third party access is to be developed within the next eight years.

- In Brazil, U.S. regulatory commissions from Iowa, Florida, and Oregon are helping the Brazilian federal regulatory agency to establish its procedures and rules.

- The **Ukrainian National Energy Regulatory Commission (NERC)** worked with the **Wisconsin Public Service Commission** to share best practices and assist the newly created NERC develop administrative and regulatory procedures that are transparent and open to public participation.

- In Armenia, the **Kentucky Public Service Commission (KPSC)** has entered into a partnership with the newly created **Energy Regulatory Agency** of Armenia to assist it with the development of electric and gas tariffs and improved customer service. The **KPSC** completed a one week seminar for its partner in Yerevan last week and hosted a four person month internship program last November.

V. CONCLUSION AND REQUESTS

USEA would like to take this opportunity to thank the Subcommittee and USAID for supporting our International Energy Partnership Program.

REQUESTS:

1. We request that the Subcommittee on Foreign Operations support continued, or increased, funding for the energy programs of the USAID Global Bureau and USAID Bureau for Europe and the New Independent States, especially for the international energy partnerships.

2. We would urge your support for the lifting of sanctions on India to enable our program to continue assisting the electric utilities and regulatory commissions of that important nation.

3. And, finally we would urge you to encourage USAID to support a Central American Utility Partnership to enable U.S. utilities to provide management assistance to the utilities in Central America that were devastated by the impact of Hurricane Mitch.

JOHN M. DERRICK, JR.
President and Chief Executive Officer
Potomac Electric Power Company

Mr. Derrick is President and Chief Executive Officer of Potomac Electric Power Company (PEPCO). He joined the company in 1961, and was elected to his present position in October 1997, having served as President and Chief Operating Officer since 1992. In 1981 he was elected Vice President, Customer Services and in 1989 he was named Executive Vice President and Chief Operating Officer. He has been a member of PEPCO's board of directors since 1994.

Mr. Derrick graduated from Duke University in 1961 with a bachelor's degree in electrical engineering and has done graduate work in engineering administration at The George Washington University.

A licensed professional engineer in the District of Columbia and Maryland, Mr. Derrick belongs to several professional and business organizations, including the Institute of Electrical and Electronic Engineers; the National Society of Professional Engineers; the Washington Society of Engineers; the Edison Electric Institute; and Greater Washington Board of Trade; and the Federal City Council. He is presently serving a two-year term as chairman of the Board of Directors of the Maryland Chamber of Commerce.

Mr. Derrick is a past chairman of the Metropolitan YMCA and Junior Achievement of Metro Washington; first vice chairman and treasurer of the United States Energy Association; and past president of the Washington Building Congress.

He is also a member of the boards of Wesley Theological Seminary; the Maryland/DC Nature Conservancy; the University of Maryland Foundation; Arena Stage; and the Washington Real Estate Investment Trust. He is active in Duke University affairs, serving on the Dean's Council of the School of Engineering.

A native Washingtonian, Mr. Derrick and his wife, Linda, reside in the District of Columbia.

June 1998

USEA ENERGY PARTNERSHIPS

1992-1999

U.S. PARTNER	INTERNATIONAL PARTNER
ASIA, AFRICA & LATIN AMERICA PARTNERSHIPS	
California Public Utilities Commission (CA)	Energy Regulatory Board, the Philippines
Conectiv, Wilmington (DE, NJ)	Egyptian Electric Authority, Cairo, Egypt
CSW Services., Dallas, TX (TX, OK)	Manila Electric Co., Philippines
CSW Services., Dallas, TX (TX, OK)	Shandong Electric Power Group Corp., Jinan, China
District of Columbia Public Service Commission/ Colorado Public Utilities Commission	Orissa Electricity Regulatory Commission, Bhubaneshwar, India
District of Columbia Public Serice Commission	CONELEC, Quito, Ecuador
DQE (Duquesne Light Company) (PA)	Karnataka Electricity Board & Karnataka Power Corp., Limited, Bangalore, India
Florida Public Service Comm., Iowa Utilities Board, Oregon Public Utility Comm (FL, IA, OR)	ANEEL (federal regulatory agency), Brasilia, Brazil
Florida Public Service Commission (FL)	Superintendencia de Electricidad (federal regulatory agency), Santo Domingo, Dominican Republic
GPUI (General Public Utilities) (NJ, PA)*	SENELEC, Dakar, Senegal
Georgia Power Company, Atlanta (GA)	National Power Corp., Manila, Philippines
Gulf Power Company, Pensacola (FL)*	Calcutta Electric Supply Corp., India
Maryland Public Service Commission	Public Utilities Regulatory Commission, Accra, Ghana
PacifiCorp, Portland (OR)*	Visayan Electric Company, Cebu City, Philippines
PGE (Portland General Electric) (OR)	PT PLN Java-Bali Power Company I, Jakarta, Indonesia
PGE (Portland General Electric) (OR)	Visayan Electric Company, Cebu City, Philippines
PP&L (Pennsylvania Power & Light) Allentown (PA)*	Andhra Pradesh State Electricity Board, Hyderabad, India
PSE/Niagara Mohawk Power Corp., Syracuse (NY)*	BSES, Ltd., (Bombay Suburban Electricity Supply), Mumbai (Bombay), India
Public Utilities Commission of Ohio (OH)	Haryana Electricity Regulatory Commission, Chandigarh, India
Sacramento Municipal Utility District (CA)	Cagayan d'Oro Electric Power & Light Co., Philippines
Sempra Energy International,Los Angeles, (CA)	PT PGN (Perusahaan Gas Negara), Jakarta, Indonesia
Southern Energy, Inc., Atlanta (GA)	PT PLN (Persero), Jakarta, Indonesia
Southern Energy, Inc., Atlanta (GA)	PT PLN Java-Bali Power Company II, Jakarta, Indonesia
Southern Energy, Inc., Atlanta (GA)*	BSES, Ltd., (Bombay Suburban Electricity Supply), Mumbai (Bombay), India
Texas Utilities Company (TX)	Tamil Nadu Electricity Board, Chennai, India
To be determined	Davao Light and Power Company, Davao City, the Philippines
To be determined	Iligan Light and Power, Inc., Iligan City, the Philippines
To be determined	Central Electricity Regulatory Commission, New Delhi, India
To be determined	Maharashtra State Electricity Board, Mumbai, India
To be determined	Nepal Electricity Authority
To be determined	Power Finance Corporation, New Delhi, India
To be determined	Southern African Power Pool, Harare, Zimbabwe

*Completed partnerships

NEW INDEPENDENT STATES PARTNERSHPS

American Gas Association (DC)*	Rosgazifikatzia, Russia
American Gas Association (DC)*	Gazprom, Russia
Brooklyn Union Gas (NY)*	Vladimiroblgaz, Vladimir,Russia
CINergy (OH)*	Kazakhstanenergo, Kazakhstan
CINergy (OH)*	Alaugaz, Almaty, Kazakhstan
Columbia Gas (OH)*	Penzagazifikatisa, Penza, Russia
Delta Natural Gas (KY)	Yerevangaz, Armenia
Edison Electric Institute (DC)*	Rao EES Rossi, Russia
Entergy, New Orleans (LA)	Lenenergo, St. Petersburg, Russia
Georgia Power Company, Atlanta (GA)*	Sakenergo, Republic of Georgia
Illinois Power Company (IL)	Nizhnovenergo, Nizhny Novogorod, Russia
Kentucky Public Service Commission	Armenian National Energy Commission, Yerevan, Armenia
Kentucky Utilities (KY)	Dneproenergo, Zaporozhye, Ukraine
National Fuel Gas Distribution (NY)*	Sibirigazservis, Novosibirsk, Russia
New York State Electric & Gas (NY)*	Alaugaz, Kazakhstan
PP&L (Pennsylvania Power & Light) Allentown (PA)	Kievenergo, Ukraine
Public Utility Commission of Ohio (OH)	National Energy Regulatory Commission, Ukraine
Otter Tail Power (MN)	Crimenergo, Simforpol, Crimea, Ukraine
Otter Tail Power (MN)	Lvivoblenergo, Lviv, Ukraine
Questar Corporation (UT)*	Samaragaz, Samara, Russia
Tennessee Valley Authority (TVA) (TN)	Sakenergo, Tbilisi, Georgia
Tennessee Valley Authority (TVA) (TN)	Sakenerogeneratsia, Tbilisi, Georgia
Washington Water Power (WA)	Krgyzenergo, Kyrgyzstan
Yankee Gas Service (CT)*	Moldovagaz, Moldova

EASTERN/CENTRAL EUROPE PARTNERSHIPS

Alabama Power Company (AL)*	Lietuvos Energija, Lithuania
Central Maine Power (ME)*	Natsionalna Elektricheska Kompania, Bulgaria
Central Vermont Public Service (VT)*	Latvenergo, Latvia
Commonwealth Edison Company (MA)*	Polish Power Grid Company, Poland
Houston Lighting & Power Company (TX)*	CEZ, Czech Republic
Mississippi Power Company (MS)*	RENEL, Romania
New England Electric System (MA)*	MVM Rt., Hungary
Southern Electric International. Atlanta (GA)*	Slovenske Elektrarne, S.A., Slovak Republic

*Completed partnerships

USEA
United States Energy Association

1300 Pennsylvania Ave., N.W
Suite 550, Mailbox 142
Washington, DC 20004-3022
Tel: (202) 312-1230
Fax: (202) 682-1682

OFFICERS

Chairman
Archie W. Dunham
Conoco, Inc

First Vice Chairman
John M. Derrick, Jr.
Potomac Electric Power Company

Second Vice Chairman
Robert L. Nardelli
GL Power Systems

Executive Director
Barry K. Worthington

March 2, 1999

The Honorable Sonny Callahan
Chairman
Subcommittee on Foreign Operations,
Export Financing and Related Programs
Committee on Appropriations
U.S. House of Representatives
Washington, D.C.

Dear Chairman Callahan:

Thank you for providing me an opportunity to address your Subcommittee at its public hearing on March 31, 1998.

I plan to briefly talk about USEA's international Energy Partnership Program that is funded by USAID. We have established over 35 "practioner-to-practioner" partnerships between U.S. electric and gas utilities and regulatory agencies and their counterparts in developing countries and countries with economies in transition. I will highlight some of the significant accomplishments of the program to date.

As you requested, I am providing 20 copies of my presentation and curriculum vita. Also, pursuant to Rule XI of the Rules of the House of Representatives, we are providing the following information about grants USEA has received from the Federal government for the current and two previous fiscal years.

USEA has received the following Cooperative Agreement awards from USAID and USDOE:

1. Awards for international energy partnerships

- Cooperative Agreement DHR-5734-A-00-0091-00 with the Office of Energy, Environment, and Technology of the Bureau for Global Programs, Field Support, and Research ($6,614,952 from 1990 to 1999);
- Cooperative Agreement LAG-A-00-98-00045-00 ($5,013,575 from 1998 to 2001);
- Cooperative Agreement EUR-0030-A-00-1085-00 ($15,436,096 from 1991 to 1998);
- Cooperative Agreement EE-A-00-98-00038-00 ($500,000 from 1999 to 2000);

- Cooperative Agreement CCS-0002-A-00-2080-00 with the Bureau for Europe and the NIS ($18,951,112 from 1992 to 2001);

- Cooperative Agreement No. 386-A-00-98-00002-00 with USAID/New Delhi ($1,232,158 from 1997 to 1999);
- Cooperative Agreement No. 263-0098-00013 with USAID/Cairo ($297,675 from 1997 to 1999); and
- Cooperative Agreement No. 482-A-0098-00033-00 with USAID/Manila ($908,059 from 1998 to 2001).

2. Awards from USDOE
- Grant for conferences and seminars on strategic value of cleaner fossil fuels ($350,000 from 1994 to 1998); and
- Cooperative Agreement for conferences and seminars on strategic value of cleaner fossil fuels and China Utility Partnership Program ($270,000 from 1998 to 2003).

If you need any additional information, please do not hesitate to contact me.

Sincerely yours,

Barry K. Worthington
Executive Director

BKW/map

Enclosures: 20 copies of testimony

Mr. CALLAHAN. Dr. Guthrie.

Good morning, Doctor. I guess you heard me admonish people about taking more than five minutes?

Dr. GUTHRIE. I caught on. [Laughter.]

THURSDAY, MARCH 4, 1999.

INTERNATIONAL AGRICULTURE AND RURAL DEVELOPMENT

WITNESS

DR. RICHARD L. GUTHRIE, INTERNATIONAL AGRICULTURE AND RURAL DEVELOPMENT GROUP

Dr. GUTHRIE. Mr. Chairman, and distinguished members of the committee, thanks for letting me speak today about international agriculture and rural development. I am speaking on behalf of an informal coalition of universities that are interested in international agricultural development and research.

The group is led by Peter McPherson, President of Michigan State University and a former administrator of the Agency for International Development.

And so I think you know I represent one of the 22 universities that are involved—Auburn University in Alabama. And there are 22 universities informally involved in this coalition, 22 of the finest land-grant universities in the United States.

Let me briefly explain why we think agricultural development is a key to overall economic development, including our own in the U.S. As the per capita incomes rise above the subsistence level in many of the developing countries, people spend more of their income on goods and services other than food.

Resources have to be shifted out of the agricultural sector to produce the goods and services, as that demand is increasing. Modernization of agriculture—obviously, introduction of new technologies, enhancing productivity—accelerates that process, while at the same time inducing broad-based growth.

A food system that produces nutritious, safe, and reasonably priced food is essential to addressing health problems, especially for children in the developing world. Two-thirds of all of the children in developing countries live in rural areas, and their families primary source of income comes mainly from agriculture.

Agriculture production patterns, processing, marketing, educational efforts, and increasing purchasing power are all keys to improving the nutritional status of people in developing countries. Therefore, it is essential that agriculture and food systems development be a primary concern.

We live and work back home, in your districts. How does international ag development help the farmer in your district? For example, we believe that assistance provided from agriculture development in developing countries is one of the best ways to boost U.S. farm exports. We have seen it happening.

It tends to generate the broad-based income growth that those countries need to become better customers—customers for agricultural products, but not limited to agricultural products by any means, and enhances the exports of many other U.S. commodities.

What about universities? I know you are familiar with the Collaborative Research Support Program, the CRSP program, which was developed and supported by USAID and land-grant universities in the U.S. There are nine of them—nine—involving about—a number of universities in 35 states and land-grant universities and the District of Columbia.

It is a very efficient research—collaborative research—program that has been leveraged, really, because of the contribution from the universities themselves—a minimum of 25 percent cost sharing or matching, and contributions from host government institutions in other countries, too. We linked together our scientists through the CRSPS.

Our bottom line is really simple. Ag development is very important, benefitting institutions and people here in the U.S., as well as in developing countries. It deserves adequate funding.

We have been working through this coalition since 1997, following the '97 appropriations process. By fiscal year 1997, the funding for ag development had dropped to about $240 million, and I know you know these numbers—a major decrease from a decade earlier; in fact, a 75 percent decrease.

We worked with your subcommittee and Mr. Atwood and AID, and we are pleased to see that there has been some recent increase over the past two years to about $305 million for overall ag research and development. And we are certainly very appreciative and grateful for the support of this subcommittee for what has happened there.

And in the fiscal year 1999 foreign ops bill, appropriations bill, there was some strong language there directing the agency to, you know, keep on track here. We welcome that increased funding; however, we do not really believe that it has come that close to where it should be. And we are saying we believe these activities should be funded at a minimum of $500 million a year—ag research and development—up from the $305 million.

We do not yet know exactly what is in the USAID's fiscal year 2000 budget request but have some reason to believe that that number has gone back down again instead of increasing.

Furthermore, we really believe—in the universities that we are directly involved in in CRSPs—we would like to see the funding for those CRSP programs go to $34 million a year. It would be, you know, an increase of $17 million. That would put it back close to where it was quite a few years ago, and it certainly is no major increase.

Thanks for the time, and the opportunity. It has been a privilege for me to be able to be here and make this presentation, and we certainly want to thank the subcommittee.

Mr. CALLAHAN. We certainly hope that our messages will have had some impact on their decision. My daughter Kelly graduates March 19th. You lose your number one lobbyist. But if she graduates cum laude, you will have a strong lobby in the form of——

[Laughter.]

Dr. GUTHRIE. I will bet she does. [Laughter.]

Mr. CALLAHAN. She has a 4.0 at this point. Do not mess her up this last week. [Laughter.]

Thank you, Doctor.

Dr. GUTHRIE. Thank you.

[The information follows:]

Testimony of
Dr. Richard Guthrie
Associate Dean, Agriculture and Assistant Director of International Programs
Auburn University
on behalf of the
International Agriculture Group

Mr. Chairman, and distinguished Members of the Committee, thank you for letting me speak to you today about international agriculture and rural development.

I am speaking today on behalf of an informal coalition of universities that are interested in raising the funding levels and programmatic emphasis for international agriculture development and research. Our informal group is led by Peter McPherson, the president of Michigan State University, and a former Administrator of the Agency for International Development. The group includes:

Auburn University
Cornell University
Iowa State University
Kansas State University
Michigan State University
Mississippi State University
New Mexico State University
North Carolina State University
Ohio State University
Oregon State University
Purdue University
Rutgers University
Texas A&M University*
Tuskegee University
University of Arizona
University of California - Davis
University of Florida
University of Georgia
University of Illinois
University of Maryland
University of Missouri
Washington State University

*For separate technical reasons, Texas A&M is undertaking its effort separate, but parallel to the group.

However, I feel like I could be speaking on behalf of American farmers, women and children in Africa, CEOs of multinational corporations, environmental activists – nearly everyone who has a role, big or small, in the global economy.

I realize this may sound like a great exaggeration, but I cannot overstate the magnitude and impact that agricultural development has on a national economy, and on the global economy. It is literally the cornerstone upon which economic development is built. Without it, an economy, a nation, and its people will not survive, develop, and flourish.

First, let me explain why agricultural development is so important. Our global food production must increase significantly in the next few decades to meet rapidly growing demands, particularly in developing countries. By 2025 – a short time from now – the global population will increase by more than 2 billion people to total more

than 8 billion. Nearly 96% of this growth will come in developing countries. At the same time, the demand for food is expected to double.

Today, more than 800 million people go hungry and are undernourished. The number may exceed 1 billion by the year 2020. The global population of underweight children below five years of age is expected to grow from around 193 million today to around 200 million by the year 2020, mostly among children in Africa. Despite urbanization, nearly 75% of the poor will continue to live in rural areas well into the next century. The significant majority of the rural poor depend on agriculture and agribusiness for most of their meager livelihoods.

Let me explain, briefly, why agricultural development is key to overall economic development. As per capita incomes rise above the subsistence level, people spend more of their income on goods and services other than food. Thus resources have to be shifted out of the agricultural sector to produce the good and services for which demand is increasing. The modernization of agriculture by the introduction of new technologies that enhance productivity will accelerate that process, while at the same time inducing broad-based and efficient growth. Further, the expansion of the non-food sectors generates additional rounds of economic expansion and development. These induced rounds of economic development tend to be more efficient than the top-down expansion of these sectors driven by government-directed industrialization programs that are still frequently found in developing countries. It is for those reasons that agriculture can be such a powerful engine of economic growth and development.

Now, I must explain why I said I could be speaking on behalf of such a wide variety of groups, in addition to our universities.

The health of the people of developing countries, especially women and children, is directly enhanced by improvements to agriculture and the food system. Malnutrition affects the most vulnerable, in particularly, children and the women who are their care-givers. Not only is adequate nutrition most critical for the normal physical and intellectual development of children; but children are also least able to acquire that nutrition for themselves. Therefore, malnutrition has a severe impact on the poor children of the world, impeding their development – and their very survival.

Some 35% of the world's children show severe growth retardation due to inadequate diets. In 1993, nearly 13 million young children died in developing countries – ten times the number of child deaths in industrialized countries. Half of those children are thought to have died due to the effects of malnutrition directly, or indirectly by making them susceptible to infectious disease.

However, children alone are not at risk, malnutrition affects everyone. More than 40% of all women are anemic. An estimated 2 billion people live at risk to diseases resulting from deficiencies of three micronutrients: vitamin A, iodine, and iron. Nutritional deficiencies also decrease worker productivity and increase morbidity and mortality rates.

All of these effects compromise the abilities of people to compete for their livelihoods. Malnutrition can thus lead to continuing cycles of poverty among the disadvantaged. In an increasingly internationalized environment, these effects reach around the world.

A food system that provides nutritious, safe, and reasonably priced food is essential to addressing these health and nutrition problems, especially for children. Over two-thirds of all children in developing countries live in rural areas and their families primary source of income stems from agriculture. Agricultural production patterns, processing and marketing programs, educational efforts, and increased purchasing power are all keys to improving the nutritional status of people in developing countries. Therefore, it is essential that agricultural and food system development be a primary concern for efforts to improve nutritional status and alleviate hunger, thus bettering the health and welfare of all people in developing countries.

How does international agricultural development help the farmer in your district? Assistance provided for agriculture development in developing countries is one of the best ways to boost U.S. farm exports over the long run. This is because such assistance to farming tends to generate the broad-based income growth that those countries need to become better customers for U.S. exports, including agricultural crops. The World Bank confirms that most of the developing countries experiencing rapid income growth in the 1980s previously experienced rapid agricultural growth, mainly because more than 70% of developing country populations is engaged in agriculture-related activities.

In 1996, the percentage of U.S. agricultural exports that go to developing countries was about 50%. This percentage continues to increase: Roughly 60% of new sales growth has been occurring in developing countries. Given the relatively flat population growth in the developed world and the continued rapid population growth in developing countries, it is clear that the greatest potential opportunity for exports will be to developing countries. Studies suggest that U.S. sales to these developing countries are expected, in the years ahead, to grow at roughly 9% annually, or roughly twice the rate of growth of sales to developed countries.

Most importantly, one of the main reasons for this growth in imports by developing countries is growth in the agricultural output of those countries. For all developing countries together, every extra dollar of agricultural output actually adds to

agricultural imports, because agricultural growth helps push up personal income nation-wide, triggering more broad-based demand for food. Each dollar of added agricultural output means 17 cents more in agricultural imports, and 7 cents more in cereal imports specifically.

U.S. non-farm exporters also benefit, of course, when agricultural development takes off in poor countries. The corollary to the example I used about each dollar of added agricultural output increasing agricultural imports is that it also means 73 cents more in total imports. Total U.S. exports to developing countries have increased significantly, now more than $250 billion. All of these exports generate millions of jobs for U.S. workers.

The modernization of agriculture has been criticized for its negative effects on the environment through the pollution of water supplies from the use of modern inputs such as fertilizers and pesticides. These effects can be serious, especially if these products are not used with care. On the other hand, the enhanced productivity allowed by these modern inputs makes it possible to withdraw marginal lands from production. By not tilling land with virgin forest, poor soil quality, or very little topsoil, the damage from erosion and other damage to the environment is drastically reduced. Given that bringing additional land into production will be prohibitively expensive in most parts of the world, the increase in demand for food will have to be met for the most part by modernization of the production of food. The failure to invest in this modernization will have far reaching effects. The rise in food prices that could be a consequence of such a failure could have devastating effects on the world's poor, reducing food security and leading to widespread social tensions and conflicts.

The U.S. would not be exempt from those effects. The U.S. food and agricultural sector is thoroughly integrated into the global food and agricultural sector. To the extent that food prices rise in the international economy, U.S. consumers could share in the reduction in incomes associated with the rise of food prices. Food security in this country could be at risk. Lower income groups would be significantly affected, as well as the budgets for social programs.

Agricultural and food system development and research in developing countries also pay big dividends to U.S. agriculture through our adoption of new plant varieties, management practices and other technologies developed at research institutes in these countries. A recent study, for example, found that returns on U.S. investments in international wheat and rice research were very large, achieving benefit-to-cost ratios of 190:1 and 17:1, respectively. The simple fact is that we gain significantly from our investment in international agricultural research and could gain even more from additional investments.

Finally, what about the universities? American universities are involved in all aspects of the agricultural development process. Universities conduct pioneering research, participate in projects as part of the team in the field, provide advice on agricultural policies, and impart knowledge of the international system to U.S. students. Universities house some of the most preeminent experts in the field who serve as valuable resources to research institutions and development agencies.

One program in particular that involves universities is the Collaborative Research Support Systems (CRSPs), which have been developed and supported, in part, by USAID. There are nine CRSPs involving universities in 35 states and the District of Columbia. The CRSP system is a very efficient, merit-based system; one that provides benefits to the U.S. and supports local institutions in developing countries. The leveraged value and commitment from the CRSP model is remarkable. Universities contribute 25% of the cost, and host countries also make contributions. It allows for collaboration with non-governmental organizations, while training scientists and foreign students – future leaders in agriculture development. It links U.S. university scientists and resources to foreign scientists supports their productive research and development activities. CRSPs are widely regarded by the U.S. agriculture industry, U.S. agriculture scientists, and beneficiaries in developing countries, as one of the very best investments ever made in international development.

Our bottom line is simple. Agricultural development is important and provides far-reaching benefits to institutions and people here in the U.S., and, of course, the men, women, and children of developing countries. It deserves adequate funding. Our coalition has been working to increase U.S. funds devoted to these programs since 1997, following the FY1997 appropriations process. In FY1997, the funding for agriculture development had dropped to about $240 million, a 75% decrease from a decade earlier. We were gravely concerned about the consequences, both here and abroad, of such a precipitous decline; a drop in what is arguably the most effective means to achieve broad-based economic development.

Because of our work with your Subcommittee and with Mr. Atwood and his agency, we are pleased that the amount of money for agriculture has increased over the past two years to $305 million. We are grateful that your Subcommittee has been receptive to and supportive of our efforts. In the FY99 Foreign Operations Appropriations bill, your Subcommittee included very strong language noting your support of these programs and encouraging USAID to consult with you about their implementation. We believe that because of our coalition and the Subcommittee, Administrator Atwood has begun to emphasize the importance of agriculture in his speeches over the past year, and agriculture development and economic growth are one of his agency's strategic goals.

We welcome the increased funding for and commitment to agriculture. However, we believe that the needs are so acute, and the payoff so great, that these small steps are not enough. We believe that these activities should be funded at a minimum of $500 million per year. We have not yet been able to ascertain the funding levels for agriculture development in USAID's FY2000 budget request, but have reason to believe that the funding levels may be lower than what was provided last year. This underscores the need to provide this funding in a separate account or through a specific legislative direction. Further, as a crucial player in the overall process, the CRSPs should receive $34 million per year – an increase of $17 million from last year. These increases would allow the agriculture development programs to be fully funded and would insure our nation's continued investment in U.S. agriculture, democracy, environment, human health and free enterprise.

Thank you for your time and your attention to this important matter. I know many of you feel strongly about the value of agriculture and its benefits for Americans and people in developing countries alike. Please heed our call, once again, and provide the resources necessary to truly realize the advantages of this win-win situation.

Mr. CALLAHAN. Mr. White. Peter, it is good to see you. I guess you have been here long enough to hear me admonish everyone else about the time constraints. We are glad to have you here.

THURSDAY, MARCH 4, 1999.

THE SOUTHERN CENTER FOR INTERNATIONAL STUDIES

WITNESS

PETER C. WHITE, THE SOUTHERN CENTER FOR INTERNATIONAL STUDIES

Mr. WHITE. Mr. Chairman, I think it is a little difficult to be threatened with a death sentence if you run over five minutes. [Laughter.]

I will do the best I can.

I just wanted to say that The Southern Center for International Studies is a nonprofit, non-partisan educational institution that is now 38 years old whose purpose is to try to broaden the knowledge of Americans about international affairs.

Through the years, we have done hundreds of conferences and seminars and meetings. Sixteen years ago, we began convening for the first time in American history the former secretaries of state. Twelve years ago, we did the same with the secretaries of defense. Those programs continue.

We have also organized meetings with the secretaries of education, treasury, world leaders. These meetings have been held around the United States and overseas. All of them have been televised by PBS. We edit and produce our own television programs.

Some years ago it became apparent that there was an interest and a need in the educational world to supplement courses in international affairs because of the growing lack of interest among Americans in foreign policy. We, as a result, developed a teaching package entitled "The End of the Soviet Union," tested it in Virginia, North Carolina, and Georgia, and got such a positive response we expanded the program to include several more additions, one on the Middle East, one on Latin America, Asia, and there is one on Africa coming out soon.

What has happened is that Americans have never been very knowledgeable about international affairs. At no time since the period before the second World War have Americans been, in fact, disinterested, as they are today. We conclude that this disinterest is the result of a lack of opportunity for learning about international affairs at the elementary and secondary levels of our schools.

We are finding, for example, that social studies teachers are not necessarily people who have even studied social studies in college as undergraduates. And, in fact, with the boom in educational enrollments, uncertified teachers are being added to the teacher core every day in very large numbers, who have not had any courses in any of the social studies i.e. economics, politics, at all. So you have got a real problem.

It is compounded by the fact that 80 percent of all Americans get all of their news from television, and the television people only devote on a daily basis two and a half percent of their domestic

broadcasts dealing with international affairs. So we have got a problem to address.

We have developed these educational materials, we have tested them in states like North Carolina, Alabama, Florida, Virginia, Georgia, South Carolina. We now have major university centers that are designed to distribute these materials. The idea is to train a core of master teachers in each of these states who then go out and train other teachers. These are multi-media packages, which you have seen so I do not have to describe them to the committee.

We have had now a very encouraging report from North Carolina. The University of North Carolina-Chapel Hill has just completed—is completing a Ph.D. study on the impact of these materials, and they are finding that they improve teaching, teacher morale, and what the students are learning about these issues.

Interestingly enough, one of the things that is coming out of this is that students are becoming more interested in economics, politics, foreign cultures, and that sort of thing, but they are also showing great interest and curiosity about their own country, until you get to the point of civics, as you have mentioned a few times, about being something that Americans are not very much interested in or informed about.

By the end of next year, we expect to have a similar study from the State of Alabama. As you know, we have a very well-defined program in Alabama through UAB-Birmingham. These materials are designed to educate people about the world, and I think that they are being very effective. They are updated, by the way, on a quarterly basis on our web site.

I think that if the United States of America is to be successfully competitive in the global economic environment, our high school graduates have got to know more about world affairs. And that is what the end purpose of the project is.

To date, this project has been supported exclusively with funds from the private sector, private foundations, corporations, and states. And my purpose here is to really inquire as to whether or not we could possibly find funding for this project in other states. Currently, we are involved, as I have said, in Georgia, Alabama, North Carolina, South Carolina, Florida, and Virginia.

Mr. Chairman, thank you very much for allowing me to come here today.

[The information follows:]

Proposed Testimony
by Peter C. White
before
The Subcommittee on Foreign Operations,
Export Financing and Related Programs
March 4, 1999

Dear Mr. Chairman and Members of the Committee:

There is a connection between those phone calls from constituents in Mobile to the Chairman of the Foreign Operations Sub-Committee about potholes on Main Street and the inability of the administration to obtain fast-track legislation, re-financing of international monetary funds and the payment of this country's dues to the United Nations. The problem is related to the fact that most Americans have never known much about International affairs. But if you can believe the results of recent surveys, nowadays they don't even care. In a world where the news headlines scream out about a US-lead Kosovo intervention force and famine in North Korea, this phenomena is difficult but not impossible to explain. Since Sputnik - an event of the late 1950s, emphasis in our secondary schools has been given to the study of mathematics, science, and modern languages. As a result, American students are performing better in these important areas - although still not yet at world standards. Unfortunately, subjects like world history, economics, civics, and geography have become academic lepers resulting in a steady decline of social studies achievement scores nationwide.

This has serious consequences for American security and business competitiveness. **About half of all Americans sent abroad to represent a company go overseas without any training whatsoever. About half of them fail within a year.**

Low achievement in social studies scores is related to several key factors:

1. Although there are many well-trained and dedicated social studies **teachers**, still too many of them in secondary schools in the United States have not majored in the social sciences. In many cases, some have not even taken courses in social studies. Of the 2,500 schools of education in the United States, the estimate is that less than half are accredited. Because of the high demand for teachers, too many uncertified teachers enter the profession every year. Many of these men and women join social studies faculties. (How many of us have relived our football coach's personal war experiences when we were supposed to be studying world history?)

2. **Textbooks,** because of a lengthy pen-to-paper process and adoption cycles, are often out-of-date by more than three to five years when delivered new to the classroom. The standard texts, while properly emphasizing history and culture, often downplay or disregard entirely any consideration of economics, politics, and international affairs. Because of this, enlightened social studies teachers, when teaching about world events of the last decade, have discarded their textbooks in favor

of other sources such as supplementary materials, news articles, television and radio news, the library, university professors and other experts.

3. However, the **media** provides little international news and even less analysis. For example, the major networks, from which the average American gets over 80 percent of his or her news, devote only two-and-a-half percent of news programming to world affairs. CNN's broadcasts in the U.S., we are told, have a higher percent international content, but, even if all American had access to cable, experience shows many would "channel-surf" away when it's time for world news. **Research** of any type is very time-consuming and easily abandoned in favor of supplementary materials such as those produced by the Southern Center.

4. In the post-Cold War era, geopolitical events are largely **multi-polar** and thus a lot harder to comprehend. To begin to understand a major calamity in Africa, or events in the former Yugoslavia, Mr. and Mrs. America now need to know the difference between a Hutu and a Tutsi, a Sunni and a Shiite, and heaven forbid, an ethnic Serb and an Albanian Moslem. If those of us who follow world affairs find it confusing, consider how difficult it must be for the average U.S. citizen who has never studied geography and knows very little, if anything, about European history, to figure out who is doing what to whom, and why, in the Balkans.

5. The list of critical issues facing the world's only super power is growing. The prospect of a military mistake by North Korea and the proliferation of weapons of mass destruction are just a few issues calling for attention. The **sheer volume** of issues makes global affairs more difficult to follow, but they are also more **technically complex.** In this regard, recently, the Air Force Senior ROTC decided to integrate Southern Center materials into their curriculum in an effort to familiarize future officers with the politics, economics and culture of the world regions where they may be called upon to serve.

This situation regarding international illiteracy is intolerable in any modern democracy. If the United States is to maintain her position as leader of the Western world, our citizens, at a very minimum, must begin to understand more about world affairs. Improving the knowledge of our social studies teachers - those who are on the front lines of education - is a critical first step in the process. They must be provided with the tools to prepare America's future citizens to function effectively in an increasingly interdependent world.

In the states of North Carolina, Alabama, Florida, Virginia, Georgia and South Carolina, an awareness of this problem has manifested itself in the creation of International Studies Centers for the teaching of global issues throughout each state. For example, in Alabama, through the leadership of an enlightened governor and lieutenant governor and with the support of a forward-looking legislature and university, fundamental changes are under way in how social studies is taught. At the heart of this initiative is an International Social Studies Center, established at the University of Alabama in Birmingham. Manned by a faculty member who is herself an experienced classroom teacher, the plan is to **train a corps of master teachers** through a series of workshops and then provide them with unique classroom materials developed by the

Atlanta-based Southern Center for International Studies (SCIS). The aim is to eventually equip every social studies teacher in the state with a comprehensive set of instructional materials.

These multi-media teaching units contain those elements identified by social studies teachers that are most crucial to effective classroom delivery. They are teacher-friendly, requiring a minimum amount of preparation time and contain both content - the essays, and process - the lesson plans. Secondly, they are student-oriented, providing an array of strategies that engage students in skill enhancing activities. Critical thinking, role-playing, analysis and research are all part of the classroom experience. In addition, the materials are structured thematically, are broad-based and regionally focused. They are designed to educate students about the world in which they live so they will understand how international and global events impact their lives, communities, and country. The purpose is to increase their awareness of the global environment, thus giving students an opportunity to become informed citizens, more knowledgeable and better able to participate effectively in a highly competitive and uncertain world.

Each multi-media package, designed under the supervision of a 30-member Academic Advisory board, includes a 200+ page instructional manual and a video tape. The instructional manual, designed for the teacher, contains background essays, lesson plans, a bibliography, and transcripts. The videotape, which is divided into five or six 10 minute segments corresponding with each chapter in the instructional manual, includes current and historical news footage and excerpts from the meetings of former Secretaries of State, Defense, Treasury, U.S. Ambassadors, and various world leaders. A third element, the workshop leader's guide helps teachers train other teachers in the use of the materials, thus creating a multiplier effect in distribution of the materials.

Updates for each chapter of these teaching packages will be available without charge on the SCIS website on a quarterly basis or as world affairs dictate.

If the United States of America is to successfully compete in a global economy, our secondary school graduates must be given the opportunity to understand their own history and economy as well as the religion, culture, politics, traditions, and business structures of our international competitors. To fail to do anything less is a prescription for national disaster.

Mr. CALLAHAN. Well, thank you very much. And as you well know, in Alabama, as far as Brian Rich had knowledge, he briefed me before I had the opportunity to meet with you to be briefed on your program. You know, you were not specific in your request. I think you were rather general. Have you discussed this with USAID?

Mr. WHITE. No, I never have. I have discussed it with the Department of Education and found that the only money available in the Department of Education budget is through the Eisenhower grants, which were designed after Sputnik, basically, and they have been pretty much centered toward the education of people in science and mathematics.

States can get an exemption from it, but the reality is that it is difficult, if not impossible, for social studies people to get any help from that area.

AID people, I do not know. I have not contacted them.

Mr. CALLAHAN. Well, you know, I do not even know that it would come under the purview of the USAID, or even the State Department. But, certainly, there would be an association there.

Part of the problem with getting adequate funding for international affairs is a lack of understanding on the part of the American people. I get very few people in my district who call me and tell me, "Give more money to foreign assistance." You know, they are all telling me just the opposite. That is simply because they are not educated because there is no way they can be adequately educated on the needs of foreign assistance.

We have been over the studies that have been made, and the lack of knowledge that they have, not only in foreign affairs but in basic civics as well.

I still encourage you to look at basic civics and continue to look at that, because I think that that is a shortage that we have here in this country.

Thank you very much.

Mr. WHITE. Well, thank you very much, Mr. Chairman.

Mr. CALLAHAN. Congressman Pallone, you are late. [Laughter.]

Mr. PALLONE. I am sorry, Mr. Chairman.

Mr. CALLAHAN. Well, we are going to let you testify anyway.

Mr. PALLONE. Thank you.

Mr. CALLAHAN. Provided you do not take more than five minutes.

Mr. PALLONE. Oh, no, I am going to be very brief and summarize my testimony, which I have submitted for the record, if that is okay.

Mr. CALLAHAN. Thank you.

THURSDAY, MARCH 4, 1999.

ARMENIA, INDIA, CYPRUS AND ISRAEL

WITNESS

HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Mr. Chairman, I wanted to just briefly go over Armenia, India, Cyprus, and mention something also about Israel. You have been—you and the committee have been very cooperative,

as you know, with regard to assistance to Armenia. And, basically, what I am asking is that the amount provided—or the percentages that are indicated for the newly independent states in the former U.S.S.R. stay the same.

I know that you are probably going to tell me that the amount of the allocation overall is less than last year, but what I just do not want to see is an increase in the amount of aid that goes to Azerbaijan and the decrease that goes to Armenia, which I know the administration has requested, because I think that sends the wrong signal.

If we had the same percentages as we did last year, you know, I would be very happy. And, you know, I leave that to you because I know that, you know, things are getting tougher all the time with the numbers.

I also wanted to mention that I appreciate your continued support of assistance to Nagorno Karabakh. There was language in last year's bill that says that over the two-year period that ends in September of 2000 that $20 million in humanitarian assistance be provided to the victims of the Nagorno Karabakh conflict residing in Nagorno Karabakh.

If that is not reinstated, then, theoretically, it would expire at the end of this fiscal year. We want that to be a two-year program, as it was stated in the last year's bill.

I have to be a little critical of the State Department because they really have not moved on this very much, which is why we need this two-year period. And, you know, we maybe even could put some language in there recommending that the deadline be extended for U.S. aid for initial requests of funding, because, frankly, a lot of this funding just has not gotten through.

But I want to thank you for your support on that.

Mr. CALLAHAN. You have many allies on the committee who share your views, and we have instructed the staff to contact the administration to find out why more of the money has not already been allocated.

Mr. PALLONE. And you have had some hearings on it—not hearings, but briefings on it.

Mr. CALLAHAN. We do not want to tell them to spend the money immediately. We want them to spend it responsibly.

Mr. PALLONE. Sure.

Mr. CALLAHAN. But at the same time, we want to make certain that they do have pipeline ideas at least.

Mr. PALLONE. Exactly. I appreciate that.

The other thing, of course, is with regard to Section 907 of the Freedom Support Act. I would, obviously, like to see no change in that—you know, no—I know that there are some exemptions that are put in there, and they are likely to be put in again. But I did not want to see it extended any more with any other exemptions.

And I was hoping we could get some language in the bill calling on the administration to report to Congress on what steps it is taking to ensure that Azerbaijan complies with the conditions of 907. If you would consider that.

The Humanitarian Aid Corridor Act, you always put that in every year. I would like to see continued strong enforcement of that.

And the last thing on Armenia—if we could get some language supporting the Minsk Group negotiations. I know you are very supportive of that, and you have constantly pushed the parties to try to do more to come to an agreement on Karabakh.

But if we could put something in there urging the State Department to stay the course and press Azerbaijan to come back to the negotiating table—as you know, they have not been supportive of the latest proposal on the common states, which I think is a good idea. And if they could come back and consider that again, and get the committee to say, "Look at that again," that would be helpful.

I wanted to mention briefly about India. Last year, there were major efforts that were successful to ease the sanctions against India as a result of the nuclear tests. And there has been a lot of progress. The Prime Minister of India went to Pakistan. There has been a lot of good feeling that has come as a result of that.

Both parties have made statements about trying to not conduct nuclear tests and possibly sign the test ban treaty. I think it is time to just basically eliminate these sanctions that are not military related.

We still have some sanctions, for example, where the U.S. is opposed to lending by international financial institutions, which I think makes no sense. So if you would consider using the appropriations bill as a vehicle to try to eliminate some of those sanctions, I would appreciate it.

And on Cyprus, I am asking for $15 million in aid to Cyprus, also to insulate that from the politics of the situation. I know there was an effort in the past to link this aid to a resolution of the dispute over these missiles that were coming from Russia. But those missiles are not going to Cyprus now, and so I really do not see any reason why we have to link the aid to anything—any kind of political statement like that.

And finally, just, again, to urge the subcommittee to approve the $2.88 billion in assistance to Israel, which is actually a decrease in economic aid, but that, of course, is something that the Israeli government is willing to go along with in their ongoing efforts to try to, you know, be more helpful in terms of the amount of assistance that we provide.

But thank you again for all of your efforts.

[The information follows:]

REP. FRANK PALLONE, JR.

TESTIMONY BEFORE THE SUBCOMMITTEE ON FOREIGN OPERATIONS,

EXPORT FINANCING AND RELATED PROGRAMS

[Submitted Thursday, March 4, 1999]

Chairman Callahan, Ranking Member Pelosi, Members of the Subcommittee, thank you for giving me this opportunity to address you today. As I have done for the past five years, I will focus on several areas where I believe American policies, assistance and investment can make a critical difference in promoting U.S. security, opening and expanding trade and investment opportunities, honoring our commitments to long-term allies, strengthening the ties with our new international partners and promoting our values of democracy, human rights and free markets.

Mr. Chairman and Members of the Subcommittee, in the past I have appreciated your responsiveness to the concerns I have raised about two countries in which I have a particular interest: Armenia and India. I will again address these areas today, with an emphasis on how I hope this Subcommittee can be a force for peace and prosperity in the Caucasus region, and how we can help ease tensions in South Asia. I also would like to address my support for assistance to the NIS region as a whole, suggest how we can promote a resolution of the Cyprus conflict, and reiterate the ongoing support for Israel and the Middle East peace process that we all share.

Whether you consider the fiscal year 2000 Foreign Operations Appropriations bill the last such bill of the 20th century or the first of the 21st century, it is clear that the legislation that emerges from this Subcommittee will have a significant impact on stability and economic opportunity, in these countries and throughout the world for years to come.

Armenia and Nagorno Karabagh

The Subcommittee will be hearing today from representatives of the Armenian Assembly of America and the Armenian National Committee of America. I have worked closely with both of these organizations, and I want to associate myself with their statements.

As many of you know, I serve as co-chairman, with the Gentleman from Illinois, Mr. Porter, a member of this Subcommittee, of the Congressional Caucus on Armenian Issues. Our Caucus has 70 members from both sides of the aisle. I have visited Armenia and Nagorno Karabagh, as have the Chairman and many members of this Subcommittee. The need for help is still great. The country has not fully recovered from the 1988 earthquake that killed thousands and left thousands more homeless. Armenia is trying to cope with the task of absorbing thousands of refugees, ethnic Armenians who were driven from their homes during the regional conflicts over the past decade. But, given its strategic location and its strong pro-Western direction, Armenia has the potential to be a long-term friend and partner of the U.S.

This Subcommittee has been extremely attentive to both the problems and the potential of Armenia and the Caucasus region. The FY '98 Foreign Ops bill provided, for the first time, direct U.S. humanitarian assistance to the people of Nagorno Karabagh. The legislation also established a discretionary spending fund to restore infrastructure and promote regional integration in the Caucasus. Unfortunately, both of these initiatives have not progressed as many of us would have liked -- through no fault of this Subcommittee or the Congress. The FY '99 legislation also included Report language, which I supported, recommending $20 million for the people of Nagorno Karabagh. Despite resistance from the Administration, the Subcommittee has stood firm on the provision of aid to Nagorno Karabagh, and I urge you to maintain that commitment. Such support can help ease humanitarian suffering in the short-term, and create conditions for the kind of regional cooperation and development that this Subcommittee so strongly supports.

As in previous years, the FY '99 legislation also earmarked direct aid to the Republic of Armenia. While I recognize your opposition to such earmarking, I would hope that we can at least maintain the current level.

The FY '99 legislation also maintained the Section 907 ban on direct aid to Azerbaijan -- albeit with some exemptions -- until that country lifts its blockade of Armenia and Nagorno Karabagh. I'm sure you recall the spirited debate that ensued on the House floor last year over whether to repeal Section 907. Ultimately, a bipartisan coalition in support of the law prevailed.

In order to build on the progress made by this Subcommittee last year, I respectfully request:

1.) **I urge the Subcommittee to provide that the NIS account receive the same percentage of funding as it did in fiscal year 1999, and that the share provided to Armenia in particular, and the South Caucasus in general, also remain constant.**

Because Armenia is largely cut off from the West due to the Turkish and Azerbaijani blockades, U.S. assistance has played a vital role in helping this small, land-locked nation to survive. Despite the hardships caused by the blockades, Armenia has registered strong economic growth, and the government is pursuing an aggressive privatization campaign. Furthermore, aid to Armenia is strictly monitored and effectively implemented. At this critical juncture -- when Armenia's economy is registering strong growth, foreign investment is increasing significantly and domestic political stability has firmly taken root -- we cannot abandon this still vulnerable country surrounded by hostile neighbors and trying to overcome 70 years of Soviet domination.

While Armenia's humanitarian needs are still pressing, the past few years have witnessed a trend from emergency aid to economic development and direct foreign investment. I hope that in the future, we will see progress towards greater regional integration, as this Subcommittee has supported. Our Ambassador to Yerevan, Michael Lemmon, who will be in Washington this month, is a strong proponent of this type of regional integration. But for such a positive scenario to come about, for Armenia to take its rightful place at the center of a prosperous and stable Caucasus region, a just and lasting resolution to the Nagorno Karabagh conflict must be achieved

and the strangling economic blockades must be ended. This Subcommittee has played a role in bringing this about, and I encourage you to build on those efforts.

I would like to address my concern about the aid numbers for Armenia and Azerbaijan that were included in the Administration's budget request, which provide for a decrease in aid to Armenia and an increase in aid to Azerbaijan. I find this curious, as Armenia (as well as Nagorno Karabagh) has accepted, as a basis for negotiations, the compromise proposal for resolving the Nagorno Karabagh conflict put forward by the U.S. and our Minsk Group partners -- despite serious reservations. Azerbaijan, on the other hand, has completely rejected this constructive new approach offered by the U.S. and our Minsk Group partners. Thus, many people were surprised when the Administration budget proposed cutting aid to Armenia from just under $80 million to $71.5 million, while increasing aid to Azerbaijan from $23.8 million to $33.5 million. The unfortunate message to the Government in Baku is that their intransigence in opposing the Minsk Group proposal is not a matter of concern here is Washington. That is not the signal we should be sending.

2.) **I urge the Subcommittee to build upon its historic achievements, and maintain assistance to Nagorno Karabagh.** I want to praise this Subcommittee for its support of direct aid to Karabagh. Having visited this mountainous Republic on three separate occasions, I can attest that it is indeed a functioning society. I can also testify that this society's needs, particularly in terms of health care and shelter, are acute.

In the FY '99 bill, the Committee recommended that $20 million in humanitarian assistance be provided to victims of the Nagorno Karabagh conflict residing in Nagorno Karabagh, during the period January 1, 1998, through September 30, 2000. (The distinction about residents of Nagorno Karabagh is significant, given the State Department's misinterpretation of the original Congressional mandate as also applying the those residing outside of Nagorno Karabagh.) The FY '99 language called on US AID to issue all initial requests for funding proposals "not later than March 30, 1999," just a few weeks from now.

I would urge that the FY '99 recommendation be included in the FY 2000 bill, and that the deadline be extended. The provision of aid to Nagorno Karabagh has been marked by a series of delays. Most recently, the aid program seemed to be in danger of suspension over a misunderstanding about a VAT tax on relief supplies -- a misunderstanding the AID now assures us has been straightened out. I hope the Subcommittee will extend the deadline for providing aid to Nagorno Karabagh, and consider appropriate Report language that would expedite the obligation of these funds. I would also ask Subcommittee members to consider a policy provision in the Report language that would urge the State Department to encourage other nations and international entities to follow our lead in aiding the people of Nagorno Karabagh.

3.) **I urge the Subcommittee to maintain Section 907 of the Freedom Support Act.** This provision prohibits direct U.S. government assistance to Azerbaijan until that country lifts its blockades of Armenia and Nagorno-Karabagh. This provision has not prevented more than

$130 million in American humanitarian aid from getting to Azerbaijan through NGOs. I urge that the Subcommittee not accept any provisions to weaken or otherwise get around the requirements of Section 907, and I would further request language in the Foreign Ops bill calling on the Administration to report to Congress on what steps it is taking to ensure Azerbaijan's compliance with the conditions of Section 907.

It is my understanding that the Administration would like to see the FY 2000 Foreign Ops bill used as a vehicle for further waiving Section 907. I would urge you not to take that step.

In a related step, since Armenia is also hurt by the Turkish blockade, I would urge continued strong enforcement of the Humanitarian Aid Corridor Act, which became law thanks to the fiscal year 1996 Foreign Ops bill through the efforts of this Subcommittee.

4.) **I urge the Subcommittee to express its support for the Minsk Group Negotiations on Nagorno Karabagh.**

Late last year, the U.S. and the other Co-Chairs of the Minsk Group presented a new compromise peace proposal aimed at settling the Nagorno Karabagh conflict, known as the "common state" proposal. While Armenia and Nagorno Karabagh have overcome serious reservations to accept our proposed peace plan, Azerbaijan has rejected it outright. There are strong indications that Azerbaijan believes that it can maintain its rejectionist policy by playing the oil card. There have also been troubling statements from Azerbaijan's President Aliyev that he considers renewal of military conflict a viable option for settling this dispute.

I would urge the Subcommittee to include Report language in support of the Minsk Group's common state proposal, urging the State Department to stay the course and to press Azerbaijan to come back to the negotiating table.

<u>The NIS</u>

While I have devoted extensive testimony to my requests for Armenia, I want to stress my support for U.S. assistance for the transition of Central and Eastern European countries to democracy and free market economies.

I applaud the fact that the Subcommittee has supported facilitating the enlargement of the NATO alliance, as well as the first appropriated funding to support the transition of designated Central and Eastern European countries to full NATO membership. Given the collapse of the Soviet Union and the Warsaw Pact, and the long-standing American commitment to the security of Europe, NATO expansion is the logical extension of longstanding U.S. policy.

I urge the Subcommittee to support funding for the Newly Independent States (NIS) at the same percentage of overall spending as provided in the FY '99 bill. For many of the same reasons cited for Armenia and Nagorno Karabagh, the other nations that have only recently broke free of the Soviet yoke deserve our support.

India

As you know, Mr. Speaker, I have been a strong proponent for a stronger partnership between the United States and India, the world's two largest democracies. During this decade, we have witnessed a growing partnership in the economic and diplomatic areas. This Subcommittee has always supported the Administration's proposals for India, and Members have resisted efforts on the House floor to cut aid to India in debate over the Foreign Ops bill.

In the last year, that progress began to slip because of the nuclear tests conducted by India and Pakistan. The result of the tests was the imposition of unilateral American sanctions. Under a provision in the Agriculture Appropriations bill last year, the Administration was given greater discretion to relax the sanctions.

I would urge the Subcommittee to build on last year's efforts to ease the sanctions, using the Foreign Operations Appropriations bill as the vehicle for eliminating the remaining sanctions. Specifically, I would urge language calling for the U.S. to end its opposition to lending by international financial institutions (IFIs) for non-basic humanitarian needs.

Because of the sanctions regime, only humanitarian aid, child survival support and Title 2 food aid would be provided to India. I appreciate this Subcommittee' support for these programs, and urge continued support. Unfortunately, the Agency's FY 2000 planning eliminates important programs intended to promote economic growth, reform financial institutions and address pressing environmental concerns. In dollar terms, these programs represent a relatively modest investment of U.S. funds. But the return on this investment is significant, helping to create a climate of increased opportunity for U.S. and international investment in India and the ability to reach India's vast and growing consumer market, while giving India the tools for long-term economic growth. I know Members of this Subcommittee have expressed admiration for these cost-effective programs. I hope we can resume these worthy endeavors. I would also urge opposition to efforts to use the recent negative climate in U.S.-India relations as a pretext for further cuts in our development assistance and other programs in India.

I also want to stress the importance of ending the current U.S. opposition to lending to India by the World Bank and other IFIs. India's infrastructure development needs are severe. Denial of IFI lending for such projects not only hurts the people of India; projects such as road construction and energy generation in India represent a great opportunity for U.S. businesses, so the World Bank and other restrictions are hurting American companies.

Cyprus

Mr. Chairman, I also want to express my strong support for inclusion of $15 million in aid to Cyprus and urge that the Committee again insulate the approval of this aid from the politics of the nearly 25 year old Cyprus problem. As you know, last year there was an attempt to link US aid to Cyprus to a resolution of the dispute between Cyprus and Turkey over the Greek Cypriots purchase of S-300 missiles from Russia for defensive purposes.

Although in the end there was no such linkage, it is nonetheless important that we keep in mind the purpose of US aid to Cyprus.

The purpose of the aid is to increase contact between the Greek and Turkish sides. Ten of the $15 million is used to promote bi-communal projects. The other $5 million is used for scholarships. Linking aid designed to bring the divided communities together to political circumstances that may be keeping them apart would be counterproductive and, frankly, doesn't make any sense. The current dynamic in Cyprus makes this as important of year for a year as we have had in some time to push for a solution and Congress must do everything to encourage dialogues between the two sides on every level that they exist.

So, while I have no reason to believe at this time that there will be any linkage of aid to Cyprus, I urge the committee to keep in mind what happened last year as a precautionary measure, and once again allow the aid to go through without condition.

Israel

Finally, I urge the Subcommittee to appropriate $2.88 billion in assistance to Israel, which should include $1.92 billion in military assistance and $960 million in economic support funds. This represents a $120 million decrease in economic aid, and a $60 million increase in military aid from last year's request. The amount I am requesting represents a slightly smaller decrease in economic aid than the Administration's request. (The Administration is requesting a $150 million decrease in economic support funds.) However, until an agreement between the United States and Israel is in place regarding specific decreases in funding levels, I do not believe we should decrease our economic support by $150 million. Aid to Israel enhances U.S. security by helping counter potential aggressors and potential threats of proliferation of weapons of mass destruction. This financial assistance also gives Israel the means to defend itself against escalating security threats and strengthens the region's only democracy.

Mr. CALLAHAN. Thank you.

Mr. PALLONE. Loved working with you.

Oh, let me ask you one more thing. I know that after me there is going to be testimony by my medical school. They have a proposal, and I just want you to know that I am very much supportive of that. They are going to be up here later.

Mr. CALLAHAN. Well, they do not need to testify, if you request it. I give it the numbers——

[Laughter.]

Mr. PALLONE. Thanks.

Mr. CALLAHAN. As long as they do not vote against any amendments to cut back in my bill and provided——

Mr. PALLONE. You will not see that from me. [Laughter.]

Mr. CALLAHAN [continuing]. Provided they do not offer any amendments to cut——

[Laughter.]

Mr. PALLONE. Take care.

Mr. CALLAHAN. Thank you.

Former Congressman Moody. How are you, Jim?

THURSDAY, MARCH 4, 1999.

NON-GOVERNMENT ORGANIZATIONS

WITNESS

JIM MOODY, INTERACTION

Mr. MOODY. How are you, sir? Mr. Chairman, nice to see you. I admire your stamina and patience and good humor.

Thank you for having me today.

I wanted to just not come up here and ask for more money for NGOs for AID. That is what usually happens. I thought I would just share with you a couple of concepts I have that I think may be more helpful.

I would like to relate the work we do with the NGO community and with the wider concept of security, global security. Most of the likely and frequent threats to global security in today's world, go far beyond the reach of our traditional military security apparatus. And I think we need to integrate our foreign policy objectives around that new reality.

As we struggle to put together a foreign policy framework in the post-World War period, I think we need to realize that a number of issues impinge on each other, and that there is a sort of continuum of issues which I think are particularly relevant to developing countries where our members work, and I think therefore, relevant to American NGOs working overseas.

Let me mention points that I think are relevant. One, economic prosperity worldwide. I think that has to be a key economic and foreign policy objective. Poor countries with large populations produce huge future markets for U.S. products, and, therefore, affect our own prosperity. For this to happen, the economic growth must be equitable, not concentrated in a few families, so that a middle class emerges.

Number two, the marketization of human rights. Democratic societies are better at resolving social and ethnic conflicts, at distributing food supplies more equitably, and at protecting the citizens and Americans, visiting and working in these countries from politically motivated violence. We have seen that in the last few days.

Further, Democracies seldom, if ever, start wars with their neighbors and are better at protecting human rights. And democratically-governed societies with transparent rules of law and accountability make better decisions that affect us all, including Americans.

A third point, I would say, is that another goal of our foreign policy perhaps should be the absence—strive, specifically, for the absence of social, economic, and political turmoil. We have seen the fruits of ethnic turmoil in the Middle East, the causes in the Balkans.

We have seen the results of economic turmoil in Indonesia, Malaya, and other Asian countries, and on our own farm economy right here at home, as farm prices plummet for items that used to be exported to that region.

Prospering democratically-governed countries that allow space for a vibrant civil society are better able to make transitions required in the rapidly changing global economy. Therefore, that I think should be high on our list.

Number four, containment of infectious diseases with exponential growth in global travel, exchanges, migration, etcetera. This will become increasingly important.

Number five, and lastly, protection of the global environment. From protecting the oxygen-producing forests in the Amazon, Africa, Southeast Asia, and elsewhere, to protecting the coral reefs, which start the food chain for rich fish resources, to combatting growing dryness and the spread of the desert—in all three continents, American citizens, consumers, and taxpayers all have a stake in that battle.

I recently attended a teleconferencing event with five former secretaries of state, Mr. Chairman—George Schultz, Mr. Kissinger, Cyrus Vance, Jim Baker, and Madeleine Albright also spoke. And they all agreed on one thing—that the threats facing America post-Cold War are not predominantly military but are predominantly in political turmoil, economic turmoil, transnational crime, terrorism, drugs, poverty, and the spread of infectious diseases.

All of those things are not well suited to what we spend a lot of our money overseas on, combatting those and dealing with those. Those are the challenges.

I think it is fair to say that from several decades of on-the-ground experience in these countries—I myself have served in Pakistan, Bangladesh, Iran, Tunisia, Yugoslavia, and Central America—that NGOs can make a vital and, in fact, an indispensable contribution on these fronts, often in partnership with AID or other forms of U.S. Government assistance.

I think our NGOs have some advantages, special advantages. Primarily, American NGOs are very good in this way. They tend to have low overhead, they have flexibility, a lot of dedication, and people work for very low or almost no wages. Also many of them are religiously- or morally-based, and that gives them a moral

credibility. And they reach out for local partners to work with, which often extends the effect and impact, and leaves lasting institutions which remain behind them as they go.

So a final thought would be that we should think of the 150 account, including humanitarian, environmental, human rights, and democratization accounts as separate from our global security accounts, export promotion accounts.

I think they all work together, and they all need each other. They are complementary and reinforcing of our military spending, our military security, our export promotion, and our other accounts for global security. They are, in effect, investments in our children's future.

And, perhaps even more importantly, they are reinforcing America's traditional and historic commitment to fairness, human rights, dignity of the individual, and prosperity that is equitably shared. So I am very proud of what the NGOs have done, and I think they are well positioned to continue that work.

Thank you very much, Mr. Chairman.

[The information follows:]

Testimony on Foreign Operations Spending Before the House Foreign Operations Appropriations Subcommittee

March 4, 1999

Jim Moody, President
InterAction
American Council for Voluntary International Action

Mr. Chairman, Congresswoman Pelosi, and other members of the Subcommittee, I am grateful for the opportunity to testify before this distinguished Subcommittee about foreign operations spending within the FY2000 budget proposal.

InterAction is a coalition of over 160 U.S.-based non-profit organizations working to promote human dignity, reduce poverty, alleviate suffering, and help people to help themselves in 165 countries around the world. I am here today to recommend a foreign operations appropriations bill that adequately funds needs for disaster relief, sustainable development, as well as resettlement and protection programs for refugees and victims of civil conflict.

Mr. Chairman, in my allotted 5 minutes, the world's population will have grown by almost twice the number of members in the 106th Congress, or about 1,000 children. In the course of this Congress, the world's population will add approximately 160 million children, mostly in the developing world, who will be faced with deep poverty, little education or job prospects, political turmoil and exposure to preventable diseases. Without intending to disparage the admirable and significant steps taken by this Subcommittee under the able leadership of its Chair and ranking minority member to meet the world's challenges, I desire to reemphasize the weight of the issues at hand as we enter the 21st century.

History shows that debates in Congress surrounding U.S. foreign assistance are highly charged and I suspect the FY2000 budget deliberations will be no different, which is healthy and welcome in a democratic republic. I believe that efforts to cut foreign humanitarian assistance are not supported by the facts and would be short-sighted. Wise and targeted foreign assistance often carried out in a public-private partnership with NGOs is cost effective, prevents far higher costs later,

supports America's other foreign policy goals, and embodies America's best traditions. I would like to emphasize three points:

- *U.S. relief, sustainable development and refugee resettlement, protection and assistance programs abroad work and have shown very impressive results to date*
- *This type of assistance mentioned above is in our nation's direct self-interest and consistent with our country's humanitarian values*
- *There must be a set of principles that steer the way we deliver foreign aid.*

Assistance Works

Those who say wise and thoughtful foreign aid does not work are demonstrably wrong. The facts show otherwise. Over the years, these programs have laid the cornerstones of democracy, created vibrant trading markets, cut child mortality more than in half, protected the fertility and reproductive health of women, doubled literacy rates and helped educate many millions of children. These programs have increased life expectancy 37 percent from 46 to 63 years in the poorest countries, immunized 80 percent of children under two and given more than 1 billion people access to safe drinking water.

InterAction's organizations are directly involved in these successes and continue to provide relief for millions of refugees, internally displaced persons and other victims of natural and human-made disasters. Our members have been instrumental in increasing the poor's access to micro-credit and other financial services. The list of successes is long but one message stands out - these programs work to improve the lives of millions. The best kind of foreign aid has the well-being of people at its center, and there are so many successful programs initiated by our members that help do just that.

Why Help The Developing World & Successful Foreign Aid

Some still question the efficacy of humanitarian and development assistance programs, so it is important to articulate why we should continue to make investments abroad. The status of developing nations and of their citizens, directly impacts U.S. national security and economic prosperity. Either we help to equip the world's poor and their governments with the long-term tools necessary to overcome their plight,

or we isolate ourselves and lose the opportunity to reduce violence, economic turmoil, political instability, and environmental degradation in the world. While private capital flows are increasingly important to the economic development of some 12-14 nations, our interest extends far beyond the few. As I'm sure you know, according to the OECD more than 75 percent of private capital flow is concentrated in just 12 countries. The problems of rapid population growth, environmental degradation, infectious diseases, mass migration, narcotics, transshipment and terrorism know no borders.

The United States must take leadership in addressing the problems facing the developing world in order to meet our own foreign policy and security objectives. Our children's and our grandchildren's futures will be largely shaped by the decisions made today.

The very fact is this: As nations prosper, their citizens become consumers of U.S. goods, creating new American jobs. U.S. exports to the developing world have more than doubled in the past decade, and these nations represent the fastest growing markets for American goods. The Asian markets that have recently undergone much economic stress indicate the great stake the U.S. has in maintaining the vibrancy of these markets.

United States assistance to developing nations can directly help build peace, prosperity, and democratic values. Democratic societies seldom attack one another, and so heightened security and crisis prevention is preferable to costly interventions and reconstruction. Thus, development assistance to advance wider participation, enhanced democracy, greater accountability, and good governance is clearly in America's national interest.

Finally, assisting developing nations and their people is consistent with our humanitarian values, and wise assistance conforms with the ideals and principles on which this nation was founded. For the InterAction community, the humanitarian imperative comes first. To quote Ronald Reagan, "the hungry child knows no politics." Most Americans feel this way and believe we have a moral commitment to help the over one billion people who live on less than one dollar a day. Studies of U.S. public opinion have found a large majority of Americans do indeed support full international engagement to reduce suffering, prevent crisis, and higher foreign assistance than we in fact provide.

Americans in Alabama, California, Virginia, Illinois, and across this country give generously to international humanitarian causes and disaster relief, and support channeling government funds through non-governmental organizations as cost-effective providers of humanitarian assistance. Investments in human potential have given people the skills, knowledge, and well-being they need to help themselves and overcome poverty.

Refocusing Disaster Relief, Sustainable Development, Refugee Resettlement and Protection Assistance - A Set of Guiding Principles

Let me explain more specifically what principles this dynamic community of non-governmental organizations (NGOs) views as guiding their decisions about aid to the developing world. I believe Congress would be well-served to follow these principles, or criteria, as it weighs decisions related on the FY2000 budget.

InterAction's community of U.S. non-governmental organizations has decades of on the ground experience designing and carrying out successful development, relief, and refugee assistance programs in very poor nations. Based on this experience, these NGOs have adopted the following principles for development assistance programs:

The primary goals of development assistance must be poverty reduction. Persistent poverty is the single most critical development challenge. There is no way to isolate poverty. Its impact can be felt across an entire society and—in an increasingly interdependent world—the entire global community. Deep poverty deprives society of the potential of those who are disadvantaged and leads to a host of problems, including hunger, social instability, the spread of infectious diseases, exceptionally rapid population growth, increased migration, and environmental degradation.

Any effective program must include disaster relief and refugee aid, as well as transition assistance for countries that are emerging from conflict or state-controlled economies. The humanitarian values held by so many Americans compel the U.S. government to help people suffering from natural or man-made disasters. Our national interest in a peaceful and prosperous world demands that we offer assistance to war ravaged countries or those making the precarious transition to democratic governance and free-market economies.

Bilateral and multilateral aid should be seen as complementary programs, and be better coordinated. Bilateral and multilateral aid programs are not trade-offs, but complementary approaches that make distinct contributions to development. Efforts should be made, however, to reform and streamline these programs to avoid duplication. Aid works best when donors work together, each using its comparative strengths to achieve agreed-upon goals to which both governments and citizens are committed.

Development assistance should be part of a broader policy agenda that includes trade, private investment, debt relief, and other economic programs. To forge more consistent and synergistic international economic policies, we need to view development assistance in a much broader context. The oft-quoted distinction between "trade and aid" relies more on rhyme than reason. Although it is both possible and desirable for countries to graduate from aid and develop relationships based solely on trade and investment, long-term aid programs are often essential to help the poorest countries cement the foundation for private investment and increased trade.

Having stated the above principles they clearly suggest that U.S. development assistance should focus on four key areas that I hope this subcommittee will use as a guide as it considers the foreign operations portion of the FY2000 request:

Promoting human development and equitable economic growth. Both are key ingredients in reducing poverty. The most important investments in this category include education, child survival and health, rural development, and other measures that build human capacity and give the poor greater access to assets such as land and credit. The ultimate goal is to raise incomes among the poor and substantially improve living standards for a majority of the world's population.

Addressing imminent global threats. Stabilizing population, preserving the environment, and combating infectious diseases are top-priority objectives in this category. Development assistance also addresses other global issues such as migration, narcotics traffic, and terrorism by promoting economic opportunities and encouraging the development of stable, democratic governments.

Assisting countries in transition. Helping countries emerge from civil conflict, authoritarian rule, or command economies and develop into accountable democracies with market economies that stress equitable growth is perhaps the greatest foreign policy challenge of the coming decades. The transitions taking place in the former Soviet Union and Central and Eastern Europe should be given particularly high priority. Support to countries like Haiti, Bosnia, Mozambique, and El Salvador is critical to consolidate gains from peace accords.

Supporting emergency relief and refugee programs. Natural disasters, e.g. Mitch and the Colombian earthquake, and man made disasters, e.g. Sierra Leone, Congo, Sudan, continue to provoke great suffering. Relief and refugee assistance reflects the strong humanitarian values that have always been a part of U.S. international development cooperation. Relief should also help build local communities' capacity to better cope with future disasters. When disasters are caused by civil conflict and violence, relief should be accompanied by conflict-resolution efforts, then followed by aid that helps the country establish or restore democracy and rebuild its economy. Refugee assistance should be designed to reduce dependency and, when possible, facilitate the voluntary return of refugees and internally displaced persons to their home countries and communities. When repatriation is not a safe or viable option, refugee assistance should be directed toward other durable solutions, including resettlement in democratic and prosperous societies, including the U.S.

A more clearly defined focus is needed to capitalize on America's comparative advantage and the special value to the development process. Effective government partnerships with NGOs and the private sector are a key element of our comparative advantage. Technical expertise in certain aspects especially financial, health and governance are critical aspects of development and there are countless others. We can sharpen this focus by concentrating resources in countries that have an obvious need for assistance and are good development partners—and thus where the potential for favorable impact is the highest.

Conclusion

InterAction recommends that the final FY2000 budget reflect America's commitment to the current realities of increasing global interdependence. The natural and man-made disasters and economic turmoil of the last two years indicate that sufficient resources can help prevent the needless death of hundreds of thousands of people. In a time of unparalleled prosperity in the United States we should be offering greater assistance to help prevent conflict, and wise aid to the poor so as to better prepare them when conflict and natural catastrophes occur. We encourage this committee to provide bold leadership to adequately fund development assistance, debt restructuring, international organizations and programs, refugee and migration assistance, disaster assistance, food aid, and the environment. The data shows that these investments pay substantial dividends for the United States and the developing world.

Thank you for the opportunity to testify and I wish you well as this process moves forward.

Mr. CALLAHAN. Thank you, Jim. I think you know the feeling on this committee about the effectiveness of NGOs and they do a great job.

Mr. MOODY. Thank you, sir. And thank you for your support.

Mr. CALLAHAN. Thank you.

Cyrus Jollivette.

THURSDAY, MARCH 4, 1999.

DANTE B. FASCELL NORTH-SOUTH CENTER, AND THE INTERNATIONAL CENTER FOR HEALTH RESEARCH

WITNESS

CYRUS JOLLIVETTE, UNIVERSITY OF MIAMI

Mr. JOLLIVETTE. Good afternoon, Mr. Chairman, and thank you very much for letting me appear. It is good to see you again.

And I am very mindful of the time constraints that you have, and I just want to present a brief statement today and ask that the testimony that I submitted be included in the record.

And I wanted to talk with you today about two important nationally recognized centers housed at the University of Miami—the Dante B. Fascell North-South Center, and, at our School of Medicine, the International Center for Health Research.

The Dante B. Fascell North-South Center is permanently authorized in Public Law 102–138, and it is the only research public policy study and information center of its type that is exclusively dedicated to finding practical solutions to problems in policy issues facing the Americas.

The center works to carry out a congressional mandate to promote better relations among the United States and the nations of Canada, Latin America, and the Caribbean. The Fascell North-South Center combines programs of public policy, cooperative study, research, and training.

The Fascell Center's priority research agenda focuses on what we consider to be vital American issues such as trade and investment, migration, security, democratic governance, civil military relations, corruption, institutional reform, civil society participation, and sustainable development.

The findings of the center's research reach scholars, the policymakers, and opinion leaders in the nation and throughout the hemisphere through a variety of publications, including scholarly books and monographs.

We have a wide amount of expertise at the center, and it has distinguished itself as an invaluable national resource for identifying, analyzing, and understanding the myriad of issues that have the potential to impact the United States' future prospects in a region of growing importance or economic competitiveness and security.

We believe that the Dante B. Fascell Center is a vital national resource, and it is uniquely positioned geographically and academically to create constructive input and play an important role in these processes.

With a firm research base, and an ever-widening network of public and private partnerships in the U.S. and the rest of the hemi-

sphere, the Fascell Center is uniquely placed to facilitate the constructive development and evolution of cross-border relationships among the nations and peoples of the Americas.

Respectfully, Mr. Chairman, we are seeking $1.75 million to ensure that the Dante B. Fascell North-South Center can fulfill its mandate.

I would like to take a moment, too, to commend you for your leadership and significant and invaluable efforts in providing continuing support for the communicable disease initiative in USAID. Like the subcommittee, my colleagues at the university believe that it is imperative that the U.S. address the threat of infectious diseases by responding to the dramatic increase in the resurgence of communicable diseases affecting children and adults.

And we need to assist developing countries to strengthen their ability to protect and care for their people and to stop the spread of communicable diseases.

For a long time, we thought that emerging and reemerging diseases would sharply decrease around the world, but the increase now is for multidimensional reasons, including population growth and increased mobility, environmental and climate changes, urbanization, the evolution of microbes, drug-resistance organisms, modern travel and trade, and international commerce, travel, migration within the Americas, which are creating new opportunities for disease reemergence and greater spread.

The University of Miami is uniquely located in Miami, the major gateway city to Latin America and the Caribbean. And the major goals of the International Center for Health Research are to investigate the biological characteristics of cognitive microbiologic agents to study the risk factors related to the spread of these infections, including interactions between the nutritional status and susceptibility, as well as to develop innovative, preventive strategies.

One of the important roles of the Health Research Center involves collaborative infectious disease control and prevention efforts to broaden the expertise of indigenous Latin American and Caribbean health professionals, and to link laboratory science and epidemiology with public health strategies and policymaking processes.

Our health center's priority is to strengthen programs for the control of major infectious diseases, particularly malaria, dengue, TB, and cholera. We also place emphasis on programs aimed at preventing the spread and reducing the impact of HIV infection and other sexually-transmitted diseases.

We believe that there is an urgent need to strengthen the existing research infrastructure and a close collaboration between U.S. and Latin American and Caribbean scientists and policymakers. This enhanced research will lead to development of new effective strategies for control and prevention of the emerging and reemerging diseases in the Americas.

We hope, Mr. Chairman, that the subcommittee would encourage USAID to expand its resources beyond its traditional outlets. And, respectfully, we seek $1 million in order to play an even far more active role in the necessary and continuing fight against infectious disease.

I want to thank you very much for allowing me to appear here today on behalf of the University of Miami.

[The information follows:]

TESTIMONY OF
CYRUS M. JOLLIVETTE
VICE PRESIDENT FOR GOVERNMENT RELATIONS

on behalf of

UNIVERSITY OF MIAMI

before the

SUBCOMMITTE ON FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

March 4, 1999

Mr. Chairman and Members of the Subcommittee: My name is Cyrus M. Jollivette. I am here today on behalf of the University of Miami in Coral Gables, Florida to present testimony concerning two important nationally recognized centers located on our campus, the Dante B. Fascell North-South Center and the School of Medicine's International Center for Health Research.

Respectfully, Mr. Chairman, we seek $1.75 million for the Dante B. Fascell North-South Center and $1 million for the International Center for Health Research, both at the University of Miami. Please permit me to elaborate on these requests.

Dante B. Fascell North-South Center

The Dante B. Fascell North-South Center, permanently authorized in P.L. 102-138 is the only research, public policy studies, and information center of its type exclusively dedicated to finding practical solutions to problems and policy issues facing the Americas. In carrying out its congressional mandate to promote better relations among the United States and the nations of Canada, Latin America, and the Caribbean, the Center combines programs of public policy, cooperative study, research, and training. The Center's publications constitute a body of scholarly work that is at once timely, non-partisan, and policy-relevant. Publications are clear, accessible, and relevant for diverse audiences, including legislators, government officials, nongovernmental organizations, and the private sector. The Center's Western Hemisphere agenda benefits U.S. citizens by seeking to effect positive change and to address issues of major significance in the Americas.

Research Agenda

The Center responds to a hemispheric agenda that directly impacts the American people in the form of jobs and prosperity, drugs, migration, export opportunities,

environmental quality, and the promotion of shared democratic values. Programs foster national and international linkages and partnerships through fellowships and collaborative efforts in research and training. The Center's priority research agenda focuses on vital inter-American issues such as ***trade and investment, migration, security, democratic governance, civil-military relations, corruption, institutional reform, civil society participation,*** and ***sustainable development.*** Findings of the Center's research reach scholars, policy makers, and opinion leaders in the United States and throughout the Hemisphere through a variety of publications including scholarly books and monographs, the *Update* and *Issues* report series, and *North-South Agenda* papers. This wide range of expertise has distinguished the Center as an invaluable national resource for identifying, analyzing, and understanding the myriad issues that have the potential to impact the United States' future prospects in a region of growing importance to our economic competitiveness and security.

Capacity Building and the New Inter-American Environment

During the decade of the 1990s, the very nature of inter-American relations has changed. The difficult but steady movement of the Hemisphere's nations toward democratization and open markets has transformed the landscape, simultaneously offering tremendous opportunities and challenges for the citizens of the United States. In recognition of the change in inter-American relations, the Center has launched a new set of activities emphasizing the theme of "Capacity-Building in the Americas." Under this initiative, the Center will use its own capacity and a series of partnerships to conduct in-country education and training projects with institutions and organizations to plan, design, implement, and evaluate programs that improve the transparency and accountability of markets and governance throughout the region. Capacity building projects address:

- Ethics and Governance
- Judicial and Legal Reform
- Telecommunications Regulations
- Financial Reform
- Environmental Law
- Health Services
- Public Management
- Microenterprise Development
- Civil Society Participation

In combination with the Center's research, these "hands-on" projects provide a learning experience with crucial implications for U.S. interests. ***While the nations of Latin America and the Caribbean now share our vision of political and economic freedom, they in many ways lack the institutions, infrastructure, and human capacity to benefit fully from the promise of democracy and the dynamism of free markets.*** If U.S. citizens are to realize the enormous potential of expanding markets, new jobs, rule of law, orderly immigration, and reduced drug trafficking, it is precisely these issues that

must be addressed. By balancing research and outreach activities with a new and exciting focus on capacity building, the North-South Center will work in the clearest possible way for the tangible benefit of both U.S. citizens and our hemispheric neighbors.

New Public Diplomacy

The policy activities of the Dante B. Fascell North-South Center are conducted with the knowledge that at no other time in the history of inter-American relations have the hemisphere's citizens enjoyed better opportunities to work together to realize the cherished ideals of democratic values, open markets, environmentally sustainable development and social justice. From its inception, the Center has consistently provided opportunities for dialogue among policy makers, nongovernmental organizations, and business interests. Since the 1994 Summit of the Americas in Miami, which formally committed the region's nations (with the exception of Cuba) to democratic governance and the achievement of a Free Trade Area of the Americas by 2005, the Center has been instrumental in bringing non-governmental organizations into the Hemispheric decision-making process.

• ***Congressional outreach*** is a key ingredient of the Center's mission. Elements of this outreach include providing congressional testimony, inviting senior congressional staffers to participate in various capacities in Center events, sharing strategic assessments and analyses of inter-American issues and events with legislators, and creating a forum in which congressional representatives —particularly those from South Florida — can engage in substantive policy discussions with their constituencies.

• The Dante B. Fascell North-South Center has been the foremost institution in bringing together the private sector, NGOs, and government representatives to monitor and evaluate the implementation of the Miami Plan of Action. The ***Monitoring Implementation of the Summit of the Americas*** initiative, the only independent monitoring project of its kind, provided an unprecedented opportunity for policy dialogues between the public and private sectors in a non-partisan and academic forum. As the direct result of a series of highly influential white papers resulting from this project, many of the Center's policy recommendations were incorporated into the Plan of Action of the 1998 Summit of the Americas II in Santiago, Chile.

• The Center's ***Diplomatic-Private Sector Roundtable*** in Washington, D.C. provides an organized policy forum, previously unavailable, for dialogue between hemispheric diplomats and civil society -- business, academic, labor, and environmental representatives. The Roundtable meets periodically to share perspectives on issues of subregional trade, education, poverty, and human rights, among others.

With its strategic location in Miami, Florida — the crossroads of the Americas; its visible presence in Washington, D.C.; and its hemispheric recognition, the Dante B. Fascell North-South Center is well positioned to further inter-American dialogue and

advance the new public diplomacy in a manner that is beneficial to Americans in the North and South.

Policy and Academic Impacts

Programs of research are complemented by rigorous outreach efforts that share the findings of the Center's work with a wide policy, business, and academic audience in the United States, Canada, the Caribbean, and Latin America. Outreach efforts include policy briefings, training programs, media outreach, workshops, public lectures, and publications.

• The Center works directly with U.S. policy makers by providing testimony to Congress, briefing Administration and State Department officials on inter-American issues, and contributing to the policy debate by sharing perspectives on a broad spectrum of issues on a biweekly basis in the ***North-South Center Update***. U.S. ambassadors to Latin America and the Caribbean routinely request Center briefings prior to assuming their posts.

• The Center's policy report, ***From Talk To Action: How Summits Can Help Forge a Western Hemisphere Community of Prosperous Democracies***, published prior to the 1998 Summit of the Americas in Santiago, Chile, was widely read by government delegations to the Summit and several of its recommendations were reflected in the resulting Plan of Action.

• Findings of the ***Caribbean Program's*** research on subregional integration, trade liberalization and corruption received critical acceptance in the Caribbean policy making community and are reflected in the framework agenda of the Association of Caribbean States.

• ***Trade Programs*** have played a central role in shaping the public policy debate on competitiveness, hemispheric free trade, and subregional economic integration — issues of vital, long-term importance to the United States. The program helps shape workable, free, and fair regional trade agreements.

• Center efforts in the area of ***Civil Society Participation*** have led to unprecedented opportunities for the private sector and nongovernmental organizations to have meaningful input in inter-American discussions of trade and development issues.

• The ***Environmental Law Program*** has provided training, capacity building and technical services, comparative legal research and analysis in the area of legal and policy reform. The program has developed an Environmental Law Americas Network to establish a hemispheric network of officials and experts in environmental law, its execution, and compliance.

• Research on ***Democratic Governance*** has provided important analysis and policy guidance on the effects of economic liberalization on the fragile democracies of the Americas. Timely research on the socioeconomic and political consequences of reforms in the region — such as a major study contained in the book *Fault Lines of Democratic*

Governance in Post-Transition Latin America — provides a comprehensive and nuanced understanding of the fault lines of democracy in the Americas and supports effective decision making in the United States and throughout the Americas.

• The ***Inter-American Business And Labor Program*** launched major policy studies and activities centering on the management of privatization in the hemisphere, business-labor cooperation, and U.S. corporate competitive strategy. A recent book, *Making NAFTA Work: U.S. Firms and the New North American Business Environment*, analyzes the effect of NAFTA on corporate strategies and patterns of U.S. investment in North America.

• The ***Inter-American Management Training Project*** has trained over 600 executives from small and medium-sized firms — over 60 percent from minority business — on exporting to Latin American and Caribbean markets.

• The ***Adjunct Senior Research Associates Program*** provides a mechanism through which the Center functions as an intellectual multiplier. By establishing productive networks among scholars from different countries and from diverse disciplines, the Center successfully promotes technical and scholarly interchange between the United States and hemispheric neighbors.

• Results of Center research, published primarily by the ***North-South Center Press***, contribute significantly to inter-American scholarship, offering strategic assessments of a variety of critical inter-American issues. In the last three years, the Center has sold over 15,000 books, many of which have been adopted as textbooks by some of the most prestigious universities in the United States. This body of work is also cited widely in interdisciplinary research on Latin America.

The Dante B. Fascell North-South Center: A Vital National Resource

As the new spirit of cooperation in inter-American relations takes root and flourishes, it presents a unique opportunity for the United States to promote critical democratic ideals such as public accountability, transparency in government, and popular participation in the democratic process through active engagement of civil society. Miami, as host of technical trade negotiations during the first three years of the seven-year process for the Free Trade Area of the Americas, will play a major role in the newly emerging North-South order of close cooperation and partnership. Efforts at democratic consolidation combined with the negotiations for an FTAA will create the framework for inter-American relations for decades to come. The Dante B. Fascell North-South Center is uniquely positioned, geographically and academically, to create constructive input and play an important role in these processes. With a firm research base, an ever widening network of public and private partnerships in the United States and the rest of the Hemisphere, the Center is uniquely placed to facilitate the constructive development and evolution of cross-border relationships among the nations and peoples of the Americas as they work together to establish a new inter-American architecture. The Center's proven track record in facilitating dialogue among hemispheric governments, non-governmental organizations, and business interests will be a vital asset for the United States and its citizens in a new era of inter-American relations.

International Center for Health Research

I would especially like to commend this Subcommittee for its significant and invaluable efforts in providing continuing support got the "Communicable Disease Initiative" at USAID. Like the Subcommittee, we believe that it is imperative that the United States address the threat of infectious diseases by responding to the dramatic increase in, and resurgence of, communicable diseases affecting children and adults, assisting developing countries to strengthen their ability to protect and care for their people, and stopping the spread of these communicable diseases in developing countries. **Emerging infections** have been defined as those diseases whose incidence has increased in the past two decades, or threatens to increase in the near future. **Re-emergence** is the resurgence of known infections after declines in incidence. Emerging and re-emerging disease, once thought to be under control, have sharply decreased in recent years around the world. The reasons are multidimensional, including population growth, and increased mobility, environmental and climate changes, urbanization, the evolution of microbes, drug resistance organisms, and modern travel and trade. International commerce, travel, and migration within the Americas are creating new opportunities for disease re-emergence and greater spread, particularly when the movement of people and products is from developing to industrialized nations.

The University of Miami International Center for Health Research is located in Miami, Florida, the major gateway city to Latin America and the Caribbean. The major goals of the Center are to investigate biological characteristics of causative microbial agents, to study the risk factors related to the spread of these infections, including interactions between nutritional status and susceptibility, as well as to develop innovative preventive strategies. An important role of the Center involved collaborative infectious disease control and prevention efforts to broaden expertise of indigenous Latin American and Caribbean health professionals, and link laboratory science and epidemiology with public health strategies and policy making processes. The Center's priority is to strengthen programs for the control of major infectious diseases, particularly malaria, dengue, TB and cholera. Emphasis is also placed on programs aimed at preventing the spread and reducing the impact of HIV infection and other sexually transmitted diseases. **There is an urgent need to strengthen the existing research infrastructure and a close collaboration between US and Latin American and Caribbean scientists and policy makers. This enhanced research will lead to development of new effective strategies for control and prevention of these emerging and re-emerging diseases in the Americas.**

Infectious diseases are the leading cause of death worldwide, causing 17 million of the 52 million deaths each year. The U.S. has also been adversely impacted by emerging infectious diseases. This is evidenced by the fact that the death rate from infectious diseases in the U.S. has increased more than 50% since 1980 and in 1996, infectious diseases in the United States were ranked as the third leading cause of death. This trend will continue in the future since infectious microbes can easily travel across borders from other parts of the world and be introduced into the United States, threatening our national health and security. Controlling disease outbreaks and factors promoting them in other countries is important not only for humanitarian reasons, but also to prevent

those diseases from entering the United States. Moreover, U.S. supported research in other countries provides American investigators with the opportunity and capacity to determine the causes, patterns of spread, factors that promote infectivity, and strategies for prevention and control of these diseases in the United States. Emerging infections are particularly serious in individuals with impaired immune systems, including malnourished children and adults. Even subclinical malnutrition or deficiency of individual vitamins and minerals that can only be detected by laboratory means, may predispose populations to infectious diseases. Poor nutritional status has been shown to influence all aspects of the humoral and cell mediated immune responses.

The synergistic interaction of malnutrition and infection has long been recognized. Infectious illness influences nutritional status which, in turn, affects host susceptibility to infection. The interrelationships between infection, nutritional status and immune function are especially apparent in individuals infected with HIV virus, who exhibit impaired immune function and altered nutritional status. The international dimensions of emerging, and re-emerging infectious diseases are a continuous challenge that call for concerted efforts of the American countries. For example, in 1993 a new hantaviral illness, **hantavirus pulmonary syndrome** (HPS) was identified in the southwestern region of the United States (CDC, MMWR, 1993). This disease is characterized by a febrile prodrome in young healthy adults and disease progression can lead to respiratory failure. This virus has now been identified from cases around the world.

Cholera, has also returned in epidemic proportions. In the United States, more cases occurred in 1992 than in any other year since cholera surveillance began in 1962. Since 1991, over 1 million cases and 9,000 deaths have occurred in Latin America, and the disease is showing a tendency to become endemic in areas in which basic sanitation is deficient and the educational level of the population is low. Although cholera initially reemerged in Peru, the disease has occurred throughout Latin America. The most profound problem associated with the reemergence of cholera has been the rapid emergence of multi-drug resistant strains. For example, Honduras witnessed its first case of cholera from the new pandemic in October, 1991. Within five years, antimicrobial-resistant V. cholera strains appeared in this country (Dubon, et. al. 1997). This may be due to the overuse of antibiotics in this area of the world or may indicate that drug-resistant cholera is becoming the dominant infecting form of the organism. International commerce may play a role in the redistribution of multi-drug resistant *Vibrio cholera* factors in one continent interact with global health by facilitating increased microbial traffic to distant regions. The re-emergence of **dengue and dengue hemorrhagic fever** (DHF) has been dramatic in the Americas. During the last ten years, five countries in South America have experienced major epidemics, for the first time in 50 years. In the United States, the first indigenous transmission of dengue after 35 years of absence occurred in Texas in 1980. Between 1986 and 1992, the Centers for Disease Control and Prevention (CDC) diagnosed 157 cases of dengue. In 1994, 37 laboratory-confirmed cases were reported, doubling the annual average from the previous years (1987 – 1993). From 1977 to 1994, a total of 2,248 suspected cases of imported dengue fever were reported in the united States. Both mosquito vectors, *Aedes aegypti* and *Aedes albopictus,* are present in the southeastern part of the United States (8 states) permitting rapid transmission of the virus throughout this region. Most recently, a major outbreak of

dengue fever and DHF was reported from Cuba. Nearly 3,000 cases of confirmed dengue fever (including 12 fatalities) were reported during 1997 by the Cuban Ministry of health (Kouri et. al., 1998). Since asymptomatic and subclinical dengue cases frequently occur, the number of people infected with dengue virus was probably much higher. There are strong indications that dengue virus infections are currently increasing in several other Caribbean countries as well in several Central America. **Thus, there is a compelling need to increase surveillance activities to track the movement of dengue fever and DHF throughout the Americas.**

Tuberculosis (TB) appears to be on the rebound. In the United States, TB incidence rose from 22,210 to 25,313 between 1985-1993, with 60% of the excess cases attributed to disease in foreign-born individuals. From 1986 to 1993, 40% of foreign-born cases were from Latin America. Between 200,000 and 250,000 cases have been reported annually in the Americas since 1980. Eight countries face very severe problems, with incidence rates estimated at over 80 per 100,000: Bolivia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Paraguay, and Peru. There are four factors that seem to contribute to such a resurgence of TB: the HIV/AIDS epidemic, drug resistance, an increase in marginalized populations, and neglect of public health TB control programs. According tot he Pan American Health Organization (PAHO) estimates, 3.5% of TB cases in the Region were associated with HIV infection in 1990 and 15% will be linked to HIV infection in the year 2000. In several countries of the Americas, including the United States the emergence of multi-drug resistant TB (MDR-TB) has been also intimately related to the HIV epidemic. Thus, drug resistance surveillance can be an important program indicator for policy makers. Support of laboratories for international drug resistance monitoring needs to be considered.

Malaria has had a resurgence in many tropical areas. The disease occurs in more than 90 countries worldwide and it is estimated that there are over 500 million clinical cases and 2.7 million malaria-caused deaths per year. A multitude of factors have contributed to reemergence of malaria, including 1)insecticide resistance in the *Anopheles* mosquito 2)social instability resulting in movements of unexposed nonimmune individuals into areas where malaria is endemic and 3) the failure to develop an effective malaria vaccine. Compounding the problems of malaria's geographical expansion and of increasing morbidity and mortality are the emergence and rapid spread of antimalaria-drug resistance which necessitate the use of more expensive and sometimes toxic antimalaria drugs and longer treatment course. In various, parts of the United States, concomitance of competent vectors, suitable weather conditions, and malaria-infecting carriers entering the country. have caused isolated cases or small outbreaks of "autochthonous malaria". In the past, these cases were limited to rural settings, but since 1990, indigenous malaria has been reported in urban areas as well. *Plasmodium falciparum*, the hemoparasite which causes the most severe form of disease, has become even more resistant to commonly used antimalarial drugs. Resistant falciparum malaria is now present throughout malaria endemic areas of South America.

Antimicrobial drug resistance is perhaps one of the most alarming threats among the problems presented by emerging and re-emerging infections. The problem is well documented in the United States where increasing levels of drug resistance in both

community-acquired (e.g. MDR *Streptococus pneumonia)* and nosocomial infections (resistant *enterococci*) have led infectious disease experts to declare the situation a crisis that could lead to a "post-antibiotic" era. Although less well-documented, the threat of antimicrobial resistance in the developing nations of the Western Hemisphere appears to outweigh that present in the United States and Canada. Most of the Latin American countries have conditions that facilitate antimicrobial drug resistance: uncontrolled sale of antibiotics, frequent self-medication, overcrowding and lack of adequate nosocomial infection control programs in many hospitals, along with almost nonexistent surveillance and reporting of antimicrobial resistance patterns.

The HIV/AIDS pandemic continues to increase exponentially. Reports from the World Health Organization (WHO) , the Joint United Nations Programme on HIV/AID (UNAIDS), and the World Bank(WB) predict dramatic increases in worldwide HIV infections, particularly in developing nations. Dr. Piot, executive director of UNAIDS recently announced that *"We are now realizing that rates of HIV transmission have been grossly underestimated-particularly in sub-Saharan Africa".* The WHO has stated that *"the growing global HIV/AIDS crises is reversing decade of progress toward improving the quality of life in developing countries."* It is now estimated that more than 30 million individuals are infected with HIV worldwide with as many as 16,000 new individuals becoming infected each during 1997. Nearly 90% of all people infected with HIV live in developing countries (Fox, 1998). Clearly, major research efforts need to be focused on the development of HIV prevention programs and more importantly, into the development of an effective vaccine.

The HIV/AIDS epidemic is also refocusing the attention of public health experts on the problem of emerging and re-emerging infectious diseases. HIV/AIDS and other sexually transmitted diseases (STDs) illustrate the impact of changes in demographic conditions, social standards, modification of the global environment, and the mutability of microorganisms. The impact of HIV/AIDS on public health is due in large part to the multiple opportunistic infections that develop in association with this condition (*e.g. Mycobacterium complex, Pneumocistis carinni, Toxoplasma goondii, Crypptosporidium, etc.*). In 1993, the United States experienced the largest waterborne disease outbreak ever registered. The source was the urban municipal water supply contaminated with *Cryptosporidium,*an intestinal parasite that causes prolonged diarrheal illness, and severe disease in the immunosuppressed individuals. In addition, HIV infection interacts in complex ways with other tropical infectious diseases endemic in Latin America, such as Chagas' disease and leishmaniasis, which are occurring with varied and unusual clinical manifestations in persons infected with HIV.

The magnitude and gravity of the current emerging and re-emerging infectious disease situation in the region of the Americas is of critical concern. In order to develop an effective system for disease surveillance control and prevention, a strong and stable research infrastructure and close cooperation between scientists of United States and Latin America and Caribbean countries are essential. **Enhanced research and raining efforts need to be established in the areas involving the most prevalent infectious diseases** including TB, malaria, dengue, cholera, and HIV. The complex interaction between nutritional status and susceptibility, as well as disease

progression, and control of these infections needs to be investigated along with basic research on all aspects of disease processes and public health strategies.

Thank you, Mr. Chairman, for permitting me to testify before the Subcommittee.



Cyrus M. Jollivette
Vice President for Government Relations

STATEMENT PURSUANT TO THE TRUTH-IN-TESTIMONY RULE OF THE 106TH CONGRESS

Submitted By
CYRUS M. JOLLIVETTE
VICE PRESIDENT FOR GOVERNMENT RELATIONS
UNIVERSITY OF MIAMI
March 4, 1999

On the occasion of Testifying before the Subcommittee on Foreign Operations, Export Financing, and Related Programs, U.S. House of Representatives, regarding the Fiscal Year 2000 Budget for the United States Agency for International Development.

****

In a good-faith effort to comply with Rule XI of the Rules of the House of Representatives covering nongovernmental witnesses appearing in a nongovernmental capacity, know more generally as the House Truth-in-Testimony Rule, I, Cyrus M. Jollivette, Vice President for Government Relations of the University of Miami, located in Coral Gables, Florida, state the following:

According to the two most recent audits of the University of Miami performed in accordance with provisions of Office of Management and Budget (OMB) Circular A-133 (Audits of Institutions of Higher Learning and Other Non-Profit Institutions) for the fiscal years ending May 31, 1997 and May 31, 1998, federal awards received by the University for all activities (including research and development, student financial aid, extension education, public service, academic support, enterprise/institutional/plant support, and scholarships and fellowships) totaled $122,601,890 and $127,657,320, respectively. I have attached hereto a *Schedule of Federal Awards - Summary* provided me by the Controller of the University of Miami that details the amount and source of Federal awards received by the University of Miami in each of two previous University fiscal years.

Should the Subcommittee require further details of federal support received at the University of Miami, or copies of the audits as produced by Arthur Andersen LLP, the University's independent auditors, I will make every effort to see that they are provided.

Office of the President
P.O. Box 248006
Coral Gables, Florida 33124-4600
305-284-5155 • Fax: 305-284-3768

UNIVERSITY OF MIAMI
SCHEDULE OF FEDERAL AWARDS - SUMMARY
FOR THE YEAR ENDED MAY 31, 1997

	MAJOR PROGRAMS		OTHER FEDERAL ASSISTANCE	
	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL AID, SCHOLARSHIPS, FELLOWSHIPS	INSTRUCTION, TRAINING, PUBLIC SERVICE, AND OTHER	TOTAL
DEPARTMENT OF HEALTH & HUMAN SERVICES	$66,350,910	$139,542	$8,115,733 (A)	$74,606,185
NATIONAL SCIENCE FOUNDATION	9,420,825	68,310	66,853	9,555,988
DEPARTMENT OF EDUCATION	1,139,230	7,174,084	1,005,951	9,319,265
DEPARTMENT OF THE NAVY	5,394,333	-	41,842	5,436,175
NATIONAL AERONAUTICS & SPACE ADMINISTRATION	5,057,184	30,888	19,577	5,107,459
DEPARTMENT OF COMMERCE	4,419,549	-	-	4,419,549
UNITED STATES INFORMATION AGENCY	3,435,161	-	-	3,435,161
DEPARTMENT OF THE ARMY	2,853,625	-	123,839	2,977,464
DEPARTMENT OF VETERANS AFFAIRS	1,006,696	-	1,678,873	2,685,569
DEPARTMENT OF ENERGY	1,281,971	-	207,047	1,489,018
DEPARTMENT OF TRANSPORTATION	604,357	15,013	-	619,370
ENVIRONMENTAL PROTECTION AGENCY	556,408	-	19,563	575,971
DEPARTMENT OF THE INTERIOR	436,293	-	-	436,293
DEPARTMENT OF AGRICULTURE	165,203	-	-	165,203
UNITED STATES COAST GUARD	98,817	-	-	98,817
FOUNDATION ON THE ARTS AND THE HUMANITIES	28,122	-	95,176	123,298
DEPARTMENT OF STATE	85,190	-	-	85,190
FEDERAL EMERGENCY MANAGEMENT AGENCY	-	-	15,222	15,222
DEPARTMENT OF THE AIR FORCE	1,673	-	-	1,673
ORGANIZATION OF AMERICAN STATES	-	-	13,372	13,372
DEPARTMENT OF DEFENSE	11,802	-	-	11,802
STATE AND LOCAL FEDERAL PASS-THROUGH FUNDS	1,423,765	-	-	1,423,765
TOTAL FEDERAL AWARDS	$103,771,114	$7,427,847	$11,603,048	$122,801,809

UNIVERSITY OF MIAMI
SCHEDULE OF FEDERAL AWARDS - SUMMARY
FOR THE YEAR ENDED MAY 31, 1996

	MAJOR PROGRAMS		OTHER FEDERAL ASSISTANCE	
	RESEARCH AND DEVELOPMENT	STUDENT FINANCIAL AID, SCHOLARSHIPS, FELLOWSHIPS	INSTRUCTION, TRAINING, PUBLIC SERVICE, AND OTHER	TOTAL
DEPARTMENT OF HEALTH & HUMAN SERVICES	$64,494,328	$237,835	$10,585,689	$75,317,852
DEPARTMENT OF EDUCATION	869,174	8,533,593	2,922,678	12,325,445
NATIONAL SCIENCE FOUNDATION	9,678,838	46,617	62,491	9,785,946
DEPARTMENT OF DEFENSE	8,031,465	-	201,331	8,232,796
DEPARTMENT OF COMMERCE	6,850,491	-	-	6,850,491
NATIONAL AERONAUTICS & SPACE ADMINISTRATION	5,661,383	46,962	20,069	5,728,414
DEPARTMENT OF VETERANS AFFAIRS	1,414,598	-	2,060,596	3,475,194
UNITED STATES INFORMATION AGENCY	2,302,341	-	-	2,302,341
DEPARTMENT OF ENERGY	1,055,016	-	(28,544)	1,026,472
DEPARTMENT OF AGRICULTURE	37,265	-	690,698	727,963
DEPARTMENT OF TRANSPORTATION	564,727	1	-	564,728
DEPARTMENT OF THE INTERIOR	403,792	-	1,360	405,152
ENVIRONMENTAL PROTECTION AGENCY	357,968	-	11,665	369,633
DEPARTMENT OF JUSTICE	341,074	-	-	341,074
NATIONAL FOUNDATION OF THE ARTS AND HUMANITI	-	-	72,159	72,159
DEPARTMENT OF STATE	66,294	-	-	66,294
FEDERAL EMERGENCY MANAGEMENT AGENCY	-	-	53,448	53,448
ORGANIZATION OF AMERICAN STATES	-	-	11,918	11,918
TOTAL FEDERAL AWARDS	**$103,126,754**	**$8,865,008**	**$15,666,869**	**$127,657,330**

Cyrus Martin Jollivette
Vice President for Government Relations/Executive Assistant to the President
University of Miami
P.O. Box 248006
Coral Gables, Florida 33124

EDUCATION

Juris Doctor degree awarded 1980, School of Law, University of Miami, Coral Gables, Florida.

Master of Business Administration degree awarded 1970, School of Business Administration, Long Island University, Brookville, New York.

Bachelor of Arts degree (Business Administration) awarded 1968, C.W. Post College of Long Island University, Brookville, New York.

PROFESSIONAL EXPERIENCE

Vice President for Government Relations and Executive Assistant to the President, University of Miami, Coral Gables, Florida. (1994 to present)

Vice President for Government Relations and Secretary of the University, University of Miami, Coral Gables, Florida. (1992 to 1994, and 1985 to 1991)

Government Relations Principal
Jorden Burt Boros Cicchetti Berenson & Johnson LLP, Washington, D.C. (1991 to 1992)

Vice President for Development Affairs, University of Miami. (1982 to 1985)

Executive Assistant to the President, University of Miami. (January 1982 to September 1982; August 1989 to July 1991; October 1992 to present)

Director of Public Affairs, Division of Development Affairs, University of Miami. (1980 to 1982)

Director of Foundation and Corporate Relations, Division of Development Affairs, University of Miami. (1977 to 1980)

Managing Editor, The Miami Times, Miami, Florida. (1971 to 1977)

Director of Academic Counseling (1970 to 1971); Assistant Director of Academic Counseling (July to December 1970); C.W. Post Center of Long Island University, Brookville, New York.

Assistant to the Dean of Students and Director of Men's Residences, C.W. Post Center of Long Island University. (1969 to 1970)

OTHER EXPERIENCES

Producer/Moderator, Perspective. (1977 to 1982)
Interview Panelist, Perspective. (1971 to 1974)
Sunbeam Television Corporation, WSVN-TV, Channel 7, Miami Beach.

AFFILIATIONS

Trustee, St. Thomas University, Miami, Florida. Academic Affairs Committee. (1988 to 1992)

Director, Florida Education Fund, Tampa, Florida. (1987 to 1993)
Board Chairman (1991 to 1993); Member, Operations and Planning Committee. Chairman, Finance and Investments Committee. (1987 to 1993)

Trustee, Carrollton School of the Sacred Heart, Miami, Florida. (1988 to 1992)

Director, National Society of Fund Raising Executives, Alexandria, Virginia.
Member, Education Committee. (1991 to 1992)

Member, 1993 Campaign Cabinet, United Way of Dade County. Co-Chair Leadership Giving Division.

Trustee (1983 to 1989; Chair, Board of Trustees, 1987 to 1988), Council for the Advancement and Support of Education (CASE), Washington, D.C.

Trustee, Public Health Trust of Dade County, Florida. (1975 to 1984)

ORGANIZATIONS/MEMBERSHIPS

Alpha Phi Alpha Fraternity
Council for the Advancement and Support of Education
Greater Miami Chamber of Commerce
Higher Education Roundtable
Iron Arrow Honor Society
National Society of Fund Raising Executives
Omicron Delta Kappa
Phi Alpha Delta Law Fraternity
Sigma Pi Phi Fraternity/Alpha Rho Boule

CIVIC ACTIVITIES

Member, Orange Bowl Committee, Miami, Florida. (1984 to present)

Member and Chairman, Bi-racial/Tri-Ethnic Advisory Committee of the United States District Court for the Southern District of Florida, Miami, Florida. (1986 to 1991)

Member, State of Florida High Speed Rail Transportation Commission, Environmental Planning Advisory Committee. (1987 to 1991)

Member, Board of Governors, The Dade Community Foundation, Miami, Florida. (1983 to 1989)
Chairman, Grants Committee.

Member, Board of Directors, We Will Rebuild, Coral Gables, Florida. (1992 to 1993)

PERSONAL

Birth Date:	August 5, 1946, Miami, Florida	
Marital Status:	Divorced Daughter, Lynn (age 26)	
Home Address:	Unit 206 1581 Brickell Avenue Miami, Florida 33129	
Telephone:	Business: Home:	(305) 284-5155 Fax: (305) 284-3768 [redacted] Fax: [redacted]

Mr. CALLAHAN. Thank you, sir. Former Congressman Larry Smith stopped by and said that you would be coming and told me to treat you nicely. Commerce/Justice funds the Dante B. Fascell Center——

Mr. JOLLIVETTE. Yes.

Mr. CALLAHAN [continuing]. We fund infectious diseases through USAID. But in any event, we appreciate very much your testimony.

Mr. JOLLIVETTE. Thank you, sir.

Mr. CALLAHAN. Thank you, sir.

All right. Mr. Robert Manoff. How are you this morning, sir?

Mr. MANOFF. Mr. Chairman, it is good to see you again.

Mr. CALLAHAN. Nice to see you.

THURSDAY, MARCH 4, 1999.

NATIONAL PRESS INSTITUTE OF RUSSIA

WITNESS

ROBERT MANOFF, NEW YORK UNIVERSITY

Mr. MANOFF. Mr. Chairman, members of the committee, I am the Director of the Center for Peace and News Media at New York University, which runs the National Press Institute of Russia, NYU's flagship initiative in that country. I would like to thank you, Mr. Chairman, and the committee, for your previous support for our work and for your support for independent media in Russia and the NIS, in general.

I am submitting written testimony, and I would like today to underline and draw attention to five specific points which have been included in that testimony.

First, even before the crisis, the Russian independent media were in jeopardy. They faced daunting political, economic, professional challenges, and renewed government efforts to restrict their independence and their ability to operate as a tribune of the people.

However, there was progress being made, partly through the efforts of NGO's like the National Press Institute, and largely through the efforts of the journalists and the publishers themselves, especially in Russia's regions where the oligarchs had not yet successfully penetrated and bought up the newspaper system, as they have in Moscow. That was the circumstance on the eve of the crisis.

The second point I would like to make is that the crisis that began on August 17th, and in which we still find ourselves, has been devastating for the independent media in Russia, and notably for the independent newspapers with which we mostly work.

Circulation has plummeted. Subscription income, which is the main source of support, has evaporated in many cases. Advertising revenue has fallen 70 percent. (And, as you know, in the United States, and in all systems where commerce and not state subsidies support newspapers, advertising is the primary source of revenue.) Paper and printing costs have increased by 100 or 200 percent in some cases. I could go on. The list is stunning.

The consequences for citizens and Russian democracy are also very fateful. Papers have become smaller. They have shrunken in

the number of pages. They come out less frequently, if at all. Staff cuts have been made, cuts in news budgets, wire services.

In a nutshell, there is less news and less serious reporting at a time when a crisis in the country and the economic and political issues really require the informed consent and participation of the Russian public and policy elites.

Regional newspapers that once circulated widely now only circulate within individual cities, leaving much of the country in an information black hole. News quality is down. The aggressiveness of reporting is down. Therefore, the role that newspapers can play in ensuring government accountability is not being played.

Finally, there is now more government control of the news media, more government control of all of the information that flows to the public.

Third—and I want to underline this point—newspaper publishers and journalists belong to the emerging class of Russians who neither seek nor expect assistance from the state. Their confidence has been shaken by the crisis, but their determination remains strong. In fact, they merit our support—we might say—a new post-Leninist anti-communist vanguard. They are really leading the way.

Fourth, the independent print media in the regions are responding rationally and effectively to the crisis. But they do not have the resources or know-how to survive on their own. They are resisting government subsidies. The newspapers with which we work do not want to be subsidized.

They understand the strings that come with government funds. They are cutting costs. They are rationalizing circulation. They are seeking advertising aggressively. They are improving the quality of their product, which is ultimately the point of the whole exercise.

Fifth, assistance to the independent media in Russia is a great investment for this country. The independent media are the backbone of democracy and free markets, as you know. The media provide extraordinary leverage and a multiplier effect that impacts all aspects of American policy. A little bit of help to the media goes a long way. Media assistance funds are not wasted funds.

Finally, assistance, however, cannot be piecemeal, halfhearted. As we argue in the written testimony, it needs to be sectoral. It needs to be strategic. It needs to be long-term. Just as it is said that a woman cannot be half pregnant, it might also be said that the media sector cannot be half fixed.

Thank you very much.

Mr. CALLAHAN. Thank you very much for your testimony, sir. Your entire testimony will be submitted for the record.

Mr. MANOFF. Yes, Mr. Chairman. Thank you very much.

Mr. CALLAHAN. We thank you very much.

[The information follows:]



CENTER FOR WAR, PEACE,
AND THE NEWS MEDIA

Testimony of
Robert Karl Manoff
Director
Center for War, Peace, and the News Media
New York University

prepared for

House Foreign Operations, Export Financing,
and Related Programs Subcommittee
of the House Appropriations Committee
Capitol Building
Washington, DC

Responding to the Russian Media Crisis:
A Sectoral Analysis and Action Plan by the National Press Institute of Russia

March 4, 1999

Center for War, Peace, and the News Media
New York University Department of Journalism and Mass Communication
418 Lafayette Street, New York, NY 10003
Tel: +1 (212) 998-7960 Fax: +1 (212) 995-4143
E-mail: war.peace.news@nyu.edu URL: http://www.nyu.edu/globalbeat

Mr. Chairman and Members of the Committee, on behalf of New York University and the National Press Institute of Russia, the major initiative undertaken by NYU's Center for War, Peace, and the News Media, I would like to take this opportunity to thank you for your previous support of our work.

We have been gratified by this Subcommittee's staunch endorsement of media assistance programs, most recently in House Report 105-719, which, *inter alia*, supported "training in commercial management with emphasis on financial skills, basic and advanced journalism training, and development of an independent media infrastructure." The continuing interest of this Subcommittee in such programs will remain critical to their continued implementation and success in the years to come.

I very much appreciate the opportunity to provide testimony to this Subcommittee today, and would like to offer the following comments as a journalist, an academic, and the founder and director of an NGO that has been providing media assistance in the former Soviet Union and Central and Eastern Europe since 1985 -- longer than any other organization operating in the region.

Since I appeared before you last year to discuss the importance of the media to the transition process in Russia and to American policy interests in that country, the economic crisis that has devastated the economy since August has dramatically impacted the media sector, as well.

While the fundamental sectoral assistance approach that has been developed over many years by the National Press Institute (NPI) remains valid, the present economic crisis in Russia clearly requires that efforts to assist the independent media be reviewed and refocused. In light of this fact, NPI has been vigorously reassessing its current activity and developing new programmatic initiatives continuously since the crisis began in August. As part of this process, NPI has issued two detailed analytical studies of the crisis and its effects on independent regional newspapers, as well as a comprehensive programmatic *Newspaper Crisis Recovery Program.*[1]

The National Press Institute believes that the present crisis will continue to impact the independent press for many years to come. Moreover, as Russia moves into the upcoming national election season, new dimensions of the media crisis will emerge, presenting new challenges that bear upon the fate of the entire political-economic transition of the country. As a permanent media-assistance organization that is on the ground throughout Russia every day working with the entire media sector, NPI has undertaken continuous monitoring of the media crisis and the implications of this crisis for the future of Russia and the success of American policy, and I would like to share some of our findings with you today.

---

[1] The latest and most complete study is entitled "Surviving the Crisis in Russia: Independent Newspapers Confront the Challenge" (December 1998). This study is available in English and Russian from the National Press Institute or the Center for War, Peace and the News Media at New York University, as is the *Newspaper Crisis Recovery Program.*

1. The Press Before the Crisis

It is important to begin by recognizing that Russia's pre-crisis media sector was far from able to meet the requirements of democratic politics and a market-based economy. A number of industry characteristics accounted for the economic weakness and the professional inadequacy of pre-crisis regional newspapers:

- Regional newspapers were printed on outmoded, state-owned printing presses and distributed by monopoly (often state-controlled) distribution companies;
- Regional newspapers had an abnormally small share of both national and local retail advertising markets;
- There were far too many regional newspapers in extremely restricted markets, making it impossible for many of them to gain financial independence. Of the approximately 10,800 titles registered in Russia's 89 regions, only half had circulations over 10,000;
- Media markets (in terms of reader trust and advertiser confidence) were grossly distorted by the presence of state-subsidized mouthpieces posing as local newspapers;
- Regional newspapers were managed by former journalists with an extremely limited understanding of the business side of publishing, especially the importance of aggressive marketing and outreach to both readers and advertisers,
- Governments at all levels continued to exert control over the media, largely through economic levers, especially at the regional level (currently approximately 85 percent of Russian newspapers receive some form of subsidy);
- Investment and capital resources were scarce, except in the case of politically-motivated investments;
- The unstable and underdeveloped legal environment surrounding the media inhibited innovation, risk-taking, and sustainability;
- Information access remained restricted, despite freedom of information laws;
- Nonstate newspaper publishers rarely communicated with one another, and were unwilling to share information or work together to promote their common interests and improve the legal and regulatory environment in which they operated; and
- Public confidence in the media was abysmally low because of poor journalistic professionalism and the widespread (and often correct) impression that journalists served political and financial interests rather than their readers.

In summary, the condition of the nation's media was in many respects grave even before the crisis, and this made the impact of events following August 17 all the more dire.

2. The Impact of the Crisis

In the aftermath of the crisis itself, NPI research has made it clear that the financial, managerial, professional and political position of the regional print media has suffered grievously. Among the findings:

- Publishers have responded to the crisis with reductions in publishing volume and sharp cuts in staffing levels. Overall, 61 percent of publishers reported reducing the number of pages published per week. Reductions ranged from 10 to 50 percent, with an average for all publishers of 17 percent.

- Half of all papers reported laying off staff, ether permanently or temporarily. Other papers reported across-the-board salary cuts, staff reorganizations and reductions in working hours.

- Most newspapers reported enacting other anti-crisis measures such as more closely monitoring all costs and more rigorously controlling circulation.

- Analysts in several Moscow-based advertising agencies estimate that the overall advertising market in Russia has fallen by 70 percent since August. Almost all of the publishers that NPI surveyed reported decreased advertising revenues since mid-August despite the fact that many of them have increased advertising rates.

- The impact of the present crisis on subscription sales, the major source of revenue, will be quite drastic, probably even more devastating to most newspapers than the collapse of advertising markets. The subscription crisis will most seriously affect newspapers (mostly dailies) that are widely distributed across vast regions, and may have the effect of turning truly regional newspapers into city papers. Citizens outside of metropolitan areas will be largely cut off from locally generated news.

- Almost all newspapers have experienced immediate and dramatic increases in their basic production costs. Overall costs rose on average by about 15 percent despite the fairly draconian anti-crisis measures that all newspapers have undertaken. NPI's research has shown that prices of the two largest cost centers for Russian newspapers (newsprint and printing) have been fluctuating wildly throughout the crisis and show no signs of stabilizing. It is impossible even to generalize, except to say that the price of newsprint has increased by 20 to 100 percent and the price of printing has risen similarly.

- Eighty-five percent of publishers surveyed stated that a lack of printing equipment was the main obstacle to developing their business. At the same time, representatives of advertising agencies continue to tell NPI that newspapers simply are not interesting to their clients because of poor print quality. Russia has tried for too long to build a newspaper industry without bothering to make significant capital investment. This is simply not possible. A method must be found to finance the installation of small, modern offset newspaper printing presses in Russia.

- Publishers of regional papers, as a result of the crisis, feel more sharply than ever the need for permanent representation in Moscow, both to promote their business interests with potential advertisers and to lobby their corporate interests with the government. Ninety-five percent of the publishers surveyed said that such a representation was "essential."

3. The Six Crises of the Russian Media

These findings are striking taken individually, but the cumulative impact of the collapse of the advertising market, the dramatic drop in subscription sales, the decline in the size of papers and their frequency of publication, the laying off of key journalistic and editorial staff, and a raft of other crisis consequences that NPI has documented -- this cumulative impact is even more fraught with danger for the processes of democratization and marketization in the country. In the aggregate, in fact, the Russian media -- and with it the country itself -- are now facing six crises of fateful import:

- *The Economic Crisis*: Like all sectors in Russia, the newspaper industry has been rocked by the economic effects of the post-August crisis, as described above.

- *The Information Crisis*: The economic crisis has forced newspapers to reduce staff and to cancel subscriptions to information sources such as news agencies. As a result, the economic crisis has become a journalistic crisis and newspapers are less able than ever to provide the information that society needs. NPI seeks to develop a variety of mechanisms (on-line journalism, database development, briefings and press conferences, publications, establishing contacts among newspapers in different regions, etc.) to increase the volume and quality of information available to Russian journalists and the public. NPI understands that simply helping publishers resolve their business problems will not enable them to survive if they are not able to produce products that readers need and want.

- *The Social Crisis*: Such a dramatic collapse of the economy as Russia has experienced inevitably will have serious social consequences. This is especially true in a country like Russia which is composed of many ethnic and religious communities and which has a long, troubled history of intolerance and xenophobia Since August, observers have noted with alarm a dramatic increase in anti-Semitism and in pro-fascist activity. NPI has observed intensified ethnic conflict in many regions and has received, for instance, a heart-rending appeal from publishers in the Northern Caucasus for assistance in helping to diffuse ethnic tensions before violence again engulfs that part of the country. In this region at least, publishers feel that social unrest is more immediate threat to their newspapers than the economic consequences of the crisis. While these are not issues that can be resolved by effective and responsible journalism, they certainly will never be resolved without it.

- *The Political Crisis*: NPI and the publishers with which it works recognize that the upcoming parliamentary (1999) and presidential (2000) elections represent a significant threat to the independence of the regional media – a threat that looms larger because of the economic, political and social turmoil provoked by the crisis. NPI believes that journalists must be given guidance and resources to enable them to resist both political pressure and financial incentives during the campaigns, and to keep the needs and interests of their readers at the center of their election coverage.

- *The Legal Crisis*: As a result of their weakened financial position and the strained political atmosphere engendered by the crisis, newspapers are more subject than ever to intimidation through legal action by the authorities and other interests. Publishers have repeatedly told NPI that they need organized and systematic assistance in such areas as business law, advertising law and the registration of organizations.

- *The Professional Crisis*: The overall weakness demonstrated by independent newspapers in the present environment points to significant shortcomings in the level of journalistic professionalism

throughout the country. Newspapers cannot recover from their economic difficulties, cannot resist political and criminal pressure and cannot play a stabilizing social role if they are unable to win and retain the confidence of the public. The National Press Institute emphasizes the importance of targeted programs designed to improve the professional and responsible presentation of information, such as the NPI Nuclear Security Program, its ethics programs and its long-running initiative on the coverage of ethnic conflict.

4. Why Media Assistance Dollars Will Not be Wasted

Most experts agree that it will be many years before Russia recovers from the shock of the present crisis. However, they also agree that new opportunities may have been created to correct the structural flaws that provoked the crisis in the first place. In this context, it is impossible to exaggerate the importance of the non-state regional press. Commercial newspapers play an active role in stimulating local economic development, in ferreting out and eliminating corruption and other obstacles to investment and, perhaps most importantly, in keeping the public informed and engaged in democratization and the economic transformation process.

Although it is clear that the present crisis in Russia represents a serious, long-term setback for privately owned newspapers, publishers have not thrown up their hands in despair. Instead, they have rolled up their sleeves and responded to the situation with reasonable and well-considered crisis-management measures, although most of them will have a very hard time bearing further shocks and recovering from the present one without assistance. They are putting their available resources to excellent use and making heroic efforts with precious little support. They are more than ever ready to learn from the experience of other countries and from one another, more than ever taking themselves seriously as entrepreneurs and seeking sensible, market-oriented solutions to their problems. They are now acutely aware of the need to rebuild their businesses by increasing revenue, cutting costs, and providing a better product, and are more eager than ever before to do what is necessary to finally establish their newspapers on the basis of sound business practices, aggressive marketing, and quality journalism that truly responds to the public interest.

The publishers of non-state newspapers in Russia belong to the emerging class of Russians who neither seek nor expect assistance from the state. Their confidence has been badly shaken by the present crisis, but their determination to overcome remains strong. It is indicative that only a tiny minority of the papers that NPI works with have approached local authorities for subsidies, while almost all have approached NPI for assistance in managing advertising, circulation, human resources and the like A publisher from southern Russia recently told NPI, "There is no point in waiting for state support or subsidies. I have to rely on myself and to actively seek out market-oriented solutions to my problems."

Considering this frame of mind, it is not surprising that the crisis has actually produced some positive effects. For example: Some publishers have intensified their focus on local advertising sales, looking to increase their base of small advertisers instead of relying on a few larger clients; other publishers have increased their control over single-copy sales and newspaper distribution generally, reducing waste and returns and increasing revenue; and yet other

publishers have begun to think actively about how they can make their newspapers essential to readers who now have even less disposable income than before.

However, daunting obstacles remain and another election season is looming in Russia. Publishers fear these elections even more than the economic crisis. They know that with each election, the confidence of citizens in political reform and in the media declines, further eroding their strength. They understand that, no matter what assurances may be uttered, all too few Russian politicians are deeply committed to the development of an open society. In the wake of the economic crisis, commercial newspapers in Russia enter the election season in a seriously vulnerable condition.

5. What Kind of Assistance is Needed Now

NPI's analysis of the present situation in Russia suggests a number of concrete actions that could and should be undertaken to resuscitate the non-state regional newspaper industry in the wake of the present crisis and to lay the foundations for a viable independent press in Russia. In order to do so, it is necessary for non-state newspapers – with the guidance and assistance of Western media professionals – to work together in a concerted fashion to (1) increase revenues by increasing advertising market share and circulation, (2) decrease costs through more efficient management, (3) improve the legal and regulatory environment through lobbying and legal and tax reform, and (4) improve journalistic practices and standards and heighten the media's sense of public responsibility to the public. With these goals in mind, NPI believes that the following specific initiatives are required to assist Russia's regional media in responding to the crisis:

- Targeted newspaper consulting programs should be expanded and intensified. Experience has clearly shown that Western management expertise in the areas of advertising sales, marketing and promotion, circulation and financial management is directly applicable to Russia and that exposure to these methods brings tangible benefits to Russian newspapers.

- Programs must be developed to expand the share of the national advertising market enjoyed by regional newspapers. A central advertising representation and the development of a coordinated schedule of thematic supplements (health, computers, travel, etc.) are the most promising places to begin this work.

- Advertisers and newspaper managers need much more reliable information about newspaper readership and potential readership. Newspapers must be assisted in designing and executing research programs and in using research to market their newspapers to advertisers. Newspaper managers must be assisted in developing concrete strategies for selling newspaper advertising in competition with other media, especially street advertising, national magazines and radio.

- Methods of increasing the exchange of information among publishers, including especially information about effective marketing initiatives and programs designed to increase reader participation in the community, should be developed.

- A coordinated legal service for independent newspapers, including media law and business law, should be initiated Special attention should be given to problems faced by state-controlled newspapers seeking to be privatized.

- A detailed lobbying agenda for non-state newspapers should be developed and presented to the industry for discussion and, possibly, action. The primary issues that must be addressed are state subsidies to the media and the unfair competition that they cause, state control over newspaper printing presses, access to information and methods of using tax legislation to stimulate advertising in private newspapers

- The industry should be monitored carefully in order to assess the impact of the present crisis on subscription revenues. It may be crucial to create emergency mechanisms for infusing working capital into the industry.

- Programs should be implemented to facilitate discussion of the impact of upcoming elections on the media and the role of independent newspapers in covering the political process. Newspapers should be given the opportunity to create programs that increase public confidence in the processes of democracy and reform.

- Concentrated efforts must be undertaken to vastly expand access to high-quality newspaper printing throughout the country. Loan funds, guarantee funds, franchising and especially leasing mechanisms should be considered in order to give newspapers the maximum opportunity either to own their own presses or at least to have a choice of where to print

6. The Role of the National Press Institute

In line with these recommendations, the National Press Institute is now working with the United States Agency for International Development and a range of other funding and programmatic organizations, including the United States Information Agency, to implement an aggressive program in the country. This program builds on NPI's seven years of experience as a permanent, nationwide, Russian NGO dedicated to developing the emerging independent and professional mass media as a pillar of a stable, democratic civil society in Russia

Begun as a project of New York University in 1992, NPI is now an independent Russian NGO with 45 staff members in six sites throughout Russia[2], all but one of whom are Russian nationals. It has organized over 3000 programs in 40 cities across Russia, with an aggregate attendance of over 135,000 journalists, media managers, and other professionals. It applies a unique sectoral strategy based on a comprehensive approach to the economic, political, professional, educational, and legal problems facing the media

In the years since it was established by the NYU Center for War, Peace, and the News Media, the National Press Institute has provided management training and consulting to thousands of newspapers throughout the country, leading directly in some cases to full financial independence from the local authorities. Through training and provision of information it has

[2] Moscow, Nizhny Novgorod, Novosibirsk, St. Petersburg, Samara, and Yekaterinburg.

helped thousands of journalists to improve their reporting on key issues. It has promoted inclusive and broad-based journalism that both promotes a diversity of viewpoints and encourages civil society. It has championed the cause of freedom of information in Russia. It has arranged lasting partnerships between Russian and American newspapers. In these and a host of other ways too numerous to summarize here, NPI has employed its sectoral strategy to promote the development of a stronger, more democratic, and sustainable independent media sector.

In implementing the strategy that has been adumbrated here, NPI will rely on the consummate Russian media professionals who staff the six departments that will continue to be called upon to design and implement the assistance programs that respond to the sectoral crisis:

- The **NPI Business Development Service** provides consulting, training, professional information, and other services and support to media organizations seeking to attract financing, develop business plans, improve their management, or in other ways improve their financial viability and attract capital. In the coming year, it will mange NPI's programs to create a centralized advertising representation for regional newspapers in Moscow; to launch a legal service to provide assistance on business-law issues; and to expand its management consulting programs, using both American and Russian media management professionals.

- The **NPI School of Media Management and Journalism** operates courses on journalism and the newspaper business at all NPI locations, and is becoming Russia's major mid-career training institute for the print media. In the coming year, it will serve hundreds of media professionals with mid-career training to help them manage the aftermath of the crisis through courses in advertising management, newspaper marketing, electoral coverage, legal journalism, and reporting on the economic and political issues involved in the crisis itself.

- The **NPI Center for Cyberjournalism** is Russia's premiere institution devoted to providing training and consulting in new technology applications for the media. The Center for Cyberjournalism also organizes the only annual conference in the former Soviet Union devoted to promoting Internet use and Web publishing by journalists and publishers; it also offers a range of other information and consulting services and publications. Its Internet Media Service is becoming a prime delivery vehicle for a spectrum of informational and assistance services and resources, and during the coming year the cyberjournalism program will focus on responding to the post-crisis needs of the media through its educational and training programs and Internet resources.

- NPI undertakes **Special Projects** to respond to particular needs or opportunities in the Russian media sector, such as improving coverage of critical nuclear issues and working with journalists to promote the values of tolerance and pluralism necessary for the success of democratic governance in a multi-ethnic and multi-confessional society. NPI's Nuclear Reporting Program has worked since 1992 to promote coverage of nuclear security and safety, arms control, proliferation, and export issues on the part of the Russian media. The efforts of the program will be enhanced during the coming year, during which time NPI will also be inaugurating a series of initiatives devoted to encouraging informed, honest, objective, and sophisticated coverage of the forthcoming parliamentary and presidential election campaigns.

- The **NPI Press Centers** organize hundreds of briefings, press conferences, and roundtables every year, featuring a wide range of political leaders, economists, civic leaders, journalists, NGO activists, and a range of other newsmakers and experts. During the coming year it will focus especially on providing information to independent media that can no longer afford to subscribe to non-government information sources; on furnishing information on all aspects of the crisis itself in order to promote complex coverage of the economic and political issues involved; and on providing a forum for candidates, citizen groups, and experts on the issues during the forthcoming campaigns.

- Finally, the **NPI Research Center** monitors, studies, and publicizes economic, political, and journalistic issues and trends in the Russian media sector. Over the next year the Research Center will continue to monitor closely the impact of the crisis on the Russian media and will examine the efforts of Russia's media managers to handle its consequences and improve the viability of the regional media sector.

As NPI continues to monitor developments in the media sector and in Russian society at large, it is natural that its sectoral analysis and programmatic responses will constantly evolve in response to changing circumstances and the new problems and opportunities they reveal.

Meanwhile, the National Press Institute has crafted its complex of responses to the post-August crisis in Russia with the goal of using limited resources in a way that will have nationwide impact on the key problems facing independent newspapers and Russia's emerging civil society. Nonetheless, it is necessary to keep in mind the tremendous scale of the challenges presented by the crisis. Now is frankly not the moment for pilot projects, under-funded half-measures or programs that do not go to the heart of the issues confronting the media The present crisis compels us to be bold and imaginative in our thinking and energetic in our response.

The formation of an open civil society in Russia with the informed participation of average citizens, the creation of a stable and productive democratic process and true national economic development based on free markets depend in no small measure on ensuring that citizens and consumers are served by viable, responsible and independent press. The National Press Institute is proud to be playing an essential role in this very important work.

Mr. CALLAHAN. Dr. Feldman. How are you, Doctor?
Dr. FELDMAN. Fine. How are you?
Mr. CALLAHAN. Fine. Thank you.

THURSDAY, MARCH 4, 1999.

UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY

WITNESS

DR. LAWRENCE A. FELDMAN, UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY

Dr. FELDMAN. Mr. Chairman, I respectfully present testimony of the University of Medicine and Dentistry of New Jersey, UMDNJ, the largest public health sciences university in the nation.

The UMDNJ statewide system is located on five academic campuses and consists of three medical schools and schools of dentistry, nursing, health-related professions, graduate biomedical sciences, and our newest school, the School of Public Health.

UMDNJ also comprises a university-owned acute care hospital, three core teaching hospitals, an integrated behavioral health care delivery system, a statewide system for managed care, and affiliations with more than a hundred health care and educational institutions statewide.

UMDNJ is the home of the International Center for Public Health and the Center for Disease Control's Center for Tuberculosis Research, Education, and Training, both of whom have established major international collaborations in infectious diseases research.

No other institution in the nation possesses resources which match our scope in higher education, health care delivery, research, and community service initiatives with state, federal, and local entities.

I appreciate this opportunity to bring your attention to a priority project of UMDNJ that is consistent with the mission of this committee to counter the threat of chemical and biological terrorism.

In our complex world of instant communication and ease of global transportation, disaffected individuals or political groups have access to highly destructive weapons of terror. With our open society, the United States is particularly at risk to an individual with a grudge, a band of ideologically motivated fanatics, or to nations seeking revenge.

The possibility of the employment of weapons of mass destruction on an innocent population has already become a reality with the Sarin nerve gas attacks in the subways of Tokyo. State and local governments and health organizations need reliable information upon which to develop and coordinate response plans for contingencies due to weapons of mass destruction. They need programs to educate planners and response teams on the public health aspects of these threats and how to recognize and respond to them.

In addition, they need to understand both the short- and long-term implications for human and ecologic health. Such a plan requires a broad base of scientific and educational expertise which has an international scope in order to devise approaches or to early

detection and treatment of biological and chemical weapons of terror.

As citizens of the nation's most densely populated state, we in New Jersey have a particular concern about being targets of violent chemical terrorist activities. Our communities abut each other, and our traffic patterns are statewide, making us especially vulnerable to infectious diseases.

There are no obvious geographical boundaries to readily institute a quarantine. Our central location as a transportation hub for the populous northeast also makes us a prime target.

Terrorists have three types of weapons available to them. For the first, explosive devices, although increasingly deadly we have developed responses and have become all too familiar with their form of terror and chaos. The other two types of terrorist weapons are relatively new and present particular challenges to our normal response processes.

These are chemical weapons of terrorists, such as nerve gas, and biological weapons of terror, such as anthrax bacillus. Chemical and biological weapons differ dramatically from explosions in that for these newer threats early recognition and diagnosis is crucial for both those initially infected and for others who might yet be affected through the spread of infection or contact with the chemical.

Education of emergency responders to correctly identify these threats, whether they occur here or abroad, is crucial to minimize the impact of biological and chemical weapons, as well as to protecting the emergency responders themselves. Compounding our problems is the need for a better understanding of the effects of likely chemical and biological agents of terrorism, development of the means to prevent their spread, and to rapidly treat their victims.

We respectfully make four recommendations for the committee's consideration. One, provide funding for a major program aimed at improving the recognition of the effects of chemical and biological terrorism weapons by community emergency response elements.

Two, unify the approaches to educating emergency responders about chemical and biological terrorism.

Three, provide multi-agency funding to force the international research efforts to identify, understand the pathogenicity, and learn how to neutralize agents being developed by terrorists intent on using biological and chemical agents.

Four, provide funding for research designed specifically at understanding the health effects of chemical and biological agents on large populations, so that early diagnosis and treatment becomes more likely.

The nation's foremost program in education and training concerning chemical and physical threats is headed by a UMDNJ faculty member, Dr. Audrey Gotsch, who is currently President of the American Public Health Association. Among her programs is the Center for Education and Training, which provides training concerning chemical and physical agents to more than 1,600 police, firefighters, municipal and state employees, as well as to physicians, nurses, and industrial hygienists.

Because of its scientific expertise, UMDNJ is uniquely qualified to develop a program to educate state and municipal governments,

emergency responders, and health and hospital professions on planning for response to terrorism and training personnel to deal with threats of terrorism and how they affect the public.

UMDNJ also has the international collaborative studies in infectious disease and health education, and is uniquely positioned to study these problems and to provide solutions. We respectfully seek $1.5 million through the USAID to expand our research, education, and training programs in response to threats of chemical and biological terrorism.

A more detailed statement has been submitted to the subcommittee. I would like to commend the committee on the important work they are doing into looking into these very complex and potentially devastating biological threats to our society.

Thank you on behalf of all us, and my personal thanks for allowing me to testify today.

Mr. CALLAHAN. Thank you, Dr. Feldman.

Dr. FELDMAN. Thank you.

[The information follows:]

TESTIMONY PRESENTED TO THE HOUSE APPROPRIATIONS
SUBCOMMITTEE ON FOREIGN OPERATIONS

BY
DR. LAWRENCE A. FELDMAN
ACTING SENIOR VICE PRESIDENT FOR ACADEMIC AFFAIRS
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY
MARCH 4, 1999

Mr. Chairman, I respectfully present testimony of the University of Medicine and Dentistry of New Jersey (UMDNJ), the largest public health sciences university in the nation. The UMDNJ statewide system is located on five academic campuses and consists of 3 medical school, and schools of dentistry, nursing, health related professions, graduate biomedical sciences and our latest school — the School of Public Health. UMDNJ also comprises a University-owned acute care hospital, three core teaching hospitals, an integrated behavioral health care delivery system, a statewide system for managed care and affiliations with more than 100 health care and educational institutions statewide. No other institution in the nation possesses resources which match our scope in higher education, health care delivery, research and community service initiatives with state, federal and local entities.

I appreciate this opportunity to bring to your attention a priority project of UMDNJ that is consistent with the mission of this committee, and that is to counter the threat of chemical and biological terrorism.

UMDNJ Testimony
House Subcommittee on Foreign Operations

In our complex world of instant communication and ease of global transportation, disaffected individuals or political groups have access to highly destructive weapons of terror. With our open society the United States is particularly at risk to an individual with a grudge, a band of ideologically motivated fanatics, or to nations seeking revenge. The possibility of the employment of weapons of mass destruction on an innocent population has already become a reality with the Sarin nerve gas attack in the subways of Tokyo.

State and local governments and health organizations need reliable information upon which to develop and coordinate response plans for contingencies due to weapons of mass destruction. They need programs to educate planners and response teams on the public health aspects of these threats and how to recognize and respond to them. In addition, they need to understand both the short and long term implications for human and ecologic health. To develop such a plan requires a broad base of scientific and educational expertise. Scientific expertise is also needed to devise approaches for the early detection and treatment of biological and chemical weapons of terror.

As the nation's most densely populated state, we in New Jersey have a particular concern about being targets of bio- and chemo- terrorist activities. Our communities abut each other and our traffic patterns are statewide making us especially vulnerable to infectious disease. There are no obvious geographical boundaries to readily institute a quarantine. Our central location as a transportation hub for the populous Northeast also makes us a prime target.

UMDNJ Testimony
House Subcommittee on Foreign Operations

Terrorists have three types of weapons available to them. For one, explosive devices, although increasingly deadly, our society has developed emergency response approaches to deal with, including explosions caused by sources as varied as factory processes and gas mains. The other two types of terrorist weapons are relatively new and present particular challenges to our normal response processes. These are chemical weapons of terror, such as nerve gas, and biological weapons of terror, such as anthrax bacillis. Chemical and biological weapons differ dramatically from explosions in that for these newer threats early recognition and diagnosis is crucial for both those initially affected and for others who might yet be affected through spread of infection or contact with the chemical. Education of emergency responders to correctly identify these threats is crucial to minimize the impact of biological and chemical weapons, as well as to protecting the emergency responders themselves. Compounding our problems is the need for a better understanding of the effects of likely chemical and biological agents of terrorism, and of the means to prevent their spread and treat their victims.

We respectfully make four recommendations for the committee's consideration: 1) Provide funding for a major program aimed at improving the recognition of the effects of chemical and biological terrorism weapons by commuunity emergency response elements. 2) Unify the approaches to educating emergency responders about chemical and biological terrorism. These two types of weapons present similar challenge and it would be inefficient to develop separate initiatives for these threats.

3) Take advantage of existing expertise in training emergency responders in medically-related issues that has been developed for hazardous chemicals and wastes through the NIOSH Training Centers. There have already been used for pass through funding from DOE, EPA and NIH to train emergency responders; and, 4) Provide funding for research derived specifically at understanding the heath effects of chemical and biological agents of terror so that early diagnosis and treatment becomes more likely.

The nation's foremost program in education and training concerning chemical and physical threats is headed by a UMDNJ faculty member, Dr. Audrey Gotsch, who is currently President of the American Public Health Association. Among her programs is the Center for Education and Training which provides training concerning chemical and physical agents to more than 160,000 police, firefighters, municipal and state employees, as well as to physicians, nurses and industrial hygienists.

Because of its scientific expertise, UMDNJ is uniquely qualified to develop a program to educate state and municipal governments, emergency responders and health and hospital professionals on planning for the response to terrorism and training personnel to deal with threats of terrorism and how they affect public health.

We respectfully seek $1.5 million through the Agency for International Development (USAID) to expand our research, education and training programs in response to threats of chemical and biological terrorism.

CURRICULUM VITAE

NAME: Lawrence A. Feldman, Ph.D.

HOME ADDRESS: 24 Chestnut Road
West Orange, New Jersey 07052

OFFICE ADDRESS: Office of Academic Affairs
University of Medicine and Dentistry of New Jersey
Room 1441
65 Bergen Street
Newark, New Jersey 07107-3001
973/972-7613
lfeldman@umdnj.edu

EDUCATION

B.S. Zoology
1956-1960
University of Wisconsin

M.S. Bacteriology
1960-1962
Pennsylvania State University

Ph.D. Microbiology
1962-1964
Pennsylvania State University

POSTDOCTORAL TRAINING

NIH Postdoctoral Fellow
1964-1966
Department of Virology & Epidemiology
Baylor University College of Medicine
Houston, Texas 77030

UNIVERSITY APPOINTMENTS

1966-1967
Instructor
Department of Microbiology
New Jersey College of Medicine and Dentistry
Jersey City, New Jersey

1967-1971
Assistant Professor
Department of Microbiology
New Jersey College of Medicine and Dentistry
Jersey City, New Jersey

1971 - 1978
Associate Professor
Department of Microbiology
University of Medicine and Dentistry of New Jersey
Newark, New Jersey

1978 - Present
Professor
Department of Microbiology and Molecular Genetics
University of Medicine and Dentistry of New Jersey
Newark, New Jersey
Held same rank appointments at New Jersey Dental School and the Graduate School of Biomedical Sciences

1979 - 1982
Adjunct Professor
Hunter College - CUNY School of Health Sciences

OTHER PROFESSIONAL POSITIONS AND MAJOR VISITING APPOINTMENTS

Visiting Scientist
1979
Hunter College - CUNY
Dr. H.L. Ozer

AWARDS AND HONORS

University of Wisconsin Regents Scholarship
NIH Postdoctoral Fellowship
UMDNJ - Foundation, Excellence in Teaching 1987
Liaison Committee on Medical Education Fellow 1988

BOARDS OF DIRECTORS/TRUSTEES

West Orange Board of Education 1983-1988, President 1986
President, Essex County School Board Association 1986-88
Trustee, Mary T. Koegl Scholarship 1972-1991

MAJOR COMMITTEE ASSIGNMENTS - INSTITUTIONAL

PAST

Search Committee - Neuroscience Department Chairman
Search Committee - Director of Audio Visual Center
Member of Audio Visual Committee
President, Interim Faculty Organization
Public Relations Committee
Chairman, NJCMD Bylaws Committee
Faculty Affairs Committee - New Jersey Medical School
First Year Ad Hoc Curriculum Committee
Curriculum Sub-committee on First and Second Year Electives
Chairman, Sub-committee on Minor Titles
CMDNJ Institutional Long Range Planning Committee
Graduate School of Biomedical Sciences - Ad Hoc Committee for M.D. Ph.D. Program
Graduate School of Biomedical Sciences - Executive Committee
New Jersey Dental School - Faculty Affairs Committee
New Jersey Dental School - Committee on Academic Procedures and Policies
Chairman, Department of Microbiology Committee on Graduate Studies
New Jersey Dental School - Bylaws Committee
New Jersey Medical School - Faculty Committee on Appointments and Promotions - 1983
New Jersey Medical School - Faculty Council - 1983-1986
New Jersey Medical School - Bylaws Committee - 1983-1986
New Jersey Medical School - Clinical Training Board - 1983-1987
New Jersey Medical School - Biohazards Committee - 1985-1987
New Jersey Dental School - Executive Committee - 1985-1987, 1988-1990
New Jersey Medical School - Subcommittee of Basic Science Coordinators - 1984-1987

New Jersey Dental School - Ad Hoc Basic Science Curriculum Committee - 1984-1987
New Jersey Dental School - Ad Hoc Basic Science Coordinators Search Committee - Director, Dental Research Center
New Jersey Dental School Curriculum Committee 1989-1992
Ex-Officio member - New Jersey Medical School Faculty Council 1991-1998
University Faculty Committee on Libraries 1995-1998

MEMBERSHIPS, OFFICES AND COMMITTEE ASSIGNMENTS IN PROFESSIONAL SOCIETIES

American Society for Virology
American Society for Microbiology
Society for General Microbiology
American Association for the Advancement of Science
Sigma Xi
American Association for Medical Colleges
New York Academy of Science
Trustee, The Medical Library Center of New York, Advisory Committee
AAMC Committee on Funding and Resources of Medical School Programs
Program Committee - Planning Coordinators Group - 1975 National Meeting, AMC
AAMC Committee on Financing of Medical Education
Advisory Panel - Task Force on Facilities
Project Reviewer, Department of Health, Education and Welfare, Region VI
Steering Committee, AAMC Planning Coordinators Group, 1976
Chairman, Northeast Planning Coordinators Group, 1975-76
Consultant, Morehouse College Medical Education Program, 1976
American Association of University Professors
Liaison Committee on Medical Education Fellow, 1988 - University of South Alabama
Liaison Committee on Medical Education Site Team Visitor - University of Minnesota, 1990
Liaison Committee on Medical Education Site Team Visitor - University of Massachusetts, 1991
Liaison Committee on Medical Education Site Team Visitor - Louisiana State University, 1993
Liaison Committee on Medical Education Site Team Visitor - Pennsylvania State University, 1995
Liaison Committee on Medical Education Site Team Visitor - East Carolina University, School of Medicine, 1997
Liaison Committee on Medical Education Site Team Secretary - Mercer University School of Medicine, 1998
Liaison Committee on Medical Education Site Team Secretary - SUNY Medical Center at Stony Brook, 1999

MAJOR TEACHING EXPERIENCE

Course Coordinator
1985 - 1987, 1993
Department of Microbiology

Lecturer - Animal Virology

Lecturer - Medical and Dental Microbiology Courses

MAJOR ADMINISTRATIVE RESPONSIBILITIES

Assistant Dean for Student Affairs
1971 - 1973
CMDNJ-New Jersey Medical School

Assistant Dean for Administration
1972 - 1976
CMDNJ-New Jersey Medical School

Associate Dean for Planning and Management
1976 - 1977
CMDNJ-New Jersey Medical School

Chief Administrative Officer
1985 - 1988
Sammy Davis, Jr. National Liver Institute

Associate Dean
1987 - 1990
New Jersey Medical School

Acting Chairman, Department of Anatomy
July 1988 - 1990
New Jersey Medical School

Senior Associate Dean for Education
1990 -1998
New Jersey Medical School

Acting Chairman, Department of Pharmacology and Toxicology
1993 - 1996
New Jersey Medical School

Acting Chairman, Department of Physiology
1993 - 1996
New Jersey Medical School

Acting Senior Vice President for Academic Affairs
UMDNJ
1998 - present

ARTICLES

1. Feldman, L.A. and Lindstrom, E.S. (1964) The effect of carotenoid pigments on photo-oxidations of some photosynthetic bacteria. Biochem.Biophys.Acta. 79:226-272.

2. Rapp, F., Butel, J.S., Feldman, L.A., Kitahara, T. and Melnick, J.L. (1965) Differential effects of inhibitors on the steps leading to the formation of SV40 tumor and virus antigens. J.Exp.Med. 121:935-944.

3. Feldman, L.A., Melnick, J.L. and Rapp, F. (1965) Influence of SV40 genome on replication of an adenovirus--SV40 "hybrid" population. J.Bact. 90:778-782.

4. Feldman, L.A. and Rapp, F. (1966) Inhibition of adenovirus replication by 1-B-D-arabinofuranosylcytosine. Proc.Soc.Exp.Biol.Med. 122:243-247.

5. Feldman, L.A., Butel, J.S. and Rapp, F. (1966) Interaction of simian papovavirus and adenoviruses. I. Induction of adenovirus tumor antigen during abortive infection of simian cells. J.Bact. 91:813-818.

6. Rapp, F., Feldman, L.A. and Mandel, M. (1966) Synthesis of virus deoxyribonucleic acid during abortive infection of simian cells by human adenoviruses. J.Bact. 92:931-936.

7. Feldman, L.A., Sheppard, R.D. and Bornstein, M.D. (1968) Herpes simplex virus-host cell relationships in organized cultures of mammalian nerve tissues. J.Virol. 2:621-628.

8. Leestma, J.E., Bornstein, M.D., Sheppard, R.D. and Feldman, L.A. (1969) Ultrastructure of aspects of herpes simplex infection in organized mammalian nervous tissue. Lab.Invest. 20:70-78.

9. Raine, C.S., Feldman, L.A., Sheppard, R.D. and Bornstein, M.B. (1969) Ultrastructure of measles virus in cultures of hamster cerebellum. J.Virol. 4:169-181.

10. Raine, C.S., Feldman, L.A., Sheppard, R.D. and Bornstein, M.B. (1971) Ultrastructural study of long-term measles infection in cultures of hamster dorsal root ganglion. J.Virol. 8:318-329.

11. Feldman, L.A., Raine, C.S., Sheppard, R.D. and Bornstein, M.B. (1972) Virus-host cell relationships in measles-infected cultures of central nervous tissue. J.Neuropath.Exp.Neurol. 32:624-638.

12. Raine, C.S., Feldman, L.A., Sheppard, R.D. and Bornstein, M.B. (1973) Subacute sclerosing panencephalitis virus in cultures of organized central nervous tissue. Lab.Invest. 28:627-639.

13. Feldman, L.A. and Burnett, F.F. (1973), Students for medicine (SMP): a program for the preparation of the disadvantaged student. J.Med.Educ. 48:945-947.

14. Raine, C.S., Feldman, L.A., Sheppard, R.D., Horta-Barbosa, L. and Bornstein, M.B. (1974) Subacute sclerosing panencephalitis virus: Observations on a neuroadapted and non-neuroadapted strain in organotypic CNS cultures. Lab.Invest. 31:42-53.

15. Sheppard, R.D., Raine, C.S., Burnstein, T., Bornstein, M.B. and Feldman, L.A. (1975) Cell-associated subacute sclerosing panencephalitis agent studied in organotypic central nervous system cultures: viral rescue attempts and morphology. Infection and Immunity 12:891-900.

16. Sheppard, R.D., Feldman, L.A., Barbosa, L.H., Raine, C.S. and Bornstein, M.B. (1976) The effects of measles virus and various strains of SSPE cirus on organotypic cultures of nervous tissue. Acta Neuropath 34:175-181.

17. Jha, K.K., Gurney, E.G., Feldman, L.A. and Ozer, H.L. (1980) Expression of transformation in cell hybrids. Analysis of a revertent of SVT2. Cold Spring Harbor Symposium on Quantitative Biology XLIV:689-694.

18. Radna, R.L., Foellmer, B., Feldman, L.A., Franke, U. and Ozer, H.L. (1987) Restriction of human adenovirus replication in chinese hamster cell lines and their hybrids with human cells. Virus Research 8:277-299.

19. Soto-Greene, M., Wright, L., Gona, O. And Feldman, L.A. (1999) Minority enrichment programs at the New Jersey Medical School: 26 years in review. Academic Medicine, in press April 1999.

BOOKS, MONOGRAPHS AND CHAPTERS

1. Rapp, F., Butel, J.S., Feldman, L.A., Tevethia, S.S. and Melnick, J.L. The interaction of unrelated tumor viruses (SV40 and adenoviruses). In Carcinogenesis: A Board Critique, 20th Annual Symposium on Fundamental Cancer Research, Williams and Wilkins, Baltimore, pp. 607-7209, 1966.

2. Sheppard, R.D., Feldman, L.A., Barbosa, L.H., Raine, C.S. and Bornstein, M.B. Response of organotypic central nervous system cultures to measles and SSPE viruses. In International Symposium on the Aetiology and Pathogenesis of the Demyelinating Diseases, Japan, Soc. Neuropath, Kyoto, Japan, (1973), Eds. Shiraki, Yonezawa and Koroiwa, 1976.

3. Small, M.B., Simmons, E., Feldman, L.A., Jha, K.K., Ozer, H.L., Pyatti, J., Hann, A., and Dina, D. Genetic analysis of the transformed phenotype in mouse cells, in gene transfer in cancer. Raven Press, 1982.

Mr. CALLAHAN. John A. Donnelly. We will submit your entire statement for the record. There is no real need to read it to us.

Mr. DONNELLY. Okay. I was not intending to.

Mr. CALLAHAN. I appreciate that. [Laughter.]

THURSDAY, MARCH 4, 1999.

CATHOLIC RELIEF SERVICES

WITNESS

JOHN A. DONNELLY, CATHOLIC RELIEF SERVICES

Mr. DONNELLY. I am John A. Donnelly, and I am a representative of Catholic Relief Services, the international relief and development agency of the United States Catholic Conference of Bishops. We are positioned in approximately 83 countries around the world for over 50 years. We have developed meaningful, interactive relationships with communities, which has generated sustainable success stories, and, equally important, has affected a high degree of accountability.

We believe that the money spent on development today does have success when used properly. In our written statement, we have made adequate comments about that, and I would really just like to add a few additional points or highlights, if I may.

One of the, I think, great success stories among the PVO community today is small enterprise development. Anyone who has visited these sites, read these reports, and I know some members of this committee have merited this as a documented success. CRS, for example, is reaching over 150,000 participants who otherwise would be shut out from any opportunity to start small businesses.

The criteria that CRS employs is using loans in the area of $100 to $300. On the face of that, that is almost insignificant. But it actually does create small capital to start build—to start businesses. This leads to additional jobs, and does not create a debt service problem on the part of the participant.

We would ask this committee to continue to support legislation on behalf of small enterprise development, and we are suggesting in the area of $160 million. We would also ask special consideration be given to targeting a portion of that money to the poorest countries, so that the small-type loans that the PVOs are employing can continue to be.

I would also like to talk a bit about child survival, which also has been another proven winner. It is documented so by the World Health Organization. And, again, anybody who has visited these sites, the difficulty with child survival to date has been—from a PVO perspective, has been that less than three percent of the overall monies flow through PVO communities.

This is despite the fact that PVOs make a matching contribution to any Federal Government monies that flow through the PVO. The requirement is 25 percent. Since the inception of this program, PVOs have contributed over 50 percent. They do this voluntarily, and I think it speaks to the deep commitment, not only of the voice but also of the pocketbook.

We would ask this committee, as it has in the past, to look carefully at this and see if a higher percentage of the money could not be earmarked for the PVO community.

Debt relief is an issue that we all agree must be faced, and the administration and the Congress is certainly taking a leadership role in that, and we applaud that. We would only ask, as a thought now, that following Hurricane Mitch special consideration be given to put increases into the Central American trust fund.

Finally, CRS would request that special consideration be given to the basic humanitarian assistance to the very poor. The efforts of community development through child survival, small enterprise, education, cannot truly be considered a success, if a segment of that population is being left behind.

Pope John Paul II, on his visit to St. Louis, reminded us, once again, that the responsibility of leadership and compassion falls to those with the power and the resources.

With this in mind, we would ask that the committee seek to not lose sight of this segment of the population, take the necessary steps to ensure that there is room in the budget for those who are simply in need.

I have got a lot of time left over, do not I? [Laughter.]

I was so concerned on getting through my five minutes and what I wanted to say that I——

Mr. CALLAHAN. Not if you want to hear from me. [Laughter.]

Mr. DONNELLY. Mr. Chairman, I do want to hear from you. [Laughter.]

Mr. CALLAHAN. Well, I just want to say, with respect to the small enterprise fund, the committee is very supportive of that and will continue to be. With respect to the $100 to $300 loans, that is what it is all about. And we should hope that the priorities would be given to the smaller, poorer countries. We assume that is taking place.

Child survival is going to survive. It is going to probably increase, even though the administration, just as they did for the small enterprise fund, have requested less. Both are going to be given more, not less.

PVOs are favored by me and this committee because we get more bang for the buck out of PVOs. I mean, you can take monies from them. Catholic service organizations can do more with $10 than any government can do with $100. So we are supportive of that.

Debt relief—I disagree with you there, but that is not bad. You are doing pretty good to get——

[Laughter.]

Central American trust fund—I do not know where you all came up with that, but we are going to look closely at that request. But I am not real sure about it.

Nevertheless, all of those things that you mentioned that there is a direct humanitarian relief capability through Catholic services you are going to get.

Mr. DONNELLY. Thank you, Mr. Chairman.

Mr. CALLAHAN. Now you can give me absolution. [Laughter.]

Thank you.

[The information follows:]

Testimony on FY 2000 Foreign Assistance
on behalf of Catholic Relief Services

Subcommittee on Foreign Operations, Export Financing,
and Related Programs
House Appropriations Committee

Presented by John A. Donnelly

March 4, 1999

I'd like to thank the sub-committee for this opportunity to testify on behalf of Catholic Relief Services (CRS), the official relief and development agency of America's 61 million Catholics. Founded in 1943, CRS has more than 50 offices carrying out relief and development programs in 83 countries. We are a major programmer of US taxpayer resources including both disaster and development grants and PL 480 food aid. CRS complements the resources we receive from the US Government with private funds and then maximizes their impact by utilizing in-country resources such as grass roots development networks.

The Catholic Bishops of the United States have a much broader agenda on the issues of foreign assistance than I will address this afternoon. Today I would like to address a few issues that are of immediate concern to us because they deal with the development and humanitarian assistance programs that we are engaged in. These programs, including Small Enterprise Development, Child Survival, Basic Education and humanitarian care are directly affected by the appropriations choices that your sub-committee will make.

I come before this subcommittee today to address particular elements of the Function 150 Budget and to speak about how we and other private voluntary organizations (PVOs) are best positioned to be part of our joint effort to ensure that foreign assistance transforms the lives of millions of people. This is because we are committed to community mobilization for sustainable development in all our programs.

Investment in **Small Enterprise Development** programs expands the economic pie. We think that the level of this type of programming should be $160 million and that at least half of this sum should be devoted to making loans of less than $300. The nearly 150,000 participants in CRS Small Enterprise Development programs have an average loan size of less than $100 and a more than 91% on-time payment rate at sustainable market interest rates. These are the programs that build markets and economic equity one entrepreneur at a time.

The **Child Survival** (CS/D) line should be restored to its FY 99 congressional level of $650 million. The administration's request for $550 represents a cut in a popular and effective program.

Child Survival funds need to be available to the PVOs that actually work at the grassroots level, strengthening local capacity to address health problems and investing directly in the health of the mothers and infants that this program is supposed to be helping. The lack of funding for field-based PVO programs leads to restrictions on the numbers of programs and the amount of programming that can be carried out.

The most significant source of direct PVO support comes through the USAID Bureau of Humanitarian Response, Office of Private and Voluntary Cooperation (BHR/PVC). The BHR/PVC Child Survival Grants Program which has existed since 1985 aims to improve capacity of US PVOs and local partners to carry out effective child survival programs that improve infant and child health and nutrition, and contribute to reduced infant and child mortality. From its inception through 1998 it has provided $192.8 million to reach nearly 207 million beneficiaries (mothers and children under 5) worldwide. The proof of its importance to the PVO community is that, since its inception, PVOs have matched the $192.8 million with $101.7 million of their own money making the total value of this program $294.5 million. And yet, this program has received no funding increases -- indeed its resource base has been cut.

In 1997 BHR/PVC received 58 applications from 38 PVOs requesting $50.5 million to work in 26 countries. Of these only 18 applications were funded for $16.6 million. The picture for 1998 was more disappointing for the PVOs: 46 applications were submitted by 28 PVOs to carry out child survival programming in 23 countries with a value of $37.3 million. Only 13 of these were funded for $13.2 million. Why? Because there are not enough funds. Yet this program significantly builds the PVOs' capacity to mobilize communities to confront their maternal and child health problems.

According to the WHO, 70% of childhood deaths could be prevented by addressing the major killers of children that PVOs cover in the child survival programs they implement. However, the allocation of CS/D money being devoted directly to these child survival activities continues to shrink vis-à-vis other programs such as AIDS, Infectious Diseases and support to UNICEF. These are also important program areas, but to have a direct impact on 70% of childhood deaths via simple interventions promoted by PVOs requires additional funds.

Clearly, not all the money set aside for direct child survival support goes to the PVOs but we ask that you increase both the Child Survival line and the amount that is programmed through PVOs via the BHR/PVC Child Survival Grants Program to at least $30 million and as much as $50 million for FY 2000.

CRS applauds the Administration's request for $120 million in **debt relief**, a substantial increase over the 1998 appropriation. We are especially pleased that the Administration proposes to join other nations in reducing the debt owed to international financial institutions, by directing $50 million of this total to the HIPC Trust Fund. While the HIPC initiative has so far yielded disappointing results, one of its major limitations has been the scarcity of new financial resources.

Nevertheless, we believe that the United States should respond to the growing call by Pope John Paul II and people of faith to observe the new millennium by canceling the unpayable debt of the world's poorest countries. Our concern stems from our firsthand experience of the impact of international debt on the poor. Viewed in this light, much greater financial resources are needed to provide meaningful debt relief for the poorest countries. CRS and other partners have been working with Members of Congress to advance a legislative initiative, the "Debt for Poverty Reduction Act." The proposed legislation would provide deeper, faster debt relief to a larger number of countries, with priority to those that have demonstrated a sustained commitment to reduce poverty or have suffered major natural disaster. The bill would authorize $300 million in spending

on both bilateral and multilateral debt relief for FY 2000, and comparable amounts in future years.

Catholic Relief Services is particularly concerned about the debt burden afflicting Nicaragua and Honduras in the wake of Hurricane Mitch. If these two nations are to succeed in building the social and physical infrastructure necessary for recovery, they will need to devote their scarce financial resources to reconstruction and development, rather than to debt payments. Quite a substantial share of this debt is owed to international financial institutions - 60 percent in the case of Honduras. In the supplemental appropriations bill now moving through Congress, the Administration has proposed a modest contribution of $25 million toward the Central American Trust Fund, established to cover debt service payments. So far, the trust fund has garnered some $104 million in donor contributions, but approximately $600 million is needed to cover all multilateral debt service payments. We urge the Appropriations Committee to establish US leadership in reducing Honduras and Nicaragua's debt by making an additional contribution to the Central American Trust Fund.

The Administration and Congress need to commit more Development Assistance funds to **basic education** programs. These funds could be used to complement school feeding and food for education programs. We should not need to monetize food resources to pay for school improvement and Parents Teachers Association (PTA) projects, as is presently the case. The administration is reported to be asking for $110 million. We say that $150 million is the minimum needed in FY 2000. This will help eliminate the competition between monetization and feeding programs within the PL 480 Title II line.

The PTA approach that we use is effective. In Albania during the spring of 1997 mass chaos gripped the country. In a rush to embrace capitalism and a market economy people were fooled into investing in pyramid schemes. When the pyramids collapsed and the people lost their money, they looted every official building they could find.

Armories were broken into and nearly a million weapons distributed. Hospitals, government offices, jails, courts, universities and other public buildings were stripped of their windows, roofs, doors and electrical fixtures.

At that time CRS used grants from the Soros Foundation in Albania to organize PTAs. These PTAs fostered local control of primary and secondary schools. The parents in the PTAs at the 87 schools involved in the CRS program protected their schools from looters. When the dust settled these 87 schools were among the only ones that had not been damaged in the mayhem of 1997. This is the true power of grass roots and community participation that American PVOs are uniquely able to foster.

In Haiti CRS imports and distributes US PL 480 food commodities to primary schools. These commodities are prepared as a mid-morning meal for the students. Research in the US and abroad has linked school feeding programs and learning. The links have been proven as well between primary education and the improved ability of a person to provide for his or her family.

CRS is committed to using this resource to build community participation in school programs. For example, as part of the process of preparing the school to take part in the program the parents form an association dedicated to improving the school facility. The

parents meet and discuss the needs they want met. They then select a project that they will assist in carrying out. CRS uses USAID and private resources to finance the construction of classrooms, libraries and latrines. Through these projects the parents gain a sense of ownership and community control. In our own country the school board is the gateway to civic involvement. Many elected officials began their political careers with a PTA meeting. Community participation in education is the foundation of civil society and democracy.

The administration and congress need to consider committing more funds for **humanitarian care** for people suffering from AIDS. Among the poorest of the poor are 9 million AIDS orphans in Africa. That would be the same as if every person in every congressional district in Alabama, New Mexico, Nebraska, Iowa and South Dakota was an AIDS orphan. That's 15 congressional districts filled with nothing but AIDS orphans and their dire needs.

All Members of the House grapple with health and welfare issues. But imagine if every single one of your constituents and everybody in the neighboring congressional districts was a child trying to raise him or herself and several younger siblings. Wouldn't you ensure that they had something to eat each day? The ability to attend school? The chance to see the doctor? AIDS programming needs to provide opportunities for the surviving family members as well as funding for community outreach, counseling and palliative care.

In all of our programs and activities, CRS is building capacity at the community level. We are committed to community mobilization in all our programs because we believe that it is a key to sustainable development. We see the results of mobilizing community support in our Small Enterprise Development, Child Survival, basic education, and humanitarian assistance projects. CRS and other Private Voluntary Organizations serve as catalysts for positive change at the community level. Our mediations are designed to help communities and individuals contribute more effectively to the common good.

When dealing with the realities of poverty in the developing world we need to ensure that the focus of our assistance programs is the accomplishment of long-term positive change. CRS and its partners are working on generational change. Let us be accountable for accomplishing change in the long run. Through American PVOs Congress can be sure that resources are used to address the circumstances of the poor at the community level.

We are alarmed at the trend in foreign assistance that emphasizes narrow security and trade development elements. The American people need to project our compassion and respect for the poor and oppressed and to enable them to mobilize their communities.

Let the United States use its position of great power and resources to aid the poor in order to bring about long-term positive change. As Pope John Paul II stated in his recent visit to St. Louis: "From salvation history we learn that power is responsibility: it is service, not privilege. Its exercise is morally justifiable when it is used for the good of all, when it is sensitive to the needs of the poor and defenseless."

Thank you.

JOHN DONNELLY

John Donnelly retired as an active member of the Catholic Relief Services Executive Management Team in March 1998, following 34 years of distinguished service with the agency. Mr. Donnelly continues to represent CRS and serves as an advisor to the Executive Management Team.

Following his military service, Mr. Donnelly joined the CRS shipping department in 1964. Over the next three decades he worked to obtain and transport relief supplies to the poor, and victims of manmade and natural disaster from the Vietnam War, to Bangladesh to Ethiopia, and later to Somalia and the Balkans.

Prior to his retirement Mr. Donnelly was the Executive Management Team member in charge the CRS Government Liaison. In this position he managed the CRS relationship with USAID and the Congress as well as the agency's worldwide shipping and purchasing operations.

Mr. Donnelly is a resident of Baltimore County, Maryland and a member of the Board of Directors of the Catholic Medical Mission Board (CMMB). He continues to be active in the Knights of Columbus and does volunteer hospice work in Baltimore City.

World Headquarters
Catholic Relief Services–USCC
209 West Fayette Street
Baltimore, Maryland 21201-3443
Telephone: (410) 625-2220
FAX: (410) 685-1635
Web site: www.catholicrelief.org

CRS®

Giving Hope To A World Of Need

March 2, 1999

Charles O. Flickner, Clerk
Subcommittee on Foreign Operations,
Export Financing and Related Programs
H-150 The Capitol
Washington, DC 20515

Dear Mr Flickner,

Pursuant to Rule XI of the Rules of the House of Representatives, Catholic Relief Services acknowledges and reports receiving the following support from the United States Government in the form of food commodities, ocean freight subsidy and grants from 1997 to the present:

1997 $131 million
1998 $140 million
1999 $229 million (projected)

We look forward to testifying before the subcommittee. I remain,

Sincerely,

Don Rogers, Director
Legislative & Public Policy

Mr. CALLAHAN. Tim Dickinson.
Mr. DICKINSON. Good afternoon, Mr. Chairman.
Mr. CALLAHAN. Good afternoon.

THURSDAY, MARCH 4, 1999.

AMERICAN BAR ASSOCIATION

WITNESS

TIM DICKINSON, AMERICAN BAR ASSOCIATION

Mr. DICKINSON. My name is Timothy L. Dickinson. I am the immediate past Chair of the Section of International Law and Practice of the American Bar Association. On behalf of our President, Phillip Anderson, I want to thank you for providing me the opportunity to testify today.

The American Bar Association, with its over 400,000 members, is the largest professional organization in the world. Over the last decade, the ABA has participated in pro bono projects around the world with the goal to strengthen democracy and free market economies.

We believe as a result of these programs, U.S. foreign policy objectives have been advanced in the most cost-effective manner.

The events of the last decade verify that one of the most crucial aspects of democratization is the development of credible and dependable legal institutions rooted in the rule of law. It is the objective of the American Bar Association to embrace these views, and these are the bases for all of our programs.

All ABA programs are guided by three principles. First, the projects are designed to be responsive to the needs and priorities of the host countries. The countries, not the ABA, define these needs.

Second, the design of these programs recognize that the U.S. legal experience and traditions offer only one approach that participating countries may wish to consider.

Third, these projects are for public service endeavors, not devices for business development. The goal of these programs has always been to take a modest grant and leverage those sums to yield a much greater benefit for the host government and its people.

The most comprehensive technical assistance project of the ABA is the Central and Eastern European Law Initiative, CEELI. Shortly after the fall of the Berlin wall in 1990, CEELI was organized by our section to provide technical assistance to the emerging democracies in Central and Eastern Europe, and, later, to the newly-independent states.

To date, CEELI has conducted over 500 technical assistance workshops, assessed approximately 400 draft laws, placed over 200 long-term liaisons and 200 legal specialists in the region, hosted almost 50 Central and Eastern European law school deans, sent dozens of U.S. legal reform experts to assist in law school reform, and placed a variety of students from the NIS and LLM programs in the U.S.

These programs have involved over 5,000 U.S. attorneys from across the country and has yielded over $55 million of pro bono service by ABA members.

In conjunction with the Superior Court of the District of Columbia, our section has undertaken a three-phase U.S.-Africa legal exchange. The program focuses on Malawi, Tanzania, Uganda, and Zambia, and seeks to assist these countries in creating a legal environment conducive for investment and the provision of efficient legal services.

In addition to this program, the ABA has a number of other programs in Africa under various stages of development, including a legal exchange in West Africa, a new project in Liberia, and, with funding from USIA, the ABA continues to assist 12 law schools and eight African countries with over 30 U.S. law schools participating.

The ABA has also provided leadership in fulfilling the agreement between President Clinton and President Zemin, with cooperation in the field of law. The ABA signed an agreement with the All China Lawyers Association last May, which will provide for lawyer training, bar organization and management continuing legal education, legal information exchange, and law practice management.

And the ABA recently completed a large trial demonstration hosted by the National Judges College of the Supreme Peoples Court in Beijing, comparing the common law and the civil law systems.

I would also like to take a moment to talk about the ABA's collaboration with the UNDP. The ABA and the UNDP share the common belief that sustainable development must be based on the rule of law that fosters democratic institutions, respect for human rights, and a vibrant private sector.

The ABA and UNDP have recently agreed to establish a jointly funded legal resource unit to provide advisory assistance to UNDP's 132 country offices on the legal dimension of good governance and adoption of sound macroeconomic policies.

I have great respect and admiration for UNDP and hope that the subcommittee will be able to support UNDP at the level it has also requested.

In conclusion, the ABA encourages continued support for global rule of law projects that promote democracy around the world. Our programs encourage respect for the rule of law and build free markets, free trade, combat corruption, which, in turn, supports the ability of emerging markets to purchase U.S. products, thus also supporting our own economy.

I believe that all of these projects that I have described, and all of those under consideration, we believe that these provide the bedrock of development, and we hope that the Congress will continue to support our programs, which, in turn, support U.S. foreign policy to bring peace and sustainable development to the world.

Mr. CALLAHAN. Thank you very much. I agree with your testimony on this educational process of law, and it is so needed in many of these countries that are having trouble establishing democracy. It is a vast undertaking to begin with, but we appreciate the ABA's involvement with that process.

Mr. DICKINSON. And we appreciate your support.

Mr. CALLAHAN. Thank you.

Mr. DICKINSON. Thank you.

[The information follows:]



WRITTEN STATEMENT

OF

Timothy L. Dickinson

Immediate-Past Chair, Section of International Law and Practice

on behalf of the

AMERICAN BAR ASSOCIATION

before the

COMMITTEE ON APPROPRIATIONS

**SUBCOMMITTEE ON FOREIGN OPERATIONS,
EXPORT FINANCING AND RELATED PROGRAMS**

of the

U.S. HOUSE OF REPRESENTATIVES

on the subject of

FOREIGN ASSISTANCE PROGRAMS

March 4, 1999

Mr. Chairman and Members of the Subcommittee, the American Bar Association (ABA) appreciates the opportunity to present testimony on the FY 2000 Foreign Operations Appropriations bill.

My name is Timothy Dickinson and I am the Immediate-Past Chair of the American Bar Association's Section of International Law and Practice. This written testimony is being submitted for the record on behalf of the ABA at the request of Philip Anderson, President of the Association.

This testimony outlines the numerous projects undertaken by the ABA which embrace the rule of law and democracy throughout the world. The ABA is the largest volunteer professional organization with over 400,000 members. These democratization projects are leveraged by the pro-bono contributions from United States lawyers, judges, law professors, and sister legal institutions. The results have advanced the United States foreign policy goals in a very cost-effective manner. For these reasons, Mr. Chairman and Committee Members, we hope that these programs continue to receive Congressional support.

Background

The often maligned and misunderstood issue of foreign aid offers an opportunity for cooperation. Open-ended foreign aid programs can frustrate long-term growth if they allow countries to avoid difficult political decisions, such as how to end corruption and special privileges for elites. However, carefully designed foreign aid programs can make a significant difference for reform-minded governments that are plagued by political instability and corruption. To be competitive in today's global economy, many developing countries recognize

that they must embrace private, rather than state, ownership of business. They must open their markets to foreign exports, technology, ideas, and investment and accept the rule of law. The most crucial aspect of democratization is the development of credible and dependable legal institutions rooted in the rule of law.

ABA Projects

Mr. Chairman and Subcommittee members, I would like to briefly layout the ABA's specific programs which focuses on the rule of law and democratization and underscore the ABA's willingness to continue working to assist democratization efforts around the world. All ABA democratization projects have been guided by three principles. First, these projects are designed to be responsive to the needs and priorities of the host countries; the countries, not the ABA, define the need. Second, the design of these programs recognizes that U.S. legal experience and traditions offer only one approach that participating countries may wish to consider. Third, these projects are public service endeavors, not devices for developing business opportunities. The result of these programs has always been to take a modest grant and leverage those sums to yield a much larger benefit for the host governments and people.

A. The Central and East European Law Initiative ("CEELI")

The most comprehensive technical legal assistance project of the ABA is the Central and East European Law Initiative, or "CEELI." Shortly after the fall of the Berlin Wall in 1990, CEELI was organized by the ABA Section of International Law and Practice to provide technical

legal assistance to the emerging democracies in Central and Eastern Europe. By 1992, CEELI began to provide assistance to the Newly Independent States of the former Soviet Union ("NIS").

Through a variety of program components, CEELI is making available U.S. legal expertise to assist countries that are in the process of modifying or restructuring their laws and legal systems. CEELI has focused on work in several critical priority areas: constitutional reform; judicial restructuring; bar reform; criminal law and procedure reform; commercial law; legal education reform; and has helped develop and/or institutionalized self-sustaining indigenous non-governmental organizations (NGOs) in more than 22 countries.

Designed to respond to the needs of the countries, CEELI has emphasized long-term engagement and nurtured projects that facilitate extensive consultations with policy makers, legal scholars, judges, and attorneys in each country. Accordingly, CEELI has developed individual country plans that address the particularized circumstances of each locale. CEELI accomplishes its work primarily through resident liaisons and legal specialists, working pro bono, who spend one to two years working on a daily and continuous basis with local partners. CEELI liaisons often live and work in places where the comforts of life that you and I often take for granted do not exist.

Over the course of the past nine years, CEELI has established itself as a fundamental force for law reform in Central and Eastern Europe and the NIS. To date, CEELI has conducted 519 Technical Legal Assistance Workshops; assessed over 397 draft laws; placed 201 long-term liaisons and 205 legal specialists in the region; hosted 47 Central and Eastern European law school deans; sent dozens of U.S. legal reform experts to assist in law school reform; and has placed a variety of students from the NIS in LL.M. programs throughout the United States. The

credit for this remarkable achievement goes to the over 5,000 American attorneys, judges, legal scholars, and private practitioners, who have, as acts of public service, given their time and expertise to make this project successful.

When calculating the in-kind contributions of volunteer legal professionals at an understated rate of $150 per hour, CEELI has yielded over $55 million of pro bono service. Considering the modest CEELI budget in comparison to funding allocated to consulting firms, the exceptional programmatic impact and financial leverage that an NGO can achieve by using qualified volunteer professionals in a public service project is indisputable. This model of a volunteer professional assistance project is a viable and cost-effective alternative to other uses of U.S. government funding by, for example, for-profit firms. Congress has voiced strong support for CEELI and its ability to leverage U.S. taxpayer dollars (H.R. Rep. No. 524, 103rd Cong., 2d Sess., 82 (1994); S. Rep. No. 287, 103rd Cong., 2d Sess., 76 (1994); H.R. Rep. No. 128, 104th Cong., 1st Sess., 80 (1995); H.R. Rep. No. 143, 104th Cong., 1st Sess., 31 (1995); S. Rep. No. 143, 104th Cong., 1st Sess., 42 (1995); S. Rep. No. 000, 104th Cong., 1st Sess., 40 (1995); H.R. Rep. No. 600, 104th Cong., 2d Sess., 31 (1996); S. Rep. No. 35, 105th Cong., 1st Sess., 25 (1997); H.R. Rep. No. 176, 105th Cong., 1st Sess., 32 (1997); H.R. Rep. No. 719, 105th Cong., 2d Sess., 39 (1998); S. Rep. No. 255, 105th Cong., 2d Sess., 27 (1998).

B. The ABA Cambodia Democracy & Law Project

The Cambodia Law and Democracy Project ("Cambodia Project") was launched by the ABA Section of International Law and Practice during 1992 at the request of Cambodian institutions seeking assistance with Cambodia's law modernization process. The principal

purpose of the Cambodia Project was to assist Cambodia in planning and implementing legal and judicial reforms to promote democracy, a market economy, and the rule of law.

Under a grant from the Asia Foundation in 1993, the Cambodia Project provided a collection of legal materials in Phnom Penh principally through ABA donations. In late 1996, the Cambodia Project established a Legal Research and Documentation Center at the Bar Association of the Kingdom of Cambodia (BAKC) which has now secured over 1,800 donated books and publications, which include Khmer laws and selected translations, the Official Journal of the Kingdom of Cambodia, and foreign and American legal materials. Since its official opening in March of 1997, the Center has been fulfilling requests for information from lawyers, law students, NGOs, and the National Assembly Legal Research and Documentation Center.

During 1993-94, the ABA Constitutional Law Advisors assisted in drafting the new Constitution, and legal education advisors provided a needs assessment of Cambodia's legal education programs and institutions. Short-term advisors traveled to Cambodia to assist in the areas of foreign investment, contract law, and commercial arbitration. U.S. legal experts provided commentary in the areas of border disputes, intellectual property, penal code issues, environmental law, family law, and bar association development. During this period, an ABA resident legal advisor was placed in Phnom Penh to oversee all ABA and Asia Foundation legal initiatives. This action led to a request from USAID that the ABA take on a larger role in the law development process in Cambodia, which resulted in a cooperative agreement between USAID/Cambodia and the ABA in 1995.

Until July 1997 the Cambodia Project had three long-term resident advisors in Cambodia. They assisted the Ministry of Commerce and the BAKC, providing institution-building, teaching, and legal drafting assistance. By working in close coordination with the Ministry of Commerce, the Cambodia Project effectively extended efforts to improve Cambodia's legal system into Cambodia's market economy. The completion of Cambodia's Bankruptcy Law, Business Organizations and Contract Law, Products Liability Law, and Contracts Law is evidence of the project's successful advancement. In addition to their roles in law drafting, the advisors conducted classes at a local university, seminars in the provinces, and daily discussion and training sessions at the Ministry of Commerce. The purpose of these events were to train Cambodian officials and lawyers to understand and utilize the laws created to advance the rule of law and foster Cambodian social and economic prosperity.

In late July 1997 the Cambodia Project was placed on hold by USAID due to the political developments that occurred in Cambodia in early July. The Cambodia Law and Democracy Project is no longer active and was terminated by the U.S. Agency for International Development (USAID) effective September 30, 1998. The termination of the program is a consequence of significant undercutting of rule-of-law program funding in Cambodia by the U.S. government as the result of political upheaval which started in July 1997.

Despite July 1997's political turmoil, the project was effective in expanding the rule of law in Cambodia. Not only because of the legal didactic components that the project had both in the Ministry of Commerce and the BAKC, but also because of its important role in building and strengthening a civil society in Cambodia. The creation of a non-partisan Bar Association independent from government which represents the interests and concerns of the country's legal

community is helping to achieve a social and political equilibrium in Cambodia. This project has provided a unique opportunity for ABA members to build the foundation for increasing the rule of law in an emerging democracy.

The outlook to resume technical assistance activities in Cambodia is good. The ABA continues exploring the possibility to reinitiate collaborative efforts and technical assistance projects in the near future. The recent political and progressive economic stabilization in Cambodia should attract an increase of aid funds from the U.S. government and other international donors.

As with all legal technical assistance programs, the ABA Cambodia Law and Democracy Project developed all program components at the request of, and in close consultation with, participating country institutions. The bulk of the assistance was provided by U.S. lawyers on a pro bono basis utilizing donated materials, allowing a small grant to be leveraged for the benefit of democracy in the host country. The Cambodia Project received $1,780,679 over the last five years, and the ABA contributed an additional $1,033,360 to this project.

C. African Law Initiatives and Legal Education Programs

In conjunction with the Superior Court of the District of Columbia, the ABA Section of International Law and Practice has completed the first and second phases of a three-phase U.S./Africa Legal Exchange. Supported by the United States Information Agency, this program focuses on Malawi, Tanzania, Uganda and Zambia. It seeks to assist these countries in creating a legal environment conducive for investment and for the provision of more efficient legal

services. It entailed a month-long visit to the United States of lawyers and judges from each of these countries. The third phase is currently being completed.

The ABA also has a number of other projects in Africa in various stages of development. For example, the Section of International Law and Practice has taken an active role in securing and coordinating the donation of legal materials for Liberia. It has also completed an International Legal Exchange Program in West Africa. This included taking a delegation of U.S. lawyers to meet with officials in the Ivory Coast and Ghana.

With funding from the United States Information Agency Office of Citizen Exchanges, the African Law Initiative Legal Education Program continues to assist twelve law schools in eight African countries: Eritrea, Ethiopia, Ghana, Kenya, Malawi, Tanzania, Uganda, and Zambia. The program, which was initiated at a major meeting of African and American law school deans in Nairobi in 1994, is administered by the ABA Section of Legal Education and Admissions to the Bar. Over thirty United States law schools have participated. The program has created and supported links between U.S. and African law schools and helped to improve the capacity of the African law schools to train lawyers who are responsive to the new needs and opportunities brought about by democratic and free-market reforms in their countries. Solid links have emerged over the course of the program. In addition to bringing African and American law school professors and deans together to lay the groundwork for linkages, the program has assisted with faculty training and curriculum development, with an important focus on clinical legal education. With assistance provided by this program, significant progress is being made on the development of practice-based and service-oriented legal education at African

law schools. The program has shipped or facilitated the shipment of many law books and journals, helping to update the collections at the law libraries.

Under the current Law Faculty Curriculum Development Program, the African law schools are being assisted with the development or strengthening of curriculum in women and the law, commercial law and environmental law. Legal educators from Ghana, Ethiopia, Kenya, Uganda, Malawi, and Zambia undertook a study tour to U.S. law schools where they worked to bolster their course syllabi in the three priority areas. A workshop on women and the law was held in Ghana in December 1998 and a workshop on environmental law is planned for March 1999 in Uganda. A commercial law workshop will be held later in the year in Addis Ababa, Ethiopia. In addition, the program is supporting the comprehensive curriculum review being undertaken by the University of Nairobi Faculty of Law.

As assessment of the legal education system in South Africa was conducted for the South African Ministry of Justice and a project is currently under development.

E. Asia Law Initiative Council – ABA programs to strengthen the Rule of Law in China

The ABA has initiated several activities to provide leadership in fulfilling the promises made by Presidents Clinton and Jiang for cooperation in the field of law.[1] First, the ABA has signed an Agreement with the All-China Lawyer's Association to collaborate in lawyer training and internships, bar organization and management, continuing legal education, legal information exchange and law practice management. The first step in implementing this Agreement is being

[1] Joint Communique, October, 1997.
Joint Statement, June-July, 1998.

initiated through internships for Chinese lawyers to come to this country to receive training in U.S. firms. As part of the agreement between the All China Lawyers Association and the American Bar Association executed last May, the International Legal Exchange Program will implement the exchange portion of this aggreement. Up to 10 lawyers from the People's Republic of China will visit the United States each year for individual placements in law firms or law offices. This internship would be for a six-month period following some form of basic training in the United States. The program will begin during the summer of 1999. There will be a rigorous selection process administered by the All China Lawyers Association. The top 15 candidates will be selected by means of this examination for further interviewing by both officers of the ACLA and by a small group of American lawyers resident in Beijing. No more than 10 lawyers will be selected as a final group of candidates.

Secondly, with Ford Foundation support, the ABA recently concluded a large trial demonstration program hosted by the National Judges College of the Supreme People's Court in Beijing. The National Judges College of the P.R.C. invited the ABA and the Berlin Judge's Association to provide live trial demonstrations. Demonstrations of identical cases, a murder case and a commercial contract case, were performed for comparative purposes by ABA common law and German civil law experts. These trials were accompanied by extensive briefing materials. They were widely-publicized in the P.R.C. and are being considered for replication in other cities in China.

Thirdly, at the request of the Legal Aid Foundation of China, the ABA will sponsor a program of long-term support in the development of a system of legal aid in China. This program, to be initiated through a joint symposium this year, will rely on the services of ABA

legal aid experts and comparative law advisors to present various models of legal services delivery as well as to provide training in practical areas to Chinese lawyers and paralegal personnel. The ABA's nearly 80-year history of support to legal services in the U.S. particularly qualifies it for this role.

Fourth, the ABA through its Section of Business Law will collaborate with the Chinese University of Political Science and Law and Temple University to jointly establish a Center for the Study of Business Law in Beijing. The Center will offer seminars and conferences on U.S. and international business law to Chinese lawyers, judges, government officials and law students. This training will further the establishment of the rule of law and the development of a market economy in China.

Finally, as an indication of the commitment of its leadership to its Goal 8, the promulgation of the rule of law in the world, the ABA has instituted a high-level council consisting of one of its past Presidents and Executive Director, a member of the Supreme Court and esteemed experts in legal education, legal aid and bar development among other areas, to oversee its activities in Asia, specifically China. This is the Asia Law Initiative Council (ALIC). The ABA urges that the U.S. commitment to bringing the rule of law to one-fifth of the world's population receive the priority and attention of this Congress through support to technical legal assistance programs in this appropriations process.

F. United Nations Development Programme

The ABA and UNDP share a common belief that sustainable development must be based upon the rule of law which fosters democratic institutions, respect for human rights and a vibrant private sector. Specifically, the ABA and UNDP have recently agreed to establish a jointly-funded Legal Resource Unit to provide advisory assistance through UNDP's 132 country offices on the legal dimensions of good governance and the adoption of sound macroeconomic policies. **Therefore, to enable UNDP to carry out its important mission, it is essential that funding for the organization be provided at the highest possible level.**

The impact of UNDP lending can be gauged by the results of its programs which, over the period 1994 through 1997, convinced many developing countries to fully embrace market economy principles as well as political democratization as a foundation for social and economic development. UNDP's mission is to deliver high quality technical legal assistance to developing countries throughout the world.

Conclusion

The American Bar Association encourages continued support for global rule of law projects that, through development of "Legal Infrastructure," promote democracy around the world. The expectation of U.S. foreign assistance leverage should not be to deliver enough money to eliminate poverty and resolve all social-ills, but to provide countries the opportunity to obtain economic independence. Because the ABA's democratization efforts focus on respect for the rule of law and because of the ABA's track record of success, we continue to ask for U.S. support for our technical assistance programs.

These programs encourage democracy and respect for the rule of law, build free markets and free trade, combat corruption and promote sustainable development. A strong commitment to legal and commercial infrastructures supports the ability of emerging markets to purchase U.S. products.

The ABA fully appreciates the difficult task that your subcommittee has in deciding among competing interests in the FY 2000 Foreign Operations Appropriations bill. Notwithstanding, Mr. Chairman, we trust that the interests of the American people will be at the forefront of this decision.

While it is true that the U.S. should not be expected to shoulder the financial burden of the international community, we are the only country positioned to provide international leadership. Hence, Mr. Chairman, the U.S. must embrace the opportunities and realities which the new global world offers.

The ABA believes that its global rule of law projects are a means to this end. Our programs have yielded tremendous leverage on a relatively modest U.S. financial investment. This is largely due to the vast amount of free legal technical assistance available to us. A strong commitment to legal and commercial infrastructures supports the ability of emerging markets to purchase U.S. products.

Mr. Chairman, I would like to conclude by underscoring the significance foreign assistance plays in achieving our international policy objectives. The lives of American citizens and the national interests of our country are far more connected with the global market place and political stability of other nations than any other time in history.

For the reasons mentioned above, American citizens and American business' depend on the success of the global economy for their livelihood, which is fueled by the commitment to the rule of law. The U.S. must keep pace with the growing trend of countries toward economic and political transparency.

Finally, Mr. Chairman, we respectfully urge Congress to support the ABA's technical legal assistance programs through the appropriations process.

TIMOTHY L. DICKINSON

Timothy L. Dickinson, a partner in the Washington, D.C. office of Dickinson Landmeier LLP, graduated from the University of Michigan law school in 1979. He also studied at the Hague Academy of International Law in the Netherlands and L'Université d'Aix-Marseille in France. Mr. Dickinson also spent a brief period in the Office of the Legal Adviser of the Department of State. Following law school, Mr. Dickinson earned his LL.M. as a Jervey Fellow at Columbia University, after which he worked in the Legal Service of the Commission of the European Communities in Brussels, Belgium. He then returned to the Washington, D.C. office of Gibson, Dunn & Crutcher where he practiced for the following 15 years. He was the Partner-in-Charge of Gibson, Dunn & Crutcher's Brussels office from 1990 to 1992, and established Dickinson and Landmeier in 1997.

Mr. Dickinson was an Adjunct Professor of Law at Georgetown University Law Center from 1983 to 1993, where he taught European Law and International Commercial Transactions and taught as an adjunct professor at the University of Michigan Law School in 1998, where he also serves on the Board of the Center for International and Comparative Law. Mr. Dickinson served as the Chair of the ABA Section of International Law and Practice in 1997-98, after chairing the ABA Committee on European Law Foreign Claims. Mr. Dickinson has been a member of the Executive Council of the American Society of International Law and is currently on the advisory Board of the International Law Institute and the Central and Eastern European Law Initiative of the ABA, and chairs the Section's Committee on Asia Projects, including the initiatives in China and worldwide activities with the U.N.

Mr. Dickinson's practice is devoted primarily to international commercial matters, including counseling on the Foreign Corrupt Practices Act and U.S. export laws, sales of U.S. defense industry products abroad and assisting financial institutions with special work-outs of sovereign debt and market access. Mr. Dickinson has assisted with major infrastructure projects in the middle east and Asia and has also represented foreign governments in matters involving public international law.

International Programs:

Title	Agency	Original Award Date	Total Award	Original Start	End Date
Armenian Defender Training	Academy for Educational Development/U.S. Agency for International Development	1/8/99	$35,414	12/29/98	2/19/99
Rule of Law in the Central Asian Republics	U.S. Agency for International Development	11/1/98	$1,502,760	9/1/98	8/31/00
Croatian Rule of Law Program	World Learning Institute/U.S. Agency for International Development	9/28/98	$33,355	9/26/98	10/17/98
Uzbekistan Judicial Training	Academy for Educational Development/U.S. Agency for International Development	10/31/98	$41,321	10/15/98	12/1/98
Macedonian Women Lawyers Program	U.S. Agency for International Development/Macedonia	7/16/98	$15,000	1/1/98	12/31/98
Southeast European Commercial Initiative	U.S. Agency for International Development	6/1/98	$115,269	6/1/98	2/28/99
African Law Initiative Curriculum Development Program	United States Information Agency	3/15/98	$134,515	3/16/98	3/31/99
Armenian Bar Development Program	Academy for Educational Development/ U.S. Agency for International Development	3/14/98	$4,958	3/14/98	3/31/98
Albanian Constitutional Drafting Project	World Learning Inc/ U.S. Agency for International Development	2/26/98	$21,289	2/27/98	3/7/98
Support for Economic Growth and Institutional Reform	Deloitte Touche Tohmatsu/ U.S. Agency for International Development	1/1/98	delivery based	1/1/98	12/31/98
Armenian Prosecutor Program	Academy for Educational Development/ U.S. Agency for International Development	12/5/97	$30,985	12/1/97	12/26/97
Bosnian Court Training Project	World Learning, Inc./ U.S. Agency for International Development	10/31/97	$29,716	10/31/97	11/20/97

International Programs (continued):

Title	Agency	Original Award Date	Total Award	Original Start	End Date
Rules of the Road Program with The War Crimes Tribunal Phase II	U.S. Department of State	9/19/97	$411,105	9/19/97	12/31/98
Court Administration Technology Training	World Learning Institute/ U.S. Agency for International Development	8/27/97	$25,760	9/1/97	9/20/97
African Judicial Exchange Program Phase II	U.S. Information Agency	8/4/97	$135,000	7/25/97	5/31/99
Russia Training for Development: Legal Education	Academy for Educational Development/ U.S. Agency for International Development	7/7/97	$43,434	7/7/97	9/15/97
Rules of the Road Project for the War Crimes Tribunal	U.S. Agency for International Development	5/9/97	$135,803	5/9/97	8/31/97
African Law Initiative Sister Law School Faculty Training Program	U.S. Information Agency	2/27/97	$134,603	3/7/97	6/30/99
Georgian Constitutional Court Training Project	Academy for Educational Development/ U.S. Agency for International Development	2/20/97	$57,620	2/20/97	3/31/97
Cambodia Legal Assistance	U.S. Agency for International Development	10/1/96	$731,503	10/1/96	9/30/98
Central and East European Law Initiative Regional Anti-Drug Assistance Project	U.S. Department of State	9/25/96	$549,998	9/30/96	7/31/98
Russia Rule of Law Program	Agency for International Development/ Moscow Office	7/29/96	$4,500,000	6/4/96	6/3/99
Russia Trial Advocacy Training Program	Academy for Educational Development/ U.S. Agency for International Development	5/13/96	$75,420	5/10/96	6/28/96
African Law Initiative Clinical Partnerships	U.S. Information Agency	4/1/96	$134,819	3/29/96	8/31/98

International Programs (continued):

Title	Agency	Original Award Date	Total Award	Original Start	End Date
Strengthening the Moldovan Bar Association	ARD/Checchi/U.S. Agency for International Development	3/26/96	$99,732	2/5/96	11/17/96
Belarusian Legislative Drafting Training	Academy for Educational Development/ U.S. Agency for International Development	3/18/96	$81,682	2/9/96	3/18/96
Ukrainian Law Student Association Development	ARD/Checchi/ U.S. Agency for International Development	1/19/96	$100,000	12/15/95	11/17/96
Environmental Priorities in Asia Conference	U.S. Agency for International Development/ Environmental Assistance Program	11/13/95	$25,000	5/4/95	6/20/97
Russian Criminal Justice Project	U.S. Department of Justice	7/25/95	$3,534,216	3/1/95	6/30/99
Poland and Central Europe Criminal Justice Project	U.S. Department of Justice	7/5/95	$2,321,420	3/1/95	6/30/99
Internship Program for New Independent States Law Teachers	U.S. Information Agency	5/2/95	$200,000	4/27/95	8/31/97
Legal Assistance in Cambodia	U.S. Agency for International Development	3/22/95	$1,094,155	3/22/95	9/30/96
African Judicial Exchange Program	U.S. Information Agency	9/28/94	$250,000	9/1/94	11/30/97
African Sister Law School Program	U.S. Information Agency	9/6/94	$204,071	9/1/94	12/31/96
Commonwealth of Independent States Rule of Law Program	U.S. Agency for International Development	8/1/94	$12,443,617	8/1/94	3/31/99
New Independent States Law Teacher Program	U.S. Information Agency	4/12/94	$168,927	4/21/94	6/30/96
Rule of Law & Commercial Law Program in Central and Eastern Europe	U.S. Agency for International Development	3/31/92	$17,464,739	3/1/92	7/31/99

Mr. CALLAHAN. Dr. Lintner. According to my list, you are the last one. Maybe we left someone out.

THURSDAY, MARCH 4, 1999.

FAITH ACTION FOR PEOPLE-CENTERED DEVELOPMENT

WITNESS

REV. DR. JAY LINTNER, DIRECTOR, WASHINGTON OFFICE UNITED CHURCH OF CHRIST, OFFICE FOR CHURCH AND SOCIETY

Reverend LINTNER. Your powers of endurance are overwhelming. I have been sitting here saying I do not believe this.

Good afternoon. I am——

Mr. CALLAHAN. Good afternoon.

Reverend LINTNER [continuing]. The Reverend Jay Lintner. I am the Director of the Washington Office for the United Church of Christ, Office for Church and Society. I am speaking today on behalf of Faith Action for People-Centered Development, which is an informal working group of about 20 religious denominations and faith-based groups who have a long history of working all around the world for many years.

We are deeply disturbed by public debate that characterizes foreign aid as an unaffordable luxury. We see a troubling tendency to justify foreign aid in terms of the narrow and immediate economic and security dividends that it provides the U.S.

Since the psalms were written almost 3,000 years ago, we in the religious community keep trying to point out that governments define security too narrowly. Chariots alone will not protect us and give life to the people. Producing justice is the first task of government.

We now know a great deal about what produces workable development for people. We know what programs work—I have been watching this for 25 years, helping to shape our testimony in different ways, and we know what programs I am not sure we did 25 years ago, but we have learned a lot in the past 25 years as to what really works to make gains against global poverty and end starvation. And we know that it is in our long-term self-interest to do this.

It is also clear over the 25 years I have been watching this that we are in a zero-sum game, pitting humanitarian and development assistance against economic and security assistance. And the interests of the church keep losing out to the interests of military and economic leaders.

As a result of these trends, the U.S. is now dead last among the donor countries in official development assistance as a percentage of GNP. We are not the most generous country among rich nations. We are the least generous, and only the U.S. public seems to think otherwise.

Allow me to highlight several areas which we think deserve priority attention this year. I really appreciate your comments to Catholic Relief Service.

However, my main point is the one you dismissed. The biggest priority for us this year is debt cancellation. The development prospects of many of the world's poorest countries are being mortgaged

to a crushing debt burden. As we, in many different denominations, have our missionaries come back to this country, or we talk to partner churches overseas, or we have the World Council of Churches or the Anglican world meeting, everyone is clear that this is the number one priority.

It is the common perception among our partner churches and people overseas—that this is the essential thing that needs to be changed, that this is what is killing their people. That is the perception, and we really believe it needs to be addressed.

Therefore, we are urging the committee to appropriate sufficient funds to cancel the bilateral debt owed to the U.S. by all of the highly indebted IDA-only countries by the end of the year 2000. And this is spelled out in greater detail—to provide funding for the HIPC trust fund at a level commensurate with our nation's compassion, wealth, and influence; to direct the administration to use its voice and vote in the multi-lateral lending institutions to reform the HIPC process, so as to provide deeper and more rapid debt relief for many more heavily-indebted poor countries without current forms of structural adjustment and conditionality.

Our second priority, the thing we would stress the heaviest, is to give priority to sub-Saharan Africa and Central America. Faith Action believes that support for people-centered development in sub-Sahara Africa and reconstruction in Central America should be the top priorities for U.S. assistance.

Inasmuch as Central America reconstruction efforts are being dealt with elsewhere, we will focus our comments here on programs primarily related to Africa, except for one brief comment, which is that if the money for Central America is not taken out of supplemental aid, we would really urge that tradeoffs not be made which pit the poor of Central America against the poor of this country.

Last year Congress recommitted the U.S. Government to strengthen Africa agriculture and food security and to follow people-centered principles in the process of passing the Africa Seeds of Hope Act. We applaud Congress. This is the kind of development we know works, and we urge you to watch what it can do.

We continue to call for transfer of resources from the Middle East to regions where human development needs are greater. We commend the committee and you personally for establishing a ceiling earmark on fiscal year 1998 for funding for the Middle East region.

Additionally, we are encouraged by the decision of Israel and Egypt to accept annual reductions of economic assistance over the next nine years, and by the administration's proposal this year to accelerate this process.

However, we would like to see the full amount of these reductions rededicated to development programs and oppose the proposal that half of Israel's reduction in economic assistance be redirected into military assistance for that state. We do not need more chariots.

Specifically, here are some programs that work. Let me mention them just very briefly. The Development Fund for Africa—the administration request for $745 million, and reestablished Development Fund for Africa, and support the International Development Association.

We think that the International Fund for Agricultural Development, IFAD, is very worthy and are disturbed that it has been challenged. We think the African Development Foundation deserves more support and would urge you to increase that funding up to $17 million, which was the 1995 levels.

We also want to thank you for support in Congress for eliminating land mines, and we want to register our concern about the anti-narcotic programs, which we think are not producing what they should.

Thank you.

[The information follows:]

EFFECTIVE AND COMPASSIONATE FOREIGN ASSISTANCE

Testimony
before the Foreign Operations Subcommittee
Appropriations Committee
U.S. House of Representatives

March 4, 1999

Submitted by
Faith Action for People-Centered Development Policy*

~ American Friends Service Committee, Washington Office ~
~ Bread for the World ~
~ Church of the Brethren, Washington Office ~
~ Church World Service ~
~ Columban Fathers' Justice and Peace Office ~
~ Episcopal Church ~
~ Friends Committee on National Legislation ~
~ General Board of Church and Society of the United Methodist Church ~
~ Lutheran Office for Governmental Affairs,
Evangelical Lutheran Church in America ~
~ Lutheran World Relief ~
~ Maryknoll Office for Global Concerns ~
~ Mennonite Central Committee , Washington Office ~
~ NETWORK: A National Catholic Social Justice Lobby ~
~ Presbyterian Church (U.S.A.), Washington Office ~
~ United Church of Christ, Office for Church in Society ~
~ Washington Office on Africa ~
~ Washington Office on Latin America ~

EFFECTIVE AND COMPASSIONATE FOREIGN ASSISTANCE

Testimony
before the Foreign Operations Subcommittee
Appropriations Committee
U.S. House of Representatives

March 4, 1999

Submitted by
Faith Action for People-Centered Development Policy

Introduction

Religious faith inspires generous giving to neighbors in need

As Congress proceeds to develop its foreign assistance budget for the coming year we wish to share the concerns of many members of the religious community regarding these critical programs. The devastation and suffering borne by Central Americans in the wake of Hurricane Mitch is a recent example of how extreme poverty, environmental degradation and underdevelopment can combine to magnify disasters to unimaginable proportions. Whose heart has not been touched by the losses our neighbors have suffered?

The testimony that Faith Action for People-Centered Development Policy offers today has its roots in our shared religious convictions. The Prophet Isaiah reminds us of God's intent: "I am making a new earth and new heavens. . . . No more shall the sound of weeping be heard in it, or the cry of distress. Babies will no longer die in infancy, and all people will live out their life span. . . ." The God we strive to follow is one who hears the cry of suffering people and inspires us to work to make a better world. As churches and faith-based organizations, we believe that such a theology leads directly to public policies and laws based on justice and compassion.

For this FY 2000 appropriations process, we reflect especially on the Jubilee language in our Scriptures. In ancient Israel debts were to be forgiven every seven years (Deut. 15). After seven cycles of seven years -- in the 50th year -- the Israelites were to declare a Jubilee year (Lev. 25). In the 50th year not only were debts to be canceled, but every family was to receive back its own land which had been sold or lost -- for whatever reason. The Jubilee was to serve as a release for the poor, a restoration of land and livelihood, and a renewal of community and common good.

Jesus refers to the Jubilee when he proclaims "the year of the Lord's favor": good news for the poor, release to the captives and freedom for the oppressed (Luke 4:16-21). For Jesus the Jubilee points toward a complete liberation from every kind of captivity -- spiritual, social, economic and political.

The churches and religious organizations that comprise the Faith Action believe this Jubilee principle should be applied today to heavily indebted poor countries. As Jubilee 2000/USA has said, "When foreign debt, however incurred, so drains the economic resources of a people that all hope of a better future is foreclosed, it is time to admit the inhumanity of maintaining the fiction of repayment." It is time to let people living in poor countries have a new beginning!

56-751 99 - 15

The United States lags behind others in humanitarian commitment

Congressional support for relief and development assistance remains low, and the United States has now fallen behind Japan, Germany and France in terms of actual dollar amounts of assistance given to less developed nations. As a percentage of GNP, we now spend less on helping the poor overseas than any other of the world's 21 wealthiest nations. Last year, one-fourth of all U.S. foreign aid went to high-income nations, at a per capita expenditure of over $5 per person for the 638 million people living there. In contrast, the 3 billion living in the world's poorest countries received the equivalent of only 96 cents per person. Of this assistance, almost half went to military or security assistance. In overall terms, less than one percent of the Federal budget is spent on foreign aid, and less than half of that goes to development and humanitarian programs that help millions of the world's poorest people. This situation is deeply regrettable for a prosperous and powerful nation with the means and opportunity to make a tremendous difference in the lives of impoverished peoples and countries.

Humanitarian foreign aid saves lives overseas and benefits Americans

Assistance programs which help the poorest in the world really do make a difference. Humanitarian foreign aid improves standards of living, promotes stable economies, protects the environment, and can prevent the need for continual disaster response. Humanitarian aid can prevent starvation. Yet in Sudan, for example, -- where the World Food Programme now estimates that "over two million Sudanese people affected by war and climatic calamities, will not be able to produce or obtain sufficient food to meet their basic needs during 1999"[1] -- food distribution centers are unable to provide starving people with the full rations they need to survive due to shortfalls in international giving. Reductions in U.S. foreign aid will only make worse this and other similar crises.

Famines often result following drought and civil conflict, but foreign aid programs can prevent or alleviate such disasters. The Center for Disease Control notes that since the early 1960s, most emergencies involving refugees and displaced persons have taken place in less developed countries where local resources have been insufficient for providing prompt and adequate assistance.[2] Beyond direct food relief and refugee assistance, foreign aid-funded microcredit programs allow families to save enough money to survive seasonal crop setbacks, and avoid starvation.

Finally, foreign assistance is good for America. It keeps U.S. citizens healthier and reduces our health costs. This is because contributions to international health agencies provide the funds to detect, prevent and contain the worldwide spread of highly contagious diseases, including HIV/AIDS, tuberculosis, cholera and the Ebola virus. When "the other side of the world" is now just an airplane trip away, the United States cannot afford to turn a blind eye to health emergencies in other countries. For example, the global eradication of smallpox saves the United States more than $200 million a year, since American children no longer need to be vaccinated against the disease.[3] Other international immunization programs have the potential for comparable future savings.

Foreign assistance also has a direct effect on the U.S. economy. From 1990-1996 U.S. exports to developing countries grew by $115 billion, supporting an additional 1.5 million American jobs. Almost all of the developing countries which are among the top 50 purchasers of U.S. exports are

---

[1] World Food Programme web site, January 12, 1999, http://www.wfp.org/OP/Countries/sudan/emop5826 02.html
[2] Centers for Disease Control. Famine-Affected, refugee, and displaced populations: recommendations for public health issues. MMWR 1992; 41 (No. RR-13).
[3] USAID

those in which we have made major investments in education and training.[4]

Development requires a holistic and integrated approach

While resources for development assistance are declining, U.S. policies and programs to support market development and the private sector in developing countries are currently expanding. Congress must ensure that these latter efforts are consistent with the overriding goal of people-centered development. The importance of the integrated involvement of the state, market institutions and civil society in bringing about equitable sustainable development is now widely recognized. Each has an essential role to play in the development process and one cannot substitute for the other.

For example, while there is increasing support in Congress and the Administration for trade and investment, neither sub-Saharan Africa nor Central America will be able to attract sufficient private investment without debt cancellation and dramatic improvements in the regions' physical and social infrastructure. High levels of indebtedness are seen as a disadvantage to potential investors, and great attention is needed particularly in the areas of health and education. The African continent is being plagued by epidemics, including the HIV/AIDS virus, and no stable economic environment can be created without addressing this crisis in the process.

In a world with 841million hungry people,[5] the need for official development assistance has not diminished with the expansion of private capital flows to a handful of developing countries. Especially as last year's financial turmoil demonstrated, resulting almost overnight in millions of people either falling back into poverty or even more desperate circumstances. Now is the time for the United States to respond to this message by committing itself to greatly expanding its funding for people-centered, sustainable development in order to begin the steps necessary to prevent future disasters from reaching such epic proportions.

Faith Action Recommendations

As we consider the needs of those we serve in years to come we would like to highlight several areas that we believe deserve priority attention by the Committee this year:

I. Cancel the Crushing Debt of Poor Countries

The development prospects for many of the world's poorest countries are being mortgaged to their crushing debt burden. As the millennium approaches, a broad grouping of religious, environmental, and development organizations around the world have launched a global campaign, Jubilee 2000, to cancel the crushing debt of the poorest countries by the year 2000.

Many organizations participating in Faith Action for People-Centered Development have joined Jubilee 2000/USA. This campaign calls for debt cancellation for the poorest countries in ways that do not perpetuate poverty or environmental degradation and that involves civil society in these countries in determining the terms of debt relief and programs of development.

---

[4] USAID, Academy for Educational Development

[5] Hunger in a Global Economy: Hunger 1998; Bread for the World Institute, Silver Spring, MD, USA; p. 3.

The Administration's request for $120 million for debt restructuring reflects an increase in funding for debt relief and represents another step in the right direction.

Bilateral Debt

We support the Administration's proposal of $50 million to fund debt relief or buy-backs of certain outstanding concessional debt stocks in support of conservation of endangered tropical forests. Nurturing and protecting the environment is central to our faith and vision of God's purpose in creation.

We support the Administration's request of $3 million to fund debt reduction for qualifying countries through the Paris Club. According to their calculations, this, combined with funds previously appropriated will allow the US in FY2000 to provide approximately $50 million in face value debt reduction for the poorest countries such as Cameroon, Guinea, Madagascar, Niger and Zambia. We also support the request for an additional $17 million for concessional debt reduction for Africa, in order to provide a 100% debt reduction program for approximately $115 million in face value of concessional debt for qualifying African countries.

Nevertheless, while these requests move in the right direction, we call on Congress to act to cancel both the concessional and non-concessional bilateral debt owed the U.S. by all of the highly-indebted poor countries that respect human rights, and are not engaged in excessive military expenditures. Such action would particularly benefit the countries of sub-Saharan Africa which constitute the large majority of highly indebted poor countries.

We also want to raise a concern about the eligibility requirements for debt relief. Bilateral debt cancellation should be carried out in ways that strengthen the country's commitment to transparent and democratic processes and to poverty reduction rather than being determined by rigid formulas for macro-economic policy reform that the Administration has adopted. The August 1997 report "Jobs for Africa" by the United Nations Development Program and the International Labor Organization finds that these policy "reforms," often referred to as "structural adjustment programs," have been "purchased at the price of economic contraction, high unemployment and massive poverty . . . in large parts of sub-Saharan Africa".[6]

Multilateral Debt

We support the Administration's proposal to contribute $50 million to the World Bank's Heavily Indebted Poor Country (HIPC) Trust Fund, although we believe the U.S. contribution should be greater. The United States has not yet made any contribution to this fund. Although the HIPC initiative represents an important recognition of the gravity of the debt problem for impoverished countries, implementation of this initiative that was agreed to by creditor nations and institutions in 1996, has been far too slow. Too few countries have met the rigid eligibility requirements, and the amount of debt relief that has been provided is inadequate. We strongly urge that HIPC participation no longer be conditioned on acceptance of IMF and World Bank-designed structural adjustment programs. These policies have been a disaster for people living in poverty and have undermined

[6] "Jobs for Africa, UN Development Program and the International Labor Organization, August 1997, p. 29.

authentic people-centered development.

We are gratified that following their most recent meeting in February, Finance ministers from the Group of Seven nations have announced a major new drive to speed up debt relief for the world's poorest countries and promised to strike a deal by June. In our view, it is critically important that the U.S. take greater leadership in ensuring that reforms of the HIPC initiative are accelerated and expanded.

In view of this development and our conviction that the unpayable multilateral debts of the world's poorest countries should be canceled, we call on Congress to move beyond the President's request and contribute to the HIPC Trust Fund an amount sufficient to accomplish this goal of giving poor nations a fresh start in the new millennium.

We urge the Committee to:

1. Appropriate sufficient funds to cancel the bilateral concessional and non-concessional debt owed to the U.S. by all the highly indebted IDA-only countries by the end of the year 2000. Toward that end, Congress should investigate the possibility of amending the FY 91 credit reform provisions to the Congressional Budget and Impoundment Control Act of 1974 to make it possible to cancel the bilateral debt of high-indebted poor countries without a specific appropriation;
2. Provide funding for the HIPC Trust Fund at a level commensurate with our nation's compassion, wealth and influence in the world, with a view to canceling the crushing multilateral debts of HIPC countries. Direct the Administration to use its voice and vote in the multilateral lending institutions to reform the HIPC process so as to provide deeper and more rapid debt relief for many more heavily-indebted poor countries without current forms of structural adjustment conditionality; and
3. Approve the Administration's request of $127 million for the African Development Fund, earmarking a significant portion for debt forgiveness by the African Development Bank.

II. Give Priority to Sub-Saharan Africa and Central America

Faith Action believes that support for people-centered development in sub-Saharan Africa and reconstruction in Central America should be top priorities for U.S. assistance. These priorities should be reflected in the amount and type of bilateral assistance and in support for multilateral institutions that play an important role in these regions. In as much as Central American reconstruction efforts are being dealt with in separate legislation, we will focus our comments here on programs primarily related to Africa.

Last year Congress recommitted the U.S. government to strengthen African agriculture and food security and to follow people-centered principles in the process by passing the Africa: Seeds of Hope Act (PL105-385). This new law will focus U.S. policy more sharply on support for sustainable agriculture and rural development. It will promote policies that address the needs of African women, small farmers, small entrepreneurs, rural workers and communities; bolster participation in decision-making by affected people, and strengthen Africans' abilities to plan, implement and "own" programs. We applaud Congress for this renewed commitment to African development, and we are

encouraged that the Administration is now prepared to expand USAID's Africa Food Security Initiative by 50 percent.

The last three years have marked a period of enormous change in U.S. relations with sub-Saharan Africa. The President's trip to the region along with Congressional consideration of Africa trade legislation, along with concerted efforts to strengthen the U.S. constituency for Africa have all shaped this process. Differences over priorities and approaches have surfaced in the course of debate on these changes. The concerns that we traditionally have raised about equity, democracy, and sustainability in U.S. policy toward developing countries apply in an even greater measure with regard to sub-Saharan Africa. This is due especially to the proportion of the population living in poverty and the enormous environmental challenges facing the continent. We believe that all policies toward sub-Saharan Africa should be evaluated in light of their likely impact on people-centered development.

Development Assistance

Debate on U.S. development assistance to sub-Saharan Africa in recent years has centered on the question of separate funding for the Development Fund for Africa (DFA). The DFA was established in part to increase the priority of sub-Saharan Africa within U.S. development policies and programs and to guarantee funds for its needs. We support the Administration's proposal to restore separate funding of the DFA this year. DFA has served as a visible point of reference and a mechanism for continuing dialogue about U.S. assistance to Africa.

We believe, however, that the relative priority accorded sub-Saharan Africa must be evaluated in relation to all bilateral economic assistance and not just development aid. This is the case because development aid has decreased at the same time that economic assistance to other regions has increased dramatically. Africa's share as a percentage of overall bilateral economic assistance also has decreased from 17.4 % in FY 94 to 13.4 % in FY 98. We note that aid to Africa accounted for as little as 10.6 % of bilateral economic assistance in FY 96. The relative decrease in aid to sub-Saharan Africa relates to our concern about the skewed allocation of U.S. foreign assistance resources among geographic regions.

In particular, we continue to call for a transfer of resources from the Middle East to regions where human development needs are much greater. We commend the Committee for establishing a ceiling earmark in FY 98 for funding for the Middle East Region. Additionally, we are encouraged by the decision of Israel and Egypt to accept annual reductions of economic assistance over the next nine years, and by the Administration's proposal this year to accelerate this process. However, we would like to see the full amount of these reductions rededicated to development programs, and oppose the proposal that half of Israel's reduction in economic assistance be redirected into military assistance for that state. We urge the Committee to take the next step this year by shifting funds from high-income countries, particularly in the Middle East, to poor countries in that region and in other parts of the world.

Additionally, we are concerned about the Administration's supplemental request that accompanies the budget, to fund implementation of agreements made last fall at Wye River. We are mindful of the disproportionate percentage of foreign aid already going to the Middle East. The request for an

additional $1.9 billion for Israel, Jordan and the Palestinians as part of the Wye arrangements raises many questions for our community. We support development assistance for the Palestinians and Jordan, but are deeply concerned about the $1.2 billion for Israel. We encourage the Congress to determine how the $1.2 billion figure for Israel was set, and to verify its need. We request assurances that no U.S. funds will be used to build Israeli bypass roads in the West Bank or for other purposes viewed by the U.S. as inimical to the peace process. The additional assistance to Israel should not be provided if does not implement the Wye River agreement. We support generous assistance for Jordan, and ask that those funds be directed to development and infrastructure purposes rather than for the provision of additional weaponry. We urge Congress to support the Administration's request for continuing aid to the Palestinian people, as well as the additional Wye River commitments to them. Finally, we ask that these peace process related needs not be met at the expense of other regions.

We believe that the policy framework that guides the DFA remains entirely appropriate and relevant. It includes the elements that are essential to fostering people-centered development: an emphasis on participation, on the role and integration of women, on concerns for equity and environment, and support for agricultural production. We note that this Administration has undertaken a number of initiatives and reforms at an organization-wide level and at the regional level that build on these policy concerns. This includes adoption of a Gender Action Plan, a Participation Initiative, a Greater Horn of Africa Initiative, and a new African Food Security Initiative.

International Development Association

We want to commend the Committee for the role that it played in FY98 in securing approval of the full U.S. contribution to the World Bank's International Development Association (IDA), including funding for arrears. This year the Administration has requested $803 million to fulfill part of its pledge for the twelfth replenishment of this important fund. While we continue to work with other organizations to monitor and press for reforms at the World Bank, we believe that IDA financing remains of critical importance to sub-Saharan Africa. At the same time, we have grave concerns about the about the impact of structural adjustment programs and urge that these kinds of anti-development "reforms" be abandoned.

We recognize the importance of IDA as a funding mechanism for creating new opportunities for persons and nations. Congress should maintain and strengthen the provision which it included in the FY 98 foreign operations appropriation that directed the Administration to use the U.S. voice and vote to encourage the World Bank and IDA to "systematically consult with local communities on the potential impact of loans as part of the normal lending process, and expand the participation of affected peoples and non-government organizations in decisions on the selection, design, and implementation of policies and projects."

Food Security

Promoting food security in Africa is of paramount importance. Rural Africa is the key to equitable economic growth in the predominantly agrarian societies that make up the vast majority of the countries. A recent USDA study projects serious food gaps in sub-Saharan Africa. "The number of people who cannot meet their nutritional requirement is projected to increase from 303 million in the

base year [1997] to 526 million by 2007. This means that Sub-Saharan Africa -- projected to account for 25 percent of the population of the study countries -- will have about 44 percent of the undernourished people."[7]

We urge the Committee to renew support for the International Fund for Agricultural Development (IFAD). IFAD was created 20 years ago with the specific mandate of alleviating hunger and poverty through assistance to small farmers and the rural poor. It is one of the more effective multilateral institutions in promoting people-centered development. In recent years it has played a leading role in the global initiatives to expand micro-enterprise and to combat desertification. But the Clinton Administration has drastically reduced current funding for IFAD to a mere $2.5 million this year, and has signaled its intent to withdraw from IFAD in the future. That decision should be reversed.

We also urge Congress to work with the Administration to fully implement PL105-385, the Africa: Seeds of Hope Act, by supporting the Administration's request for a 50 percent increase in funding for the African Food Security Initiative.

African Development Foundation

U.S. support for other institutions that are working to promote people-centered development in Africa continues to be an important component of U.S. development policy. The African Development Foundation (ADF) continues to work to support local grassroots development, and development of African leaders and institutions that can more effectively address the complex challenges and opportunities that face the people of the continent. Funding for the ADF was drastically reduced in FY 1999. This should be reversed and the appropriation for ADF in FY 2000 should be restored to at least the 1998 level.

Trade and Investment

We note that the President's request includes $30 million for an Africa Trade and Investment Initiative. According to USAID, the assistance will be used to help African countries improve the investment environment, promote relationships between U.S. and African businesses, and provide non-project assistance "to help alleviate the budget crunch in nations embracing aggressive, market-friendly reforms."[8] Market liberalization, however, should not be seen as an end in itself, but should be pursued selectively as part of a package of reforms designed to achieve sustainable development -- especially the reduction of poverty and hunger -- in environmentally responsible ways. The United States should seek ways to increase trade with and investment in African nations that can expand economic opportunities for the greatest number of ordinary Africans.

The United States should not press African countries to adopt a rigid and inappropriate "one-size-fits-all" prescription for economic reform. Instead, eligibility requirements for assistance under this program should underscore the U.S. government's desire to form mutually beneficial economic partnerships with those nations that are making steady progress toward the reduction of poverty and the establishment of open and accountable policymaking institutions that enable all

[7] USDA Economic Research Service. Food Security Assessment. Washington, USDA, November 1997. Pg. 6.
[8] Testimony by USAID Administrator Brian Atwood before the House International Relations Committee, March 5, 1998.

citizens to take part in determining political and economic priorities.

We urge the Committee to:

1. Approve the Administration's request for $745 million in development assistance for Africa and to re-establish the DFA.
2. Approve funding for the International Development Association at the President's request level and encourage the Administration to work to expand participation requirements and procedures at the Bank to include policy-based loans, the formulation of Country Assistance Strategies, and Consultative Group meetings.
3. Increase funding for the International Fund for Agricultural Development(IFAD), to be funded entirely out of international operations and program account. We also strongly urge Congress to insist that the Administration reverse its decision not to participate in future replenishment negotiations for IFAD.
4. Increase funding for the African Development Foundation by $6 million to $17 million, the FY 95 level.
5. Direct the reductions in Israel and Egypt's assistance to address development needs and not to support military purposes.

III. Renew Congressional Leadership in Favor of U.S. Participation in a Ban on Land Mines

The enormous human suffering by innocent people, particularly children, caused by tens of millions of landmines has deeply moved people around the world who joined together to pressure governments to agree to ban the production, stockpiling, transfer and use of landmines. Many of our organizations were among those calling on the President to join with 133 other countries in signing the treaty to put in place such a ban. Our organizations run programs in countries most affected by the plague of these weapons, and see first hand the tremendous costs they continue to inflict. We were deeply troubled by President Clinton's decision not to sign this treaty and we continue to urge him to reverse that decision. We are also disturbed by their request for $50 million for a new landmine weapons system that will not comply with the Ottowa treaty.[9] Congress' leadership on the issue of landmines has been critically important. We commend Congress for its 1996 approval of a moratorium on U.S. use of anti-personnel landmines.

We urge the Committee to:

1. Approve the Administration's request of $40 million for de-mining operations;
2. Support renewed congressional efforts to call on the President to sign the Ottawa treaty and quickly bring the U.S. into full compliance.

IV. Reject Funding for Ineffective and Abusive Anti-Narcotics Programs

Funding for international narcotics control and law enforcement activities is one of the fastest growing foreign operations accounts. The FY 99 combined levels of $261 million in the Omnibus appropriations bill and an additional $232.6 million in "emergency" supplemental appropriations resulted in an allocation of $493.6 million to these programs - substantially more than double the FY

[9] "Pentagon Seeks Funds for New Type of Land Mine," LA Times, February 22, 1999, p. A1.

98 level. Widespread concern about illicit drug production, trafficking and abuse does not justify increases in programs whose effectiveness has been questioned by, among others, the General Accounting Office. The program focuses increasingly on Colombia. Resources for that country from various U.S. anti-narcotic programs nearly tripled between FY 95 ($51.4 million) to FY 97 ($136.4 million). During the same period coca production in Colombia increased by 56 percent.[10]

While largely ineffective in reducing overall drug production, the programs have served to strengthen foreign security forces implicated in human rights abuses. We strongly support the law that prohibits assistance to units of foreign security forces that are believed to be responsible for human rights violations.

Many experts have argued that anti-narcotics efforts focused primarily on treatment of drug abuse are more effective and less costly than those aimed at source country eradication or interdiction. "A 1994 RAND study found that $34 million invested in treatment reduced cocaine use as much as $783 million spent for foreign source country programs or $366 million for interdiction."[11]

We urge the Committee to:

1. Reject funding for foreign military involved in anti-narcotics activities and approve funding only for activities that:
   a. help to strengthen the capacity of civilian police and judicial systems to carry out effective law enforcement and respect human rights;
   b. promote development programs that help to provide a viable alternative livelihood for coca producers, especially those in Colombia, Peru, and Bolivia.
2. Enforce the "Leahy law" that currently prohibits assistance to abusive units of foreign security forces and extend it to apply to anti-narcotics and other security assistance programs funded and operated from the Department of Defense.
3. Monitor human rights abuses in Colombia and make U.S. efforts to curb such abuses a cornerstone of U.S.-Colombian relations;
4. Work with the Administration to increase the effectiveness of multilateral approaches to illicit drug-trafficking.

We thank the Committee for this opportunity to express our views. We look forward to ongoing discussions with members of Congress and the President on how best to express in law and public policy our common commitment to the values of justice, compassion and human solidarity.

[10] Statement on certification by Gen. Barry McCaffrey, Dir. Of the Office of National Drug Control Policy, Feb. 26, 1998.

[11] "Rethinking International Drug Control Policy: New Directions for U.S. Policy," a report of an independent task force sponsored by the Council on Foreign Relations, Feb. 1997.

Mr. CALLAHAN. Thank you very much. I cannot believe that your organization prioritizes debt forgiveness at such a high level when you must recognize that the debt was created by corrupt politicians and did not go into services for citizens.

And what they are attempting to do is to eliminate the debt for one purpose—so they will be financially, sufficiently stable enough to borrow more money to go into Swiss banks. And you must know that takes place. You must know that Haiti is a classic example of the billions of dollars we have spent where there has been no significant evidence of improvement.

To recommend that we relieve their debt so they can borrow more money is not going to bring one loaf of bread to a starving person in any country. It is just going to enable them to borrow more money to do the same things they did with the last money they borrowed that created the debt. So——

Reverend LINTNER. We believe that——

Mr. CALLAHAN [continuing]. I respectfully disagree with——

Reverend LINTNER. No. We believe that that is true in certain circumstances.

Mr. CALLAHAN. Well, I do not know—where you are talking about debt forgiveness, it might not be the current regime. But it was their predecessor, and you cannot put safeguards in there to say——

Reverend LINTNER. We do think you can have criteria which will be——

Mr. CALLAHAN. Well, I think if you said they could never borrow any more, that would be all right. But when you simply are opening up the door for them to borrow more, by forgiving debt, it costs me money. I get allocated a certain amount of money every year. And you want me to feed the starving and to provide medicine and care and educational opportunities and health care opportunities for the world.

And yet you are telling me to take part of the money I am going to use for child survival, for example, to eliminate polio, for example, and forgive debt of corrupt politicians. I do not think that should be a priority, and I think your organization ought to look again at what you are saying, because you have to take away from the needy in order to score it to the point that it has to be scored in order to forgive debt.

Reverend LINTNER. I can appreciate your anger at past regimes which were corrupt which borrowed the money. The poor in many of these countries have the perception that they are now being penalized for those past corrupt regimes.

Mr. CALLAHAN. They are.

Reverend LINTNER. They are being penalized, and they are very angry about it, and they feel that their educational needs——

Mr. CALLAHAN. But most of the ones that owe money are still not sufficiently honest, in my opinion. Haiti is a classic example.

Reverend LINTNER. We want criteria. We want criteria, and we are not in favor of giving it to the corrupt regimes.

Mr. CALLAHAN. Thank you for your time.

Reverend LINTNER. Yes.

Mr. CALLAHAN. All right. The subcommittee is adjourned.

[Statements for the record follow:]

Testimony of Representative Sherrod Brown
Foreign Operations Subcommittee
Open Witness Hearings
March 4, 1999

Thank you Mr. Chairman and Representative Pelosi for accepting this testimony in support of key programs within your foreign operations appropriations budget. I appreciate your willingness to take my recommendations into account as begin to set priorities within your FY2000 foreign aid bill.

I would like to begin by thanking you for your leadership on children's issues. Your Child Survival and Diseases Account has my strong support and I was pleased to see that you chose to increase funding for that account last year. It is thanks to you that millions of children around the world are alive and well today. I hope that you will continue your protection of child survival funds and that you will consider expanding funding within your account for UNICEF and Basic Education this year. I hope that you will fund UNICEF at a level of $110 million and Basic Education at a level of $120 million.

Thank you especially for your investment in infectious disease programs within your Child Survival and Diseases Account. I urge you to go further in this area, especially in terms of tuberculosis control. TB is a frightening disease which kills more people around the world each year than meningitis, tetanus, typhoid fever, cholera, malaria and AIDS combined. TB is a primary cause of poverty, because it often strikes adults in their most productive years and plunges their families into destitution.

The spread of tuberculosis is one of the most neglected health crises. In spite of its alarming danger, surprising little action has been taken globally to address the TB epidemic. The good news is that there is a low-cost, effective treatment for tuberculosis which can be up to 95 percent effective, and which the World Bank has identified as one of the most cost-effective health interventions available. Yet less than one in five people with TB have access to this treatment.

Our world community must do more to address the global spread of TB. The United States should take the lead and invest $60 million for international TB control in countries with the highest incidence of TB. By fighting TB abroad we will also be able to control it here in the United States. With a modest investment of our foreign aid funding in TB control, we will save millions of lives and future dollars. (The longer that TB is allowed to flourish and multi-drug resistant strains of the virus allowed to develop through poor health practices, the more expensive and difficult the disease will become to control.) I urge you to consider significantly increasing funding for international TB control programs this year.

Finally, I would like to request that you consider expanding and protecting funding for microcredit within your foreign aid budget. Microcredit is a proven method of providing poor people the tools they need to help themselves. In addition, microcredit is a highly cost-effective program, much like child survival. UNICEF has also identified microcredit as a key tool in combating the worst form of child labor -- bonded child servitude. Microcredit programs provide poor families with access to credit so that they do not need to use their children as collateral to access loans. For a modest investment, the transformation of millions of lives could be achieved. Therefore I ask that you consider setting aside $160 million for microcredit this year, with at least $80 million of that set aside for programs serving the poorest people in loans of $300 or less.

Thank you for considering these requests.

Congress of the United States

Washington, DC 20515

March 2, 1999

The Honorable Sonny Callahan
Chairman, Subcommittee on Foreign Operations
Committee on Appropriations
United States House of Representatives
H-150 Capitol
Washington, D.C. 20515

Dear Chairman Callahan:

On behalf of the Congressional Ukrainian Caucus (CUC), we are writing to express our strong support for full funding of the President's FY 2000 request for U.S. assistance to Ukraine.

During this past year, Ukraine has taken a number of significant steps on its path towards reforming its economy and establishing a strong and stable democratic government. Most recently, the Ukrainian Parliament adopted a state budget for the year which included the lowest annual budget deficit since Ukrainian independence. In October 1998, a three year plan was approved by the Cabinet of Ministers to modernize the nation's accounting standards. This achievement will remove a major impediment to foreign investment in Ukraine. In addition, Ukraine is working to broaden its tax base and lower rates in its current system, while at the same time, legislation has been completed to provide for a comprehensive new tax code which will be presented to the Rada this spring. Finally, Ukraine has undertaken a number of efforts to streamline its public administration, establish a fully functional treasury, increase the number of private enterprises, and reform its commercial markets.

Despite these encouragements, we are aware that much still needs to be done. Combating corruption, which persists as a remnant of the former Soviet Union, remains a substantial challenge for the current Ukrainian government. We believe that continued support from the United States will provide the best mechanism for addressing these concerns. The United States is well positioned to play a key leadership role in assisting Ukraine to further establish a pluralistic and democratic society based upon the principles of law and the free-market system.

Last year, Congress earmarked $195 million in foreign assistance to Ukraine. In addition to the economic reforms encouraged by this funding, Ukraine reaffirmed its role as a vital strategic partner of the United States, evidenced by its refusal to participate with Russia in providing nuclear capabilities to Iran. This action, along with its history of denuclearization and peacekeeping efforts, allowed Ukraine to sign the Agreement on Peaceful Nuclear Cooperation with the U.S., thereby allowing American companies to consider contracts in Ukraine's nuclear fuel industry.

The Honorable Sonny Callahan
Page Two

By continuing our support for Ukraine, we will enhance its ability to address many of the remaining issues inherent to establishing a solid investment climate. This includes public administration reform, which is necessary to streamlining many of the largely bureaucratic institutions in Ukraine, as well as the ability to reform government structures which operate to provide services to the population. In addition, U.S. foreign assistance will facilitate further reform of Ukraine's civil code and commercial law. By identifying laws which address the needs of Ukraine's business environment, these policies will help to encourage an investment climate that attracts foreign as well as domestic investors alike. Finally, our actions will be instrumental in developing anti-corruption programs, which promote governmental integrity and reduce corruption through initiatives in regional or local governments.

The objectives of peace, stability, and democracy in Central and Eastern Europe have been enhanced particularly because the United States remains actively engaged, through U.S. foreign assistance, in a bilateral relationship with Ukraine. As you continue to work on the FY 2000 Foreign Operations Appropriations Bill, we encourage you to demonstrate your strong support for the continuation of Congress's successful foreign assistance policy toward Ukraine for an additional year.

Sincerely,

Sander M. Levin
Member of Congress

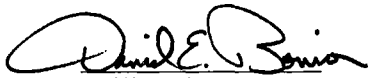
Louise M. Slaughter
Member of Congress

Bob Schaffer
Member of Congress

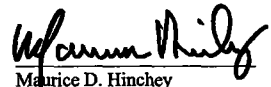
Marcy Kaptur
Member of Congress

Stephen Horn
Member of Congress

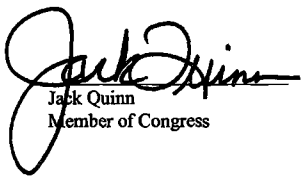
Benjamin A. Gilman
Member of Congress



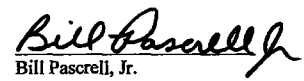
David E. Bonior
Member of Congress



Maurice D. Hinchey
Member of Congress



Jack Quinn
Member of Congress



Bill Pascrell, Jr.
Member of Congress



Luis V. Gutierrez
Member of Congress

DEBBIE STABENOW
8TH DISTRICT, MICHIGAN

1039 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2208
TELEPHONE (202) 225-4872
FAX (202) 225-5820

Congress of the United States
House of Representatives
Washington, DC 20515-2208

COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON GENERAL FARM COMMODITIES
SUBCOMMITTEE ON FORESTRY, RESOURCE CONSERVATION AND RESEARCH

COMMITTEE ON SCIENCE
SUBCOMMITTEE ON TECHNOLOGY

Foreign Operations Subcommittee
Open Witness Hearings
March 4, 1999
Testimony of Representative Stabenow

Thank you, Chairman Callahan, and Representative Pelosi for accepting this testimony as you work to put together your Fiscal Year 2000 foreign aid appropriations budget.

I would like to offer you my support for expanded and protected microcredit funding. Microcredit is a highly successful and cost-efficient foreign aid program which allows poor people to help themselves. Access to credit has allowed millions of the most destitute families in the world to work their way out of poverty. In addition, because such a high number of microcredit loans are repaid by borrowers (often over 95 percent), microcredit programs are able to actually recycle foreign aid funding – ensuring that our money goes a long way.

I urge the Subcommittee to earmark $160 million for microcredit in FY00 and in particular to ensure that at least $80 million of that is directed to programs serving the very poor in loans of $300 or less. Although directing half of overall funds to the very poor has been a Congressional priority, the United States Agency for International Development (USAID) has yet to reach that goal.

In addition to letting you know of my support for microcredit, I would like to thank the Subcommittee for its protection of children around the world with funds from its Child Survival and Diseases Account. I am grateful for your leadership in this area and also for your investment in the control of infectious diseases within that account, and especially for tuberculosis control funding. United States investment in tuberculosis control programs internationally is key to eliminating this disease at home.

Thank you for allowing me to share my foreign aid priorities with the Subcommittee. I appreciate you considering my requests.

Sincerely,

Debbie Stabenow
Member of Congress

DISTRICT OFFICES

3401 EAST SAGINAW #214
LANSING, MI 48912
PHONE (517) 336-7777
FAX (517) 336-7236

2900 EAST GRAND RIVER
HOWELL, MI 48843
PHONE (517) 545-2195
FAX (517) 545-2430

2503 SOUTH LINDEN
FLINT, MI 48532
PHONE (810) 230-8275
FAX (810) 230-8521

PRINTED ON RECYCLED PAPER

Testimony of Representative Robert Andrews
before the Appropriations Foreign Operations Subcommittee
Open Witness Hearings
March 4, 1999

MR. ANDREWS. I thank the Subcommittee and especially Chairman Callahan for accepting this testimony regarding the Fiscal Year 2000 foreign aid appropriations budget.

I would like to offer the Subcommittee and Chairman Callahan my strong support for the Child Survival and Diseases Account. I was pleased to see that the Subcommittee decided to increase funding for that account by $50 million last year, raising the overall account to a level of $700 million. There are few better uses of our precious foreign aid funding.

I would like to turn now to the issue of microcredit. I know that the Subcommittee has been supportive of this program in the past, but I hope the Subcommittee will consider expanding and protecting microcredit funding in the coming fiscal year. Microcredit, as the Subcommittee knows, refers to the provision of small loans without collateral, at market interest rates or higher. With these loans, very poor people are no longer forced to borrow money from money-lenders at exorbitant rates, and are free to save the money they make. Access to credit provides some of the poorest families in the world with the same benefits as the Child Survival and Disease Account. Most microcredit borrowers are poor women who reinvest the money they make with their tiny businesses in the health and education of their children.

While the successes of microcredit are visible around the world, there are still millions more poor people who do not yet have access to this program. I therefore urge the Subcommittee to see to it that our United States Agency for International Development (USAID) uses its microcredit funding as effectively as possible by directing half of all microcredit funding to programs serving the very poor in loans of $300 or less. Although it had set the goal in 1994 of directing half of all microenterprise funds to the very poor by the end of 1996, USAID has not yet been able to do so. In 1997, the most recent year for which USAID has information available, only 41 percent of overall funds went to the poorest. Last year Congress strongly recommended that USAID reach a level of 50 percent in 1998, and I ask that the Subcommittee set aside $160 million for microcredit in FY 2000, with at least $80 million of that overall amount set aside for programs serving the poorest people in loans of $300 or less.

Thank you for considering these requests and I look forward to working with you in the coming year.

THE UNITED STATES MUST IMPROVE ITS RESPONSE TO WORLD MALNUTRITION

TESTIMONY OF

FATHER ROBERT DRINAN, S.J.
WORLD HUNGER EDUCATION SERVICE

SUBMITTED TO THE

HOUSE APPROPRIATIONS COMMITTEE
FOREIGN OPERATIONS SUBCOMMITTEE

March 16, 1999

I am Robert Drinan, a professor of international law and human rights at Georgetown Law School, and a former member of Congress from Massachusetts. I am submitting testimony as a Board member of the World Hunger Education Service (WHES). WHES, along with its principal publication *Hunger Notes*, has been in existence for 24 years. Its mission is to undertake programs, including *Hunger Notes*, which:

- inform the community of people interested in issues of hunger and poverty, the public, and policymakers, about the causes, extent, and efforts to end hunger and poverty in the United States and the world.
- further understanding which integrates ethical, religious, social, economic, political, and scientific perspectives on hunger and poverty.
- facilitate communication and networking among those who are working for solutions.

WHES receives no funding from the United States Government.

Thank you very much for permitting public testimony on U.S. foreign relations. This makes for a long day, but one, I trust, with insights and worthwhile ideas. Each year, in testimony before this subcommittee, WHES tries to bring attention to one very important issue. Last year it was the famine in North Korea. This year it is the plight of hundreds of millions of malnourished people throughout the world.

Malnutrition is a very serious world problem, yet the effective U.S. commitment to ending it--in deeds, not words--has dwindled substantially over the years. The United States needs to reverse this decline with a substantial new initiative.

Over 800 million people are malnourished, according to the Food and Agricultural Organization. The number of malnourished people declined during the 70s and 80s, but has risen during the 90s, with the worst malnutrition occurring in Africa and Asia. Of the 12

million children who die each year in developing countries, 55 percent are attributable to malnutrition, according to UNICEF.

In spite of substantial growth in the U.S economy and the end of the cold war, both of which should have increased resources available to address festering world problems, the World Food Summit, which brought the nations of the world together to discuss the problem and make commitments to reducing malnutrition, resulting in the subsequent U.S. plan of action, resources from the United States directed towards reducing malnutrition have shrunk, not increased.

Table 1 indicates how a key component of U.S. assistance to prevent malnutrition, assistance to agriculture, has fared. USAID's assistance to developing country agriculture has declined from $806 million in 1989 to $306 million in 1999. This is a shocking decline of $500 million--62 percent!

USAID's Agricultural Assistance: 1989-1999 ($ millions)

	1989	1992	1994	1999
Agricultural Assistance	806	626	418	306

Source: USAID

The other principal source of funding for preventing malnutrition has been food assistance. Food for Peace has declined substantially. Title II, the most important part of Food for Peace has been maintained to some extent while Titles I and III have declined drastically. Title II provides assistance for emergency situations, and also for non-emergency situations such as using food assistance to increase agricultural production. However the number of food emergencies have increased significantly, in part due to conflict, leaving a declining amount which can be used to address malnutrition and other development problems in non-emergency situations. Thus we are faced with a substantial decline in U.S. resources devoted to preventing malnutrition in ordinary circumstances, which are unfortunately all too common.

There could have been--should have been--a substantial U.S initiative for FY 2000 to address the problem of malnutrition and the decline in U.S. resources directed to reducing malnutrition. Indeed a USAID-sponsored document called for a new $685 million annual U.S. response to meeting the world food summit goals. The actual U.S. response in the area of international food security for FY 2000 is to propose an increase of $15 million in the Africa Food Security Initiative. The world food summit goal is to reduce the number of malnourished people by half--to 400 million, even as the world population grows.

An increase in food security funding by $15 million is a woefully inadequate U.S. contribution toward meeting these goals.

As the Administration has now submitted its budget, an improvement in the response to malnutrition must be provided by Congress. We acknowledge Congress' and this subcommittee's strong support for child survival. Efforts to reduce malnutrition also deserve the strong support of Congress and this subcommittee.

The World Hunger Education Services calls on Congress to provide an additional $100 million in U.S. foreign assistance funds to reduce malnutrition. This amount is not all that should be allocated, but it is an amount that will end the more than decade-long decline in U.S. assistance for preventing malnutrition.

Let us indicate how the money might be used.

An additional $10 million should be provided for the International Fund for Agricultural Development. We believe that this important anti-hunger organization has not been accorded reasonable treatment by the United States government in recent years. Why is IFAD no longer part of the International Organizations and Programs account? Why has its funding been cut so drastically? The vast majority of the world's poor, malnourished, and food insecure people either live in rural areas or support their families through agricultural related activities. I would like to emphasize our support for this institution, the only international financial institution that focuses exclusively on this important rural population. This year, IFAD's member states will examine the adequacy of IFAD's resources to meet the growing need for its agricultural development activities. Given IFAD's unique and effective role in promoting food security, we hope the United States, Administration and Congress alike, will play a constructive role in that examination and in the replenishment of IFAD's resources. We request that the Subcommittee include language in its report that calls on the administration to contribute significantly to IFAD's resources so the institution can continue its much-needed efforts to promote food security in developing countries worldwide.

We believe that $90 million should support USAID initiatives for the express purpose of reducing malnutrition.

Support to U.S. private voluntary organization organizations for the purpose of reducing malnutrition should be substantially increased. Private voluntary organizations can reach rural areas where malnutrition is a problem and address the needs of low income communities. This is not actually an increase in U.S. funding for PVOs but rather a recognition of the fact that food aid funding--Title II---for the purchase of food which is delivered to developing countries and used for development purposes has been declining in the past decades. This increase merely restores some of the funding that has been lost, and in the foreign operations budget rather than the agriculture budget.

Aid to agriculture in Africa should also be increased. Most poor Africans depend on

agriculture for their livelihoods. Congress recently passed the Africa: Seeds of Hope legislation, which is authorizing legislation. Money should be appropriated to implement the legislation. Again an increase in funding for African agriculture would not be an increase to new high levels of assistance, but would only serve to arrest the decline in assistance to African agriculture that has taken place.

We urge Congress, and the Administration, to make a commitment to reducing malnutrition in the world, and to providing sufficient resources to carry out that commitment.

Thank you for the opportunity to offer this testimony.

Subcommittee on Foreign Operations
Committee on Appropriations
March 1999

Mr. Chairman and Members of the Subcommittee:

We are Father Julio Giulietti, S.J., Director of Georgetown University's Center for Intercultural Education and Development (CIED), and Father William L. George, S.J., Assistant to the President of Georgetown University. We appreciate the opportunity to testify before this Subcommittee on the following programs: **1) The Cooperative Association of States for Scholarships (CASS)**; and, **2) The East Central European Scholarship Program (ECESP)**.

Thank you and the Subcommittee for your generous support for the cost sharing program, the Cooperative Association of States for Scholarships (CASS). We would also like to thank you for your support of the East Central European Scholarship Program (ECESP) which provides scholarships for Hungary, Macedonia, Romania, Albania and Bosnia-Herzegovina.

We are grateful to the Subcommittee for its support in FY 99 of $13.75 million for Central America and the Caribbean and $2.75 million for East Central Europe. We request of the Subcommittee that you recommend the same levels of funding for FY 2000.

COOPERATIVE ASSOCIATION OF STATES FOR SCHOLARSHIPS (CASS)

Under a Cooperative Agreement with the U.S. Agency for International Development (USAID), Georgetown University designs and administers CASS. The University's mission in fulfilling the will of Congress is to provide peace scholarships to capable, economically disadvantaged students from Central America and the Caribbean who attend United States community-based institutions for academic education and technical training.

CASS has been designed to contribute to the formation of more effective work force resources and to foster the leadership and technical skills required to meet social, economic, and democratic needs in Central America and the Caribbean. CASS works closely with in-country experts, support network members, United States PVOs, USAID Missions and USAID Washington to determine which fields of study can best support strategic objectives and contribute to the economies of participating countries.

In June of 1998, CASS began a new five-year Cooperative Agreement with USAID/Washington. Over the course of this five-year Cooperative Agreement, CASS will continue to provide technical training to prepare disadvantaged young adults for entry-level jobs in fields that support broad-based economic development and environmental protection. Additionally, CASS will train rural health workers to support the prevention, diagnosis, and treatment of infectious diseases such as tuberculosis, dengue, and malaria. CASS will also provide skills upgrading to rural primary school teachers and administrators.

Training is provided by United States community-based institutions that develop or adapt programs to provide students with the technical skills and experience that are in demand in the region. Needs-analysis and follow-up studies of alumni are conducted periodically to modify course offerings based on current and projected economic realities in the region.

"Civic Responsibility" is an essential phase of the program. Its three major components -- academic training, experiential opportunities, and personal and professional development -- reinforce self-reliance, self-responsibility, and commitment. Living with American families and studying at community-based institutions, peace scholars develop an understanding of U.S. culture and values, and our democratic processes. These students in turn have a positive impact on their host communities, heightening cultural awareness, geographical knowledge, and political and personal insights about the Americas. The result is the formation of lasting social, economic, and cultural links between the United States and future leaders of Central America and the Caribbean.

In 1995, 253 CASS participants arrived in the U.S. to begin two-year training programs. Ninety-four percent (94%) of these students successfully completed their program and returned home in 1997. Ninety percent (90%) of these students graduated with an associate degree.

In 1996, a total of 330 CASS participants arrived in the USA to begin studies. Of this number 250 began two-year programs. Thirty of the 330 participants were from Haiti and began six-month programs in Health Administration and Management and Education Administration and Management. Fifty of the 330 participants were Nicaraguan Peace Scholarship (NPSP) participants. Ninety-nine percent (99%) of these students successfully completed their program and returned home.

Today, 490 CASS participants in Cycles 97 and 98 are enrolled at 20 community-based institutions in 14 states. Eighteen adult participants from Central America and the Dominican Republic arrived in the U.S. in January 1998, for a special six-month program for strengthening the skills of secondary school math and science teachers. An additional 36 adult scholars from Haiti arrived for two special six-month programs in Administration and Management of Health and Administration and Management of Education. Scholars from these three six-month programs successfully completed their programs and have returned to their countries.

In 1999, approximately 340 students are being recruited to begin training in CASS programs. One hundred and fifty-five of these participants will begin two years of study at 9 U.S. community-based institutions, leading to associate degrees in nine fields of study. Twenty will begin a one-year program in Rural Health Services for Spanish speakers. Eighty-five participants will begin a one year program in Primary Teacher Training. In addition, 40 Haitian participants will enroll in two six-month programs of Professional Upgrading for Education Administration and Professional Upgrading for Health Administration. Finally, CASS will offer 40 scholarships in Construction Training for Honduras and Nicaragua, the two countries hardest hit by Hurricane Mitch.

In Nicaragua, Georgetown designed the Nicaragua Peace Scholarship Program (NPSP) as a special part of CASS. NPSP is an innovative program designed to teach young adults who, because of social and/or economic circumstances, could not complete secondary school education during the past decade of civil strife in Nicaragua. A small number of veterans from both sides of the conflict are included in the target population. Training is focused to equip Nicaraguan youth with technical and democratic leadership skills so that they may increase their opportunities to be productive in their communities upon return.

Today a total of 54 NPSP participants are in the U.S. studying English as a Foreign Language, courses leading to the General Equivalency Diploma (GED), and technical courses in public health, computer repair, business management, industrial manufacturing management, and electronic communication technology. They are placed at three community-based institutions in three states.

Prior to U.S. studies, a three-month Academic Upgrading program is conducted in Nicaragua emphasizing not only basic math and Spanish skills, but personal development, self-esteem enhancement, leadership practice, and practice to participate in a culture of peace rather than a culture of war. Three hundred and forty-two NPSP participants returned home between 1992 and 1998. Fifty-seven (57) Cycle 97 NPSP participants initiated their 18-month technical training in January 1998 and will complete their studies and return home in June 1999.

It is noteworthy that in 1998, CASS had a total of 64 participants in programs at Historically Black Colleges and Universities (HBCUs), namely Harris-Stowe State College in St. Louis, Missouri and Kentucky State University in Frankfort, Kentucky.

Federal funds for CASS are being supplemented by states and private sector contributions, increasing the total number of students served. After an intensive effort in the first two years of CASS to identify a model for cost-sharing funds to maximize the federal dollars allocated to the program, we learned that no one policy or plan for state or regional support of the program will evolve. Each participating CASS state has its own funding formula for higher education which simply means that no one legislative approach can be applied to all states. Colleges in our network are effective partners in providing significant cost-sharing resources for CASS. We require all participating colleges to contribute twenty-five percent (25%) of the total costs of the program. Colleges are exceeding this goal. From 1990 through September 1998, we have received $29,596,154 (46%) cost-sharing from our colleges in the form of tuition waivers, indirect cost waivers, and the funding of other program components. The program has also received over $526,633 of in-kind support from private donors in the countries in which CASS operates.

Follow-up surveys of alumni activities solidly demonstrate the success of the CASS program through sustainable employment levels, continuance of education in-country and community service. Data collected over the last several years show that between ninety-one percent (91%) and ninety-two percent (92%) of all CASS alumni in the eight participating Central American and Caribbean countries are employed in their countries. This figure is in stark contrast to the massive unemployment in the region. One in ten CASS graduates owns his or her own business. As of December 1998, eighty-seven percent (87%) of the NPSP alumni is occupied as mid-level technicians and managers in a national economy where over fifty percent (50%) of the working population is unemployed.

CASS has pioneered training opportunities for economically disadvantaged disabled persons and is achieving impressive results. In 1990, CASS began a pilot program to offer computer business applications training to hearing-impaired students from Central America and the Caribbean. Eighty-six percent (86%) of the CASS deaf alumni are employed in their countries. Twenty-six percent (26%) of the deaf alumni continues their studies; seventy-three percent (73%) is involved in community service activities.

Since 1990, CASS has negotiated 20 credit transfer agreements for CASS alumni with universities in Central America and the Dominican Republic. To date, forty-one percent (41%) of CASS alumni reported they have continued their studies, most working full-time and studying concurrently. Eighty-one percent (81%) of all CASS alumni responded that in addition to their work and/or studies, they continue to actively participate in community leadership and service activities.

GEORGETOWN CASS DISTANCE EDUCATION

The Cooperative Association of States for Scholars (CASS) has delivered an innovative international distance education business program via the Internet since 1996. Designed in 1995, the results of this creative application of Internet technologies to education and training has been a catalyst for providing continuing professional and personal development opportunities to large numbers of people who, because of their employment, economic, or geographic location in Central America, do not have access to traditional classes. The program is called ***Tecnicas en Soluciones Empresariales*** (TSE).

The TSE program is offered to companies and organizations in Central America that are employers of CASS graduates. Participants do not have to leave the workplace to go to a classroom or university; instead, they access class lectures and group discussions from their computers at work. In 1996, the TSE course in business solution techniques began by targeting mid-level managers and technicians to solve chronic problems in real time. In 1997, the target was expanded to include their supervisors as primary beneficiaries. These new work groups, incorporating supervisors, more effectively implement innovative management strategies in the work place.

Georgetown University administers TSE in Guatemala, Nicaragua, El Salvador and Panama. In 1996, forty-four companies and 88 students received nine-month training in Guatemala, Panama, and Nicaragua. In 1997, TSE expanded to El Salvador and lengthened the training period to twelve months. In 1997, sixty companies and 177 total participants graduated. In 1998, sixty-three companies and 189 participants completed the course. Seventy-one companies and 212 participants are enrolled in the TSE 1999 program.

Each year, the twelve-month TSE program curriculum has been updated to include some of the latest theories and practices in innovative management, leadership, and self-directed learning. Employers have input into the training and a clearly defined responsibility to work with students to ensure that training is applicable to their jobs. In addition to theory, students are required to select topics for study and solution from among chronic job-related issues that impact their performance as employees and supervisors, as well as the achievement of company goals. Each project team is responsible for defining and researching the selected project, recommending the solution and leading its implementation.

Instruction is delivered through the Internet, implementation guides, and textbooks. It is

supported by local instruction teams. Students access class lectures and assignments from the Internet and use ListServes for group discussions among participants in the four countries. E-mail is the primary vehicle of communication between TSE teams and participants.

Administered by Georgetown University and funded by the U.S. Agency for International Development, CASS is now among the first to combine technical training and Internet technologies, having devoted fourteen years to the invention and successful conduct of traditionally-managed technical and leadership training for thousands of disadvantaged Central American and Caribbean young adults.

THE EAST CENTRAL EUROPEAN SCHOLARSHIP PROGRAM (ECESP)

The East Central European Scholarship Program (ECESP) was founded at Georgetown University to address the rapid political, social, and economic changes in post-communist European countries. It was the first education and training program to be funded and implemented under a 1989 initiative of the U.S. Congress to support the processes of democratization and privatization in those countries.

The goal of the program is to educate and train a core group of administrators and experts in public administration and policy, management, finance, banking, health care administration, third sector development, regional development, and education. ECESP hopes that this education and training will enable the participating countries to reap the benefits of a more open and structured policy-making process, an increased number of civic-minded citizens, a better educated and skilled democratic leadership and body of government officials, and a stronger pattern of cooperation between civil society and government in solving key social, political and economic problems.

Since its founding in 1990, ECESP has sponsored 662 Czech, Hungarian, Polish and Slovak participants for longer term, U.S.-based training. The ranks of these participants have included: administrators from central institutions such as the Ministries of Finance, Privatization, Agriculture, Health, Environment, Labor/Social Services, and Transportation; members of provincial and local self governments, including governors, council members, mayors, and vice-mayors; administrators of key state and private sector financial institutions; managers and administrators of non-governmental and non-profit institutions; administrators of institutions of higher education; educators involved in educational reform and planning, curriculum evaluation, teacher training, minority and disability education; and faculty from universities, colleges, and professional schools working to introduce new courses into the curriculum of their institutions. In 1995, ECESP introduced a health care policy and administration program designed to aid the processes of privatizing and reforming the health care and insurance sector. In 1996, ECESP initiated a specially designed short term training program for the National Bank of Poland with the aim of building a stronger and more transparent banking industry in Poland. Since then, this program has grown to include the Bank of Albania, the National Banks of Bulgaria, Macedonia, and Slovakia, the Hungarian Banking and Capital Market Supervision, and the Polish Bank Guarantee Fund. The program cooperates with the U.S. Federal Reserve, the Office of the Comptroller of Currency, and the Federal Deposit Insurance Corporation.

In 1998, as USAID continued to close out programs in Hungary, Poland, and Slovakia, ECESP, with the approval of the U.S. Congress, shifted its main focus to Europe□s southern tier countries. Nearly 100 participants from Albania, Bulgaria, Macedonia, and Romania will complete training in the U.S. with FY98 funds. Another 100 participants will undergo in-country training,

including financial experts from the banking sector in Romania (training to be held in conjunction with the Romanian Banking Institute) and financial analysts from the National Bank of Macedonia.

ECESP is using FY99 funds to expand its U.S.-based and in-country training in Albania, Bulgaria, Macedonia and Romania, and to provide training for Bosnia-Herzegovina as well.

On behalf of our President, the Reverend Leo J. O' Donovan, S.J., we thank you for your support and leadership in the development of these innovative programs.

Current Participating Institutions by State

Cooperative Association of States for Scholarships (CASS) including Nicaragua Peace Scholarship Program (NPSP)

California
Reedley College
Modesto Junior College

Florida
Florida Community College at Jacksonville
Santa Fe Community College

Iowa
Iowa Western Community College
Kirkwood Community College
Scott Community College

Kansas
Hesston College

Kentucky
Kentucky State University (HBCU)*

Massachusetts
Berkshire Community College

Missouri
St. Louis Community College

New York
Broome Community College

Oregon
Mt. Hood Community College

Pennsylvania
Mount Aloysius College

South Carolina
University of South Carolina at Sumter

Texas
Alamo Community College District
with St. Philip's College (HBCU)*

Wisconsin
Fox Valley Technical College
Northcentral Technical College
University of Wisconsin Center-Marinette County

Washington
Edmonds Community College

[* (HBCU) Historically Black College / University]

East Central European Scholarship Program (ECESP)

District of Columbia
George Washington University, Washington D.C.
Georgetown University, Washington D.C.

Kentucky
Eastern Kentucky University, Richmond, KY
University of Kentucky, Lexington, KY

Maryland
University of Maryland, College Park

Wisconsin
University of Wisconsin at La Crosse, WI



U.S. FUNDING AND WORLDWIDE REFUGEE PROTECTION

Statement for the Record
of the Hearing on

FISCAL YEAR 2000 APPROPRIATIONS

before the

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FOREIGN OPERATIONS

on

March 4, 1999

by

the U.S. Committee for Refugees

1717 Massachusetts Ave. NW, Suite 701 • Washington D.C. 20036-2003
Tel: (202) 347-3507 • Fax: (202) 347-3418 • Email: uscr@uscr.org

U.S. FUNDING AND WORLDWIDE REFUGEE PROTECTION

Although the U.S. Committee for Refugees was unable to testify at the Subcommittee's hearing on March 4, 1999, we appreciate the opportunity to submit the following statement for the Subcommittee's consideration and ask that this statement be included in the final record of the hearing.

The U.S. Committee for Refugees (USCR) is a nonprofit, nongovernmental organization, which for 41 years has defended the rights of refugees, asylum seekers, and displaced persons in this country and throughout the world. USCR has provided annual analysis to the Subcommittee regarding the federal government's Migration and Refugee Assistance Account (MRA) and the Emergency Refugee and Migration Assistance fund (ERMA). Both accounts provide the bulk of U.S. funding to assist refugee populations overseas. In addition, the MRA account funds the initial costs of U.S. refugee admissions.

Overseas Assistance

The President's FY 2000 budget requests $660 million for MRA, including $463.3 million for overseas refugee assistance, $122.9 million for refugee admissions, and $73.8 million for other line-items within MRA. The Administration recommends an appropriation of $30 million for ERMA.

We urge Congress to support ***at a minimum*** these funding levels. Congressional cuts in the Administration's request would be unwise in view of ongoing refugee emergencies around the world. In fact, we urge Congress to appropriate more than the Administration has requested. Total funding for MRA should be increased to at least $700 million, which is in line with the FY 99 authorized level (the FY 2000 authorization has not yet been completed). Within MRA, funding for overseas refugee assistance should be increased to $500 million—$36.7 million more than the President's request. Funding for ERMA should be increased to $50 million—$20 million more than the Administration's budget. These levels would enable relief agencies to work more effectively to save refugees' lives and make their living conditions more tolerable.

There are more than 13 million refugees and some 16 million internally displaced persons in the world today. In addition, some 2 million refugees have voluntarily repatriated in the past three years and are still attempting to reintegrate into their home countries. These combined populations of some 31 million people, all uprooted or recently uprooted, are the potential beneficiaries of MRA and ERMA expenditures and are the reason why Congressional funding levels should equal or surpass the Administration's budget request.

MRA and ERMA monies fund the work of the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International Organization for Migration (IOM), and the refugee-related work of scores of private nongovernmental organizations (NGOs). Humanitarian assistance efforts have become increasingly dangerous, forcing relief workers to take extraordinary steps to assist uprooted

populations. UNHCR, for example, finds itself increasingly called upon to operate not only in safe countries of asylum but also in unstable asylum countries and inside countries where conflict and population flight are ongoing. This is why more than three dozen UN aid workers worldwide have been killed in the line of duty during the past two years.

The most obvious example is in the former Yugoslavia, where circumstances in recent years have forced UNHCR and other relief agencies to negotiate armed roadblocks, travel treacherous roads, and put the personal safety of staff members at risk in order to assist refugees and displaced populations. We appreciate the February 5 drawdown of $25 million from the ERMA account for emergency needs in Kosovo. This, in addition to the $20 million drawdown in September 1998, shows how quickly the ERMA account can be depleted to respond to an emergency in some particular place. Will we have sufficient funds in the ERMA account to respond to several urgent and unexpected needs at once? Bear in mind that this time last year, the refugee crisis in Kosovo had not even started. More than 400,000 people have been displaced, all in the past year, as a result of the conflict.

To put it bluntly, in many parts of the world, refugee protection operates as a "protection racket." In other words, we buy protection. Without our dollars, refugees would be pushed back. That is the stark choice today in eastern Iran where some 1.4 million Afghan refugees are living a precarious existence. Most of these refugees are members of ethnic and religious minorities that have run afoul of the ruling Taliban militia in Afghanistan. Iran, to its credit, has hosted the world's largest concentration of UNHCR-recognized refugees for nearly two decades, and they have done it with minimal international assistance. But their patience has worn thin. Late last year, when an underfunded UNHCR voluntary repatriation program moved too slowly and with too few numbers of returnees, the Iranian response was to start forcibly repatriating large numbers into dangerous and unsettled conditions on the Afghan side. Judicious, yet generous, U.S. assistance funding could make an enormous difference—buying time, buying safety, and paving the way for an orderly and safe repatriation program that would accord with the wishes, dignity, and safety of the refugees themselves.

In Africa, UNHCR finds itself trying to provide aid and protection to refugees who have fled to highly dangerous asylum countries. For example, UNHCR is attempting to assist nearly 500,000 refugees seeking protection inside war-torn African countries such as Angola, Congo-Kinshasa, Uganda, Rwanda, Guinea-Bissau, and Congo-Brazzaville. The work of refugee assistance is dangerous and expensive—it is important that Congressional appropriations to MRA and ERMA reflect this reality.

We at USCR are dismayed that agencies such as UNHCR have, in many countries, cut their budget requests not because assistance and protection needs have diminished, but because they assume that the United States and other donor nations will refuse to finance all the refugee assistance that is needed. UNHCR is effectively engaging in a form of self-censorship that deliberately and dangerously understates refugees' true needs and obscures the budget necessary to address refugees' basic needs. The result is an insidious, downward spiral in

which, first, refugee assistance and protection needs remain unstated by UNHCR; second, they remain unfunded by the United States and other donors; and, finally, UNHCR further reduces its funding request in future years in anticipation of continued underfunding.

This inadequate funding produces often dramatic effects on the ground, as food goes undelivered, shelters go unrepaired, schools and health clinics remain unbuilt or under-equipped, and protection procedures remain insufficient. As Congress examines the Administration's budget request and compares it to the official funding requests of UNHCR, please keep in mind that these budgets seriously understate the real needs of refugees.

Developed countries contribute most of the UNHCR funding for programs that assist refugees worldwide, and the United States ranks first in total contributions. However, ***the U.S. ranks only tenth in per capita contributions***, behind Norway, Denmark, Sweden, Luxembourg, Switzerland, Netherlands, Finland, Iceland, and Liechtenstein.

Refugee Admissions

The MRA account also provides for the initial costs of U.S. refugee admissions. These include overseas processing costs as well as reception and placement in the United States. The President's budget request includes $122,900 to support the admission of up to 80,000 refugees in FY 2000. This admissions level, although a modest increase from FY 99, is of great concern to us.

Under the Clinton Administration, the number of refugees admitted to the U.S. had declined by 41 percent from 132,000 in FY 93 to only 78,000 in FY 99. Although the FY 2000 proposal to admit 80,000 represents a welcome reversal of the downward spiral, it is woefully insufficient to meet the need. Refugee resettlement is a very small part of the response to the world's refugees. It is, however, a tool of protection that represents America's tradition of rescuing persons who fear persecution because of their political or religious beliefs.

Under international and U.S. law, refugees are persons fleeing persecution based on race, religion, nationality, membership in a particular social group, or political opinion. After Palestinians, the largest groups of refugees are Afghans, Bosnians, and Iraqis. Sizeable groups also come from Sudan, Vietnam, Burma, Armenia, Tibet, Rwanda, Nicaragua, and many other countries. Most refugees and asylum seekers are hosted by countries in the developing world. In 1997, most refugees sought protection in the Middle East (5.7 million) or in Africa (2.9 million). ***Only 4.5 percent*** sought refuge in the Americas or the Caribbean.

The demise of many Cold War institutions has blown the lid off ethnic and nationalist tensions in many parts of the world, creating new areas of conflict and new uprooted populations. The number of refugees and displaced persons in Europe, for example, is higher than at any time since World War II, as a result of conflicts in the former Yugoslavia and the former Soviet

Union. This past year has also produced many new refugees elsewhere.

Both the current admissions level of 75,000 and the proposed level of 80,000 will prevent the U.S. resettlement of many refugees who have no other viable option. These include, among others, Sierra Leoneans in Guinea, Burmese in Thailand, Iranians and Iraqis throughout the Middle East, Afghan women in Pakistan, Algerians in Europe, Somali Bantus in Kenya, ethnic Albanians in Kosovo, and Bosnians in Germany.

Resettlement is a small but vital solution to these crises. For most refugees, return home is the preferred solution, and in recent years large numbers have indeed repatriated. However, for a small number of refugees—less than one percent—resettlement is the only viable option. Those refugees include torture survivors, women and children at risk, ethnically mixed families, and persons with immediate threats to their lives or safety.

The United States has traditionally been the world leader in refugee protection. Other nations carefully monitor our immigration and refugee policies as a model for establishing their own. In recent years, the U.S. has begun a decline in its commitment to refugees, a trend that could have serious consequences for refugees worldwide.

Although recent efforts to cap refugee admissions were overwhelmingly defeated in Congress, the Clinton Administration has nevertheless systematically reduced the refugee admissions ceiling to its current level of 75,000. Republicans and Democrats from key committees in both houses of Congress have written to the Administration urging a return to previous levels of refugee admissions. House members recommended a ceiling of at least 100,000, while Senators recommended a range of between 90,000 and 110,000. The Senate letter noted that "this level would be in keeping with our traditions and we are confident that it would receive bi-partisan support in Congress." These levels are not unrealistic; in 1980, the admissions ceiling was 207,000.

Although the U.S. still admits more refugees than any other country that has an overseas admissions program, many other nations provided temporary or permanent asylum to much larger numbers of refugees and asylum seekers.

The per-capita refugee admissions cost is about $1,365. However, while the President's FY 2000 budget request includes a 20 percent increase in funding for the admissions line item (from $102.3 million to $122.9 million), the proposed admissions ceiling is increased by only 6.6 percent (from 75,000 to 80,000). Although PRM notes that admissions costs have increased, the proposed budget should certainly support a significantly higher level of admissions. A modest increase in the appropriation would easily support an admission level of at least 100,000.

We thank you for your consideration of our views.

STATEMENT FOR THE RECORD

for the hearing on

FISCAL YEAR 2000 APPROPRIATIONS

before the

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FOREIGN OPERATIONS

On

March 4, 1999

by

THE U.S. CATHOLIC CONFERENCE
MIGRATION AND REFUGEE SERVICES

Migration and Refugee Services (MRS) of the U.S. Catholic Conference appreciates the opportunity to present its views on refugee protection before this important body, which has responsibility for this and a number of the other important issues with which the Conference concerns itself, such as development assistance and debt relief.

The Catholic Church in the United States has long been active in welcoming refugees and other newcomers. The agency that is now MRS began as a service of the Catholic Bishops in the 1920s, and is the Church's oldest national service organization in this country. Currently, MRS works with 114 dioceses in 46 states to resettle refugees of every ethnic and religious group, and is the United States' largest such agency.

The Church bases its refugee activity on the Gospels and on Catholic social teaching. Pope John Paul II, speaking of refugees and immigrants in his encyclical *Centesimus Annus* ("After 100 Years"), put the matter at its simplest and most profound: "No one can say that he is not responsible for the well-being of his brother or sister."

MRS would like to comment on the Administration's budget request for two of the funding components of the U.S. refugee program -- Migration and Refugee Assistance (MRA), and Emergency Refugee and Migration Assistance (ERMA). We do so against the background of a simple conviction: that the United States, as the world's mightiest nation, can and should do more to protect the world's refugees.

NEW WORLD, BUT LESS ORDER

This is so not only for humanitarian reasons -- although these should be compelling for a country as compassionate and generous as ours has been historically. It is so for foreign-policy reasons as well.

Because of our global political, economic and commercial interests, the United States benefits from a peaceful and stable world, perhaps more so than any other single nation. Refugees are the product of conflict; left unattended, they generate more conflict. We can reduce the level of turmoil in the world by helping to ensure that refugees are properly fed and housed as long as their displacement lasts. There are only three solutions for refugees. The best is that they return home when conditions permit. A second solution is to remain in the country of first asylum, when that is possible. And, for those refugees for whom there is no other solution -- and especially for those whose hosts cannot or will not allow them to stay -- we and other wealthy nations can offer resettlement placement.

We are proud to say that our country plays a part in bringing about all three solutions. Where resettlement is concerned, however, U.S. refugee admissions have declined significantly in recent years, and we are now neither meeting the need nor responding to our full capacity.

We all hoped that the demise of the Soviet empire would presage a decline in victims of conflict. Instead, a series of outbreaks -- often based on ethnic tensions and involving ancient feuds -- has kept refugee camps full. Today's refugees tend to be less closely linked to the United States

than, for example, the Indochinese, whose claim on our attention was clear. They are apt to come from a variety of countries, and to result from struggles to which we are not a party.

It would be a mistake, however, to use the changing composition of refugee flows to justify what has been, unfortunately, a declining U.S. commitment to refugee resettlement. From the foreign-policy perspective, our strong interest in world stability, including our goal of inducing first-asylum countries to keep their doors open to refugees, demands a generous and flexible program.

From the humanitarian viewpoint, the case is even clearer: an undersized U.S. commitment condemns thousands of needy refugees to confinement in refugee camps or forced return to their places of persecution. U.S. reticence affects not only those refugees who would otherwise have come here: without strong U.S. leadership, other developed countries feel less moral pressure to accept refugees, and first-asylum nations feel less moral pressure to welcome refugees on a temporary basis.

Whether we like it or not, the world looks to us for guidance in this difficult realm. We set the norms for international conduct.

ACHIEVEMENTS OF THE STATE DEPARTMENT'S REFUGEE BUREAU

Migration and Refugee Services has a long history of working in partnership with the State Department's Bureau of Population, Refugees and Migration. The Bureau has a number of achievements to its credit, both in the protection of refugees abroad and in their resettlement in the U.S. After years of low admissions numbers from Africa, the Bureau last year both strengthened African processing, accepting close to the full number authorized, and raised FY-1999 admissions from Africa from 7,000 to 12,000. It has worked assiduously to encourage the German government to allow Bosnians unable to return home to stay temporarily in Germany.

The Bureau has conducted a very serious effort with the U.N. High Commissioner for Refugees (UNHCR) to improve that agency's capacity and willingness to refer refugees for the U.S. program, funding the secondment of voluntary agency staff to UNHCR for that purpose. The Bureau has encouraged our own embassies, perhaps for the first time, to recommend refugees for U.S. resettlement. Through its support for the SPHERE project (Standards for Humanitarian Assistance Service Delivery), the Bureau is greatly advancing an effort to standardize and upgrade services to refugees abroad. Finally, in an initiative that is close to the heart of our own agency, the Bureau is moving toward interviewing for resettlement unaccompanied minors in Kenya and setting the stage for the United States once again to begin resettling these particularly vulnerable refugee children.

THE TWO REFUGEE ACCOUNTS

Against this background, we would like to comment on the Administration's budget requests for the MRA and ERMA accounts.

The MRA appropriation supports both refugee admissions to the United States and overseas

assistance. The request for FY-2000 is for $660 million. Compared with the previous year, that is $10 million more than was requested and $20 million more than was appropriated, but $44 million *less* than was authorized. We believe the Administration has underreached.

The refugee-admissions component of the request totals $122,900,000, said to afford the entry of 80,000 refugees, 5,000 more than were funded the previous year and 2,000 more than the previous year's overall ceiling. While we are pleased that the funded ceiling is finally, for the first time since 1992, moving in the proper direction, we are disappointed at the timidity of the request. In our view, based on world-wide refugee needs, the United States should accept at least 100,000 refugees for FY-2000.

The U.S. could more than attain that recommended level simply by appropriating the $704.5 million that was authorized for FY-1999. The Administration's own numbers reveal that it expects the initial resettlement of a refugee in FY-2000 to cost $1,525 in federal MRA funds, or $1,525,000 for each increment of 1000 refugees. Funding the program at last year's authorized amount would, therefore, allow for an FY-2000 ceiling of 108,000 refugees.

The overseas-assistance portion of the Administration's request is $463,300,000, which goes to fund the International Committee of the Red Cross, the World Food Program, various nongovernmental organizations, and, principally, UNHCR.

Here, we have one overall comment. UNHCR, the agency which attends to the needs of the world's refugees on behalf of the international community, is experiencing serious funding shortfalls. The organization finds itself on the horns of a dilemma: it can either present donors its true needs, with the risk of large shortfalls in various accounts that at times force life-saving operations to close in mid-stream; or it can request contributions based on scaled-back needs, with the risk that the understated request will be seen as a new ceiling and cause contributions to drop even further.

UNHCR's predicament is not the fault of the United States. Our decision to fund no more than 25 percent of the agency's needs in order to require others to meet their responsibilities is an entirely defensible approach. Unfortunately, it is not working. The Committee should take this situation into account in its examination of the State Department's refugee funding needs. We hope that both the Committee and the Department will continue to do everything possible to encourage other wealthy countries to meet their commitments. Together, the U.S. and our fellow donors must halt the downward spiral in contributions so that UNHCR can perform its job properly.

WHERE WILL THE REFUGEES COME FROM?

There are two notions abroad which have been used to justify an increasingly anemic U.S. refugee program. First, it is said that, with the large inflows from Indochina and the former Soviet Union nearing an end, we can stay with our current level of refugee intake and still have room for new populations. Second, we are told that our country has neither the will nor the capacity to receive more refugees than we are doing at present.

With regard to the first notion, there can be no doubt that the numbers of refugees who need resettlement if they are to live again in dignity far outstrip our ability to receive them. Each year, the private refugee agencies compile figures regarding the most needy, region by region, so there is no reason for me to duplicate that work. We would like, however, to make some observations.

- Last August, Bishop John W. Yanta of Amarillo, Texas, a member of the U.S. Catholic Bishops' Committee on Migration, visited Kakuma Camp in Kenya. He found 55,000 mostly Sudanese refugees, many of whom had been there from the camp's opening in 1992. The prospect for these refugee men, women and children was, and is, continued, indefinite detention. Some 5,000 of these refugees were boys and young men without families. Known as the "lost boys of Kakuma," they walked there from Sudan. Migration and Refugee Services and the Lutheran Immigration and Refugee Service have been working with the State Department and UNHCR to bring to the U.S. some of these unaccompanied boys, as well as some girls who are also without families, after a period of years in which our country resettled practically no unaccompanied minors. We hope that is about to happen.

- Elsewhere in Africa, there are some three million more refugees. The horrrors in Sierra Leone remind us they are still coming. Church World Service, the agency which is helping to process this population, is not finding them hard to identify.

- Also last year, another Committee on Migration member, Bishop Peter Rosazza of Hartford, Connecticut, traveled to Croatia and Bosnia to see first-hand the former Yugoslavia. There, he learned how difficult it was for minorities to return to their homes, despite the Dayton Accords, and he understood that the numbers needing resettlement in a third country would undoubtedly exceed the number estimated.

- In Indochina, where the International Catholic Migration Commission will finish its support for the Vietnamese Orderly Departure Program at the end of this fiscal year, there are still people, especially Vietnamese, who need to be able to present their refugee claims. They include Amerasians, grown children of detention camp prisoners, and persons who returned to Vietnam from Asian refugee camps on the U.S. commitment that they would be interviewed inside Vietnam. All have access to the U.S. program. Happily, we are now told that former U.S. Government employees not yet interviewed will also have a chance to present their claims. There also remain in Vietnam, however, former U.S. employees who may have been unfairly denied as well as people put in prison for religious or political reasons related to their activities after 1975. These do not currently have adequate access to the U.S. program. In our strong view, they, too, should have the opportunity to make their case for U.S. resettlement.

The point is that, no matter how many refugees we accept, we are in no danger of exhausting those who ought to be of humanitarian concern, and often political concern, to the United States. The U.S. Catholic Bishops know, of course, that there are limits to what the United States can do. But they also know that those limits have not yet been reached.

THE QUESTION OF DOMESTIC CAPACITY

There have been concerns, too, that the U.S. lacks the domestic capacity to resettle more refugees. As the largest of the ten agencies contracted by the State Department and the Department of Health and Human Services to resettle refugees in the United States, we know this is untrue, whether "capacity" is defined in terms of will, compassion, volunteer availability, resettlement infrastructure, or agency performance outcomes.

Through its nation-wide network, Migration and Refugee Services alone generates thousands of volunteers and millions of dollars each year in private monies and in-kind resources to add to the reception and placement grants we receive from the Government. Some time ago, we asked an outside consultant to estimate the cost to our network to provide our services in addition to the $740 per refugee which is the government contribution. We were told that resettlement costs ranged from $1,000 to $4,000 per family above that per capita figure. Approached from another angle, in 1998 our dioceses recorded contributions, in cash and kind, of $10 million associated with the welcoming of refugees. Even these impressive figures do not convey the dedication and commitment represented by the thousands of volunteers in our network who meet refugee families at airports, get them settled in their new homes, and remain available to assist while the new arrivals are learning to navigate on their own.

The other voluntary resettlement agencies could no doubt tell a similar story. Together, we greatly magnify the public resources that this Committee appropriates for the refugees' benefit.

These private resources would not be forthcoming if the will of the American people to receive refugees were flagging. As an agency which resettles refugees every day, we can assure you that it is not.

CONCLUSION AND RECOMMENDATIONS

This long experience in welcoming migrants makes us confident that assistance to refugees is good for the United States and good for the world, and it gives us the perspective to understand that, while we as a nation are doing well in this area, we could be doing even better. In that spirit, we summarize our recommendations as follows:

- The MRA account should be funded at a level that will allow the resettlement in the United States of at least 100,000 refugees in FY-2000 with no decrease in overseas assistance.

- The State Department should be encouraged to continue its commendable review of unaccompanied minors and others in need of resettlement at Kakuma Camp in Kenya for possible U.S. resettlement, with the goal of bringing to the United States at least 500 such children from that camp and elsewhere in the world in FY-2000.

We look forward to working with the Subcommittee on these and other issues of importance to the Catholic Bishops. Thank you for your consideration of our views.

Statement of the
International Education and Training Coalition

House Committee on Appropriations

Subcommittee on Foreign Operations,
Export Financing, and Related Programs

March 4, 1999

"On a society-wide scale, the denial of education harms the cause of democracy and social progress – and, by extension, international peace and security."

***State of the World's Children 1999*, UNICEF**

I. Introduction and Summary

The International Education and Training Coalition (IETC) represents over 60 of the United States' leading organizations in basic education, literacy, higher education, vocational education, and skills training. Members include nonprofit organizations, higher education institutions, commercial organizations, and educational associations with thousands of members in the United States and throughout the world.

The diverse organizations of the IETC share a common mission: to strengthen human capacity within the developing world as an essential component of sustainable and equitable development. The IETC seeks to build a broad base of U.S. support for international education and training activities and to elevate attention and resources to this area within the U.S. development cooperation agenda. The IETC is a source of expertise on the importance of U.S. leadership in international education and training through the following activities:

- Providing accurate and current information to Congress;
- Fostering dialogue between the U.S. Agency for International Development (USAID) and American practioners on current themes and issues; and
- Assisting in the development of new programs and policies.

The purpose of this testimony is threefold: 1) to demonstrate to Congress how U.S. investments in international education and training advance the national interests of the United States; 2) to provide a clearer picture of these programs and their impacts on the lives of people in poorer nations; and 3) to recommend specific areas where Congress can support international education and training in the appropriation of FY 2000 foreign operations.

With the start of a new Congress and an expected change of leadership at USAID, this is a critical time to reinforce U.S. leadership and recognize commitments made in international education and training. Investments in education and training are critical to reducing poverty, curbing rapid population growth, improving child health, and all other goals for effective U.S. development assistance. An educated populace provides the foundation for the broad-based prosperity that creates new markets for U.S. exports and for the democracy and stability that preclude costly U.S. interventions in crises. Congress should, therefore, provide adequate funding for the programs and staff dedicated to building human capacity in the developing world.

II. U.S. National Interests

Today *one billion people* in the world's poorest countries are illiterate, with women and girls comprising the majority of this group. This not only translates to an unnecessary loss of potential and productivity but also actively undermines the advancement of U.S. foreign policy, as well as economic and humanitarian interests in the developing world. Investments in education and training are powerful and proven tools for changing this reality. An educated and skilled populace is critical to achieving self-reliance so that countries may graduate from U.S. assistance, to improving the quality of life for millions of children and families, to developing viable partners for U.S. business and consumers for U.S. products, and to creating conditions for sustained peace, democracy, and respect for human rights.

Education and the potential for individual growth are fundamental American values. An educated populace is essential to our sense of citizenship, culture, and a well-functioning society. We believe that children have the right to education, and adults the right to realize their potential. When U.S. aid programs invest in helping other nations improve their education systems, they pass on American models that focus on democracy and interactive learning. The United States holds a significant comparative advantage in education and training: it has the most respected and extensive higher education system in the world and leads the world in the development and use of modern information technologies. Moreover, the U.S. is involved in a number of education policy initiatives on improving equity and undertaking systemic reform in urban schools that can provide lessons for education problems in other nations.

Education and training build markets for U.S. exports by stimulating broad-based economic growth and increased consumption of U.S. goods, creating new American jobs. U.S. prosperity in the 1990s is largely attributable to an expansion in overseas trade, and the fastest area of this export growth is to the developing world. Education is a leading contributor to the economic growth that has made this possible. Studies have shown that increased education alone accounts for 12 to 20 percent of annual GNP growth in countries as economically and politically diverse as South Korea, Malaysia, Ghana, and Colombia.

In addition to promoting universal basic education, the U.S. targets training programs that advance market-oriented economic systems. For example, utilizing the skills gained under a USAID training program coordinated by IETC members the Africa-America Institute and the Council of Graduate Schools, the University of Asmara in Eritrea has taken a lead role in training and modernizing the skills of the country's school teachers, journalists, public administrators, and engineers. Through their efforts, the university is developing a work-force with the technological skills to usher in and maintain an export-oriented economy that will directly benefit and attract more American investment to the region.

Education and training enable nations to prevent and mitigate conflicts and crises, avoiding costly U.S. intervention, and contribute to the promotion of democracy, pluralism, and tolerance. Increased opportunity for education and training acts as a counterbalance to migration and helps hold together the social fabric of divided societies, contributing to leaders with broadness of vision and an appreciation of diversity. For those in refugee camps or other crisis environments, education and training offer a promising means for helping to rebuild their lives. In non-democratic regimes, education and training can lead to broader citizen participation. In nations in transition to democracy, people require new technical skills and governance techniques to build sustainable institutions.

Education and training give people the knowledge and skills necessary to fully participate in their nations' public affairs and are therefore fundamental to sustain democracy. As part of the USAID Community Schools Activities Program in Ethiopia, IETC member World Learning has assisted local communities and administrative bodies in embracing the idea that they can effect change in their children's schooling. This new level of local participation in decisionmaking has led not only to successful initiatives to improve school quality, but also to community involvement in other social and economic domains. Through a partnership with the University of Florida, Makerere University in Uganda established the Human Rights and Peace Center. The Center, the first of its kind in Africa, is devoted to teaching, researching, and compiling local materials on human rights.

Education and training, especially for women, are key to the promotion of broad social benefits, including lower birth rates, reduced infant mortality, and improved child and family health. The former prime minister of India stated, "Educate a boy, and you educate a person. Educate a girl, and you educate a whole family." Girls and women who are educated are more likely to delay marriage and childbearing. On average, an extra year of schooling reduces female fertility by up to 10 percent in developing countries. Reducing population growth, in turn, reduces pressures on limited natural resources. An educated woman is also more likely to seek medical help and practice better nutrition and hygiene for her family, lowering infant and maternal mortality. Furthermore, expanding educational opportunities for girls so that they are equitable with those for boys contributes to an increased labor force, productivity and economic growth.

In a region where most girls are married by age 13 and the female literacy rate is less than two percent, an ambitious USAID and UNICEF program in rural Pakistan successfully tackled the low enrollment rate of girls. By involving both the local community and the national government, and by supporting professional development for female teachers, within three years the program has established 122 girls' primary schools and enrolled nearly 74 percent -- 4,183 girls -- of school age girls in the community.

The relationships formed with Americans and the linkages established with U.S. institutions by participants in training and development programs provide the basis for long-term, mutually productive activities. These activities help to improve America's image in developing countries with national leaders and ordinary citizens alike. When foreign publics

appreciate American values, technology, and know-how, the task of U.S. diplomacy is easier. Furthermore, people who have learned English and are familiar with American culture and products are more likely to establish trade relationships with the United States and create investment opportunities for Americans.

For example, 289 exchanges have occurred between the University of Missouri and the University of the Western Cape in South Africa, resulting in mutual gains in knowledge in areas such as water resource management. Kentuckians have similarly benefited from the over 350 Latin American local officials and community leaders who have come to the University of Louisville for training. St. Louis Community College has trained more than 200 staff from Guyana's technical institutes, thereby assisting Guyana to boost the skills of its labor force.

In sum, investments in education and training are clearly in the U.S. national interest. Americans benefit as the people of developing and transitional countries gain the skills, abilities, and resources needed to address their own nations' problems. A clear commitment from the United States and other nations is needed to avert the tremendous costs associated with the lost human potential and delayed global development stemming from unmet education and training needs. In partnership with the U.S. government, American higher education institutions, non-profit organizations, for-profit firms, and educational associations have the capabilities to make fundamental contributions to human capital development throughout the world.

III. A Closer Look at Education and Training in the Developing World

When human capacity is developed to its fullest, people are able to survive and prosper, to realize innate potential and to take their destinies into their own hands, and to participate more broadly in society. This ability to learn and improve is the only way to ensure lasting results, particularly in the age of globalization, with a constant progression of social, economic, and technological changes. In short, education and training build human capital, which serves as every country's most important resource base.

U.S. development assistance is not used to directly educate children and adults overseas; that is the responsibility of national governments. U.S. education aid, together with host country governments, helps shape public policies to improve the access and quality of education and training, and provides technical assistance in areas such as teacher training, curriculum development, and skills training. The delivery of U.S. assistance also focuses on alleviating resource inequities for underserved populations, mobilizing community and parent involvement in schools, decentralizing decision-making and accountability, and applying cost-effective information technology.

U.S. education and training programs encompass a spectrum of lifelong learning opportunities, from classroom-based and informal schooling for children, to adult basic education, to specialized technical training and university scholarship. As the short summaries below illustrate, each makes an undeniable contribution to economic and social well-being.

Basic education. The acquisition of functional literacy, numeracy and problem-solving skills are the foundation upon which all learning rests and is therefore the top priority for U.S. bilateral development assistance. Investments in universal primary education, particularly for girls, have been shown to be the single most economically productive investment that a country can make for its citizens. Recognizing this, the U.S. and the nations of the OECD agreed to work to achieve universal primary education in all countries by 2015 and gender equity in primary and secondary education by 2005. With 130 million children in the developing world still denied access to basic education – many in situations of exploitative labor -- and millions of others relegated to abysmal learning environments, there is much to do.

USAID and its outside partners concentrate on expanding access to quality basic education for underserved populations by helping countries improve education policies, build institutional capacity, adopt effective teaching methods, and encourage the use of improved educational materials and technologies. For example, in a program funded by USAID, IETC member the Academy for Educational Development has assisted more than 1,300 multi-grade schools in the rural highlands of Guatemala. By actively involving local communities and training rural teachers, these schools have demonstrated high rates of success in enrolling and retaining poor indigenous students, particularly girls.

Higher Education. Colleges and universities produce the leaders and skilled professionals needed to run modern societies, from the teachers who provide quality basic education to the public and private sector policymakers and managers who create strategies and policies for sustained growth and progress in every development area. Higher education institutions also work with business and government in solving complex problems, growing market economies, and developing sound policies that respond to local and national needs. Partnerships with U.S. colleges and universities can strengthen institutions of higher education in developing countries, promote research, and facilitate direct problem solving in areas such as agriculture, health, and education.

An agricultural development partnership among Morocco, Israel, and San Diego State University not only strengthened both Morocco's and Israel's ability to export agricultural products, but also expanded the cooperative research efforts of Moroccan and Israeli participants, which directly contributes to the U.S. foreign policy goal of broadening regional cooperation in the Middle East. A mission of the Salesian Catholic order, a member of IETC, provides vocational training to orphans and poor youth in Phnom Penh, Cambodia. The USAID-supported program offers courses ranging from mechanics to food preservation that address local job market demands. The 1,125 graduates to date not only earn more than the national average, but have gained the knowledge and skills required to participate in modern labor markets and citizenship.

Training. Often cited by beneficiaries as the most appreciated U.S. contribution to sustainable development, training expands a country's capacity to manage and monitor its own social and economic progress. Increasingly, U.S. development assistance is about training people rather than building physical infrastructure. Training can take place in the developing or transitional

country, or in the United States where there is the significant advantage of direct access to U.S. expertise and experience. Training contributes to the formation of appropriate policies, the implementation of sound programs and practice, and long-term allegiances with U.S. professionals and institutions.

Cutting across all development objectives, training is absolutely critical to sustainable and successful programs in education, health and population, democracy, economic growth and agriculture, and environmental protection. For example, IETC member Development Associates initially provided training to national legislators and key Ministry of Education officials of El Salvador. The training resulted in an Education Reform law that decentralized classroom instruction and expanded citizen involvement. Training was then provided to hundreds of teachers and community leaders, so that today there are 3,535 functioning community school boards involving 27,000 citizens. One of the original trainees is now President of El Salvador.

Information Technology. Broad and equitable access to information is also essential to success in building human capacity as well as achieving USAID's other strategic goals. Now there is a heightened awareness of how timely, accurate, and relevant information can help make education and training more effective, strengthen or tear down political regimes, improve health care delivery and other social services, and build vibrant economies. For decades, USAID has applied distance learning approaches through radio and other broadcast media. The growing availability of computers and the Internet offers new opportunities for developing human capacity.

USAID works to ensure that information technology benefits the poor. For example, through "telemedicine" applications, including in-service training for remote health care workers, quality health care is being extended to rural and isolated populations around the globe. Computer-assisted instruction in both rural and urban areas is helping to improve teacher training and enhance student motivation, retention, and learning.

IV. U.S. Support for Education and Training

When U.S. funding for international development programs shrank by as much as 30 percent in the mid-1990s, education and training programs and staff were particularly hard hit. For example, Congress annually recommends that USAID target development assistance funds to basic education for children. In 1995, basic education was funded at $135 million; in 1999, basic education was funded at $98 million. Training has shifted in emphasis to shorter-term technical training, resulting in a 40 percent decline in U.S-based training of developing country leaders. Moreover, funding for partnerships with U.S. institutions of higher education has declined in the 1990s.

This erosion of U.S. leadership and capacity was recognized by USAID, Congress, and outside groups such as the International Education and Training Coalition. Along with other organizations that have long worked in the area of international education and training, the IETC understood how important these programs were to American interests abroad. Therefore, we

have advocated for rebuilding support for public policy that makes international education and training a priority and for restoring resources to better match the tremendous needs in this area.

At the urging of several members of Congress with long-standing interest in international education, in 1997 USAID agreed, to make a change in its strategic plan, adding "Building Human Capacity through Education and Training" as one of the six priority goals of the agency. USAID Administrator Brian Atwood stated that "investments in people -- in human capacity -- will bring the most significant payoff over time." He committed the agency to taking full advantage of funding in basic education, particularly for girls, to expanding partnerships in higher education, and to using information technology to support development goals. He also emphasized the high value placed on training and committed the agency to greater consultation with its U.S. partners.

IETC has welcomed and appreciated the expanded cooperation and consultation between USAID and outside organizations, which has resulted in numerous benefits, such as improved planning for education and training policy and programs. However, more needs to be done. The reaffirmation of education and training's role in promoting sustainable development has not been matched with adequate program funding or investments in qualified staff. Consistent leadership within the agency and Congress, as well as active engagement by all who believe in the importance of education and training, is needed to ensure that U.S. investments in education and training provide the tools for lifelong learning and point the way to a prosperous future for all.

Specific ways the U.S. government can demonstrate support for international education and training include the following:

- **Increase funding for Human Capacity Development.** The Administration's FY 2000 request includes $148 million directed toward the goal of building human capacity, up from $131 million in FY 1999. This includes a modest $2 million increase for basic education programs for children, a $10 million initiative targeted to address child labor concerns, and $38 million in other education programs such as adult literacy, vocational training, and post-secondary education. At a minimum, Congress should provide adequate funding to meet the $148 million request.

- **Ensure that cross-cutting initiatives remain a priority.** Development assistance is only effective and sustainable if the beneficiaries gain the knowledge and skills to solve their own development problems. Therefore, adequate funding in the Development Assistance account must be provided to ensure that overseas missions can effectively integrate training and information technology initiatives across the full range of development sectors. U.S-based training, in particular, remains an important tool for project success and sustainability.

- **Invest in training and hiring staff with expertise in international education and training.** During the cuts to foreign aid in the mid-1990s, USAID lost one-third of its skilled education officers. In order for the U.S. to remain a leader in this area, the agency

needs adequate funds to invest in a cadre of experts. Internal studies have indicated that the scarcity of qualified technical staff constrains the effectiveness and ability to expand education and training programs. Human resources are critically needed in order for the United States to remain a leader in education and training.

- **Support USAID's Human Capacity Development Center.** The HCD Center is responsible for field support, technical leadership, research, and overall policy coordination on education and training. In FY 1998 – the same year USAID established a new goal for "building human capacity" – funding for the HCD Center was cut from $12.4 million to $7.5 million. To ensure that the agency's activities can be supported and shared effectively, the HCD Center should be funded at the request level of $14 million.

In conclusion, it is our hope that the new Congress and new Administrator of USAID will continue and strengthen their long-standing support so that the United States remains a leader in international education and training. Doing so will both promote American values and interests at home and improve the quality of life for millions of people around the world.



International Education and Training Coalition

Academy for Educational Development
Africa-America Institute
Africare
Aguirre International, Inc.
Alliance for International Educational and Cultural Exchange
American Assembly of Collegiate Schools of Business
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
American Councils for International Education
American Federation of Teachers
American Institutes for Research
American Society for Training and Development
American University of Beirut
AMIDEAST
Association for International Education Administrators
Association for International Practical Training
Association Liaison Office for University Cooperation in International Development
Association of Professional Schools of International Affairs
Aurora Associates International
CEC International Partners
Chemonics International Consulting Division
CHP International, Inc.
Coalition for American Leadership Abroad
Comparative and International Education Society
Council of Graduate Schools
Council on International Educational Exchange
CounterPart Foundation
Creative Associates International
Delphi International
Development Associates, Inc.
Development Infostructure, Inc.
Education Development Center, Inc.
Educational Testing Service
Global Vision
Howard University International Affairs Center
Institute of International Education
International Federation of Training and Development Organizations
International Reading Association
International Research and Exchanges Board
Juarez and Associates
LASPAU: Academic and Professional Programs for the Americas
Management Systems International
Meridian International Center
Montana State University
NAFSA: Association of International Educators
National Association of Independent Colleges and Universities
National Association of State Universities and Land Grant Colleges
National Council for International Visitors
National Peace Corps Association
Partners of the Americas
Plan International, USA
RESULTS Educational Fund
Salesian Missions
Save the Children
Sister Cities International
The Mitchell Group
Winrock International
Women's EDGE
World Education
World Education Services, Inc
World Learning.
YMCA International

c/o the Alliance for International Educational and Cultural Exchange
1776 Massachusetts Avenue, N.W. Suite 620 Washington, DC 20036
Telephone: 202-293-6141 Fax: 202-293-6144

AMERICAN TASK FORCE FOR LEBANON



The Hon Thomas A Nassif *
Chairman and
Chief Executive Officer

Mr. Darrell Issa*
President and
Chief Operating Officer

Joseph J Jacobs, Ph D *
Vice Chairman

Ray R Irani, Ph.D *
Vice Chairman

Mr Nijad I Fares *
Vice Chairman.

F. Paul Maloot, Esq
Secretary and
Legal Counsel

George T Cody, Ph D
Executive Director

Mr Nijad I Fares
Ray R Irani, Ph D
Joseph J Jacobs, Ph D

Mr. Edmond D Chammas
Mr Joseph M Haggar, Jr
Mr Darrell Issa
Mr Sam Moore

Mr Anthony Asher
The Hon Victor Atiyeh *
Michael Berry, Esq *
Robert A Chahine, M D *
Mr Joseph M Haggar, Jr *
Nabil Husami, M D
Mr Salim Israwi
Mr. Casey Kasem *
The Hon Nick J Rahall, II
Ms Tanya Rahall *
Mr James F Sams *
Ms Mary Gabriel Schlegel
Mr. Richard J. Seikaly
Berge Setrakian, Esq
Mr. Lawrence J. Shibley
Mr Peter J. Tanous *
Mr. Thomas A Tanury
Mr Rouben Terzian *
Jacques F. Tohmé, M D
Mr Harry M Zachem

* *Executive Committee*

ATFL members are listed on the reverse side

Testimony
of
The Hon. Thomas A. Nassif
Chairman
American Task Force for Lebanon

House Appropriations
Subcommittee on Foreign Operations,
Export Financing and Related Programs

March 19, 1998

2213 M Street, NW • 3rd Floor • Washington, DC 20037 • 202 223-9333 • 202 223-1399 fax • http://www.atfl.org

The American Task Force for Lebanon (ATFL) is an organization whose goal is to work towards reestablishing a secure, stable, independent, and sovereign Lebanon with full control over all its territory. Our members reflect most religious groups in Lebanon and include a prominent roster of American talent in business, law, medicine, education, and the arts, as well as public officials, including two members of Congress.

During its fifteen-year civil war, Lebanon sustained $25 billion in direct damage to its infrastructure, according to a 1991 United Nations assessment. This is an enormous burden on a country with an estimated GDP of $15 billion (1997 estimate) and a public debt of over $17.2 billion.

The United States Agency for International Development (USAID) has projected a development program for Lebanon of $12 million *per annum* to run until fiscal year 2001. This amount of funding, while insufficient for Lebanon's real needs, must at a minimum be retained. USAID feels that much can be accomplished with this level of foreign assistance. Unfortunately, the Department of State's Office of Resources, Plans, and Policy proposed that $2 million be cut from Lebanon's foreign assistance program for fiscal year 1999. Due to the vigilance and support of certain members of Congress, the Department of State rescinded the proposed cut.

Mr. Chairman, the $12 million was part of the $60 million package over five years that the U.S. pledged to Lebanon at the Friends of Lebanon Conference on December 16, 1996. We would ask that this amount be considered inviolate. Tampering with such a modest amount does not bode well for the fulfillment of future U.S. commitments in the Middle East peace process, nor would it encourage other donor countries to uphold their financial commitments.

The ATFL wants to commend USAID's rural community development cluster program in Lebanon. These rural development projects comprise 226 villages in 29 rural clusters and affect approximately 600,000 people. They are highly visible examples of American goodwill in a region where our image needs burnishing. We understand that even anti-American organizations, such as Hezbollah, have commented favorably upon these rural projects. The projects include such activities as water wells, access roads, and waste-water facilities. 90% of all microenterprise lending in Lebanon is through USAID programs. The Lebanese government has focused most of its reconstruction projects on Greater Beirut and neglected the rural areas encompassed in the USAID scope.

These rural projects have also been highly successful at leveraging Lebanese capital and assistance, which is something the ATFL encourages. Typically, 30% of the cost of the project comes from the villages or the Lebanese government in either labor or funding. One of the reasons these rural projects are so popular is that the people living in these village clusters form committees to decide on local priorities and needs.

Mr. Chairman, we urge that annual Economic Support Funds be increased from $12 million per annum to $17 million. It is our understanding that this would allow USAID to fund an additional three village clusters (a cluster contains five to eight villages,) thereby assisting an additional 20,000 people. Since the U.S. is the only donor providing for rural community development, the needs of these villagers would go unattended without additional U.S. assistance.

All USAID projects in Lebanon are administered by U.S.-registered PVO's. Since May 1997, there has been a USAID officer stationed in Lebanon and this has enhanced the level of cooperation between PVO's and other donors and ensures that accountability meets Congressional standards during this period of budget cutbacks.

The new USAID strategy has objectives which we feel cover niches receiving little attention from other foreign donors, who have mainly targeted infrastructure. The objectives are basic infrastructure; income-producing activity; democracy and governance; and, improved environmental practice.

We urge direct funding of the American Schools and Hospitals Abroad Program for FY 99. This program supports such fine institutions in Lebanon as the American University of Beirut, Lebanese-American University, and International College. These institutions received $2 million from ASHA in fiscal year 1998 and we urge that this amount be increased to $4 million in fiscal year 1999. In recognition of the Lebanese army's role as the symbol of national sovereignty, we urge continued training of Lebanese Army personnel under the International Military Education and Training program and we urge that nonlethal equipment continue to go to the Lebanese Armed Forces under Excess Defense Articles (EDA) on a grant basis. Already, EDA has helped establish the Lebanese Armed Forces as perhaps the most successful example of the rebuilding of Lebanon's institutions. This is essential if the Lebanese Armed Forces are to assume full control of Lebanon's security after the withdrawal of all non-Lebanese forces.

Mr. Chairman and Members of the Subcommittee, we come to Congress each year to make requests and comment upon the level of foreign assistance to Lebanon. We do so as patriotic Americans interested in an improved relationship between the United States and Lebanon. We know that a strong Lebanon will make for a stronger and more peaceful Middle East for all nations. Given the scope of Lebanon's needs, the assistance we are requesting is rather small. But in an age of diminished assistance to all but a coterie of countries, it is essential that the U.S. support those countries seeking to improve democratic practices and to expand their economic, political, and social relations. What we are asking you to do today is a step in that direction. The benefits can multiply exponentially when coupled with a clear and cogent U.S. foreign policy.

AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE
ASTMH Headquarters • 60 Revere Drive • Suite 500 • Northbrook, IL 60062 • 847/480-9592 • FAX 847/480-9282

Testimony of the American Society of Tropical Medicine and Hygiene

Submitted To The
Subcommittee on Foreign Operations, Export Financing,
and Related Programs
Committee on Appropriations
U.S. House of Representatives

March 18, 1999

Mr. Chairman and members of the Committee, the American Society of Tropical Medicine and Hygiene (ASTMH) is pleased to have the opportunity to present its views on the Fiscal Year 2000 funding levels for programs that fall under the jurisdiction of this Subcommittee.

The ASTMH, founded in 1903, is a professional society of approximately 3,500 researchers and practitioners who are dedicated to addressing the growing global threat of tropical infectious diseases. The collective expertise of our members is in the areas of basic molecular science, medicine, vector control, epidemiology, and public health. ASTMH is the principal voice for tropical medicine research within this country.

ASTMH greatly appreciates the Committee's support last year for restoring the cuts proposed by the Administration for the Child Survival and Disease Programs Fund and providing an additional $50 million in emergency funding for these activities to strengthen global surveillance and control of infectious diseases. We hope the Committee will continue support of the tropical infectious disease research and control activities of the U.S. Agency for International Development (USAID).

Infectious Disease Programs

As you know, the globalization and interdependence of world economies has resulted in an internationalization of health problems. A strong U.S. agenda relating to infectious and tropical diseases is critical at this time when the ease of travel and openness of trade increasingly exposes the world's population, including U.S. citizens, to new and re-emerging infectious disease agents. In 1993, more than 27 million Americans traveled to the developing world risking infection from the many emerging and reemerging infectious and tropical diseases. In 1998, an outbreak of severe chicken influenza in Hong Kong publicly raised the specter of another influenza pandemic such as that experienced in 1918, killing several million persons. These diseases are also traveling into the U.S. Two years ago it was Cyclospora, a parasite which entered via raspberries and lettuce imported from Central America. And we are all now familiar with the re-emergence of tuberculosis and emergence of new diseases such as Hantavirus respiratory syndrome within the U.S.

More than 30 new human pathogens have been recognized in the last 25 years. It also is evident in our new world economy that, in addition to humanitarian reasons, investments that help ensure healthy populations in developing countries benefit the world's population as a whole.

We must continue to be vigilant in our efforts to control and eradicate infectious diseases through prevention, treatment, and continued surveillance both here and abroad. The 1997 Institute of Medicine (IOM) report entitled, "America's Vital Interest in Global Health," recommended that the nation should engage more actively in global health activities for a number of reasons, including the fulfillment of our humanitarian tradition, the protection of our people, the enhancement of our economy, and the advancement or our national interests.

Globally, infectious diseases have an enormous impact on the lives of millions of people. They disrupt the lives of individuals, their families, and their communities and slow the development of sustainable economies and systems of government. In terms of lives lost each year to infectious diseases, these diseases are devastating. Each year, acute respiratory infections, such as pneumonia, kill 4.4 million people, about 4 million of them children. Diarrheal diseases, including cholera, typhoid and dysentery, spread chiefly by contaminated water or food, kill 3.1 million people. Tuberculosis kills almost 3.1 million adults annually, and malaria kills 2.7 million people every year.

As we approach the 21st century, USAID must continue to partner with the National Institutes of Health (NIH), the Centers for Disease Control and Prevention (CDC), and the Department of Defense (DOD) in their efforts to combat malaria, diarrheal disease, and the myriad of other infections caused by viral, bacterial, fungal and parasitic disease agents.

Malaria

Malaria is estimated to cause up to 500 million clinical cases and up to 2.7 million deaths each year, representing 4 percent to 5 percent of all fatalities. Malaria affects 2.4 billion people, or about 40 percent of the world's population. Tragically, every 30 seconds a child somewhere dies of malaria. Malaria causes an enormous burden of disease in Africa, and is considered a primary cause of poverty. Malaria kills one child in twenty before the age of five in Africa.

Malaria is reemerging in areas where it had been eradicated, such as Brazil, and spreading to new areas, such as Asia and Eastern Europe. One of the main reasons for its re-emergence is because the malaria parasite has developed resistance. Chloroquine is an inexpensive and effective treatment for malaria, however in Asia and increasing areas of Africa and South America the resistance to this and subsequent generations of anti-malarials is high.

Recently the USAID participated in an effort to build a coordinated global strategy for malaria control, that involved major international entities including the World Health Organization (WHO), the National Institutes of Health (NIH), France's Institut Pasteur, and several private charities. As a result, meeting participants issued a "call to action" letter which states: "The challenge is enormous. New drugs must be found to prevent and treat the disease, and vaccines need to be developed. This requires research at every level ... The urgent need is to put malaria on the scientific, media, and political agenda, and in particular to identify it as a priority for research, both in the developed North and in those areas of the South where the disease is endemic."

USAID development activities, including mosquito vector control strategies, improving the capacity of the public health infrastructure through training programs and technical assistance, and establishing communication linkages between developing countries and research institutions around the world via Internet, are making valuable contributions in countries where malaria continues to spread. Continued support for these activities is not only the right thing to do for humanitarian reasons, but is also the most effective prevention activity we can undertake to protect Americans at home and abroad from this re-emerging threat.

Given the important role USAID has in the global response to malaria, ASTMH believes the Administration's proposal to maintain level funding for USAID's targeted programs to combat malaria and other infectious disease is woefully inadequate. ASTMH urges that these programs receive adequate increases so that on-going USAID activities are at least maintained, and USAID partnerships with international entities will continue to leverage private and pubic support for the range of activities dedicated to fighting global infectious disease.

HIV/AIDS

While we have witnessed some success in prevention and treatment protocols for HIV in the United States, the HIV/AIDS pandemic is spreading much faster around the globe. The Joint United Nations Programme on HIV/AIDS (UNAIDS) reports that more than 6 million people became newly infected with HIV in 1998, 10 percent of whom were children, bringing cumulative infections since the beginning of the pandemic to nearly 50 million. This includes major increases in HIV infections in Africa, Asia, and Eastern Europe, especially among young people.

The United States has a vital role to play, as the world's only superpower and leader in biomedical research, in supporting multiple approaches to HIV vaccine development. USAID budget documents report its involvement in over 300 major activities targeted to HIV/AIDS in 47 countries around the world and expect to provide life saving services to over 50 million men and women over the next five years. As our liaison to developing nations around the globe, USAID has a critical role to play in helping these countries prepare for clinical trials and preventive vaccines, and sharing the successful products of U.S. efforts to control this tragic disease. For example, in many U.S. cities HIV transmission from mother to child has been virtually eliminated. By contrast, approximately 600,000 newborns in the developing world contracted the virus just last year due to lack of perinatal treatments. With adequate resources, USAID can help improve access to basic medical care and eliminate health disparities.

ASTMH applauds the Administration's budget proposal of $127 million for the USAID HIV/AIDS account, representing an increase of $2 million over FY 1999 levels. We request the Committee's support for this modest increase, and urge the Committee to exceed the Administration's request by providing the largest allocation possible for USAID HIV/AIDS activities.

Child Survival Program

ASTMH strongly supports USAID's Child Survival Program which has long been at the forefront of international efforts to alleviate morbidity and mortality among the world's most vulnerable populations--children under 5 years of age. This program funds immunizations, oral rehydration therapy, vitamin A supplementation, HIV/AIDS, river blindness, and other important health programs.

Experts estimate that USAID's child survival programs have helped drop infant mortality rates in the developing world to their lowest levels ever, and since 1985, have saved 25 million

children's lives. Deaths from measles have been cut in half, from more than two million to about 950,000 last year, and deaths from diarrhea are down by 30%, from 4.5 million to about three million last year. In collaboration with the international community, including WHO and UNICEF, tremendous progress has been made. For example:

- Since 1960, infant mortality has fallen from 130 to 60 per 1000 live births, and child mortality has fallen from 180 to 80 per 1000 live births.

- Polio has been eradicated from the Western Hemisphere and there has been an 82% decline in reported polio cases from 1988 and 1995.

- In 1980, 76 countries reported less than one neonatal tetanus death per 1000 live births annually; by 1995 this had increased to 122 nations.

- Immunization programs have helped reduce the number of measles cases by 70% and the number of measles deaths by 83%. Measles is targeted for elimination in the Americas by the year 2000.

Conclusion

ASTMH greatly appreciates the Committee's past support for USAID initiatives. In a way, we are preaching to the choir, for you understand the need for greater resources to be directed to infectious and tropical disease programs.

Many opportunities exist to expand our infectious disease programs to target new and emerging diseases. Infectious and tropical disease threats are major health problems world-wide, and the risk of global epidemic transmission increases directly with increased global communication and travel. As we enter the 21st century infectious diseases will continue to threaten the lives of millions of individuals around the globe and here at home, with great cost not only in lives but also in economic impact. We urge your continued support to ensure that this does not happen. ASTMH urges you to increase funding for crucial global infectious disease initiatives above the FY99 funding level of $50 million and to support USAID HIV/AIDS activities to the greatest extent possible, so that programs to predict, prevent, and control the emergence of these threats can be effectively carried out.

Control of global infectious disease threats is not just a development issue, it is also a national security issue for the United States, one of concern to all our citizens. By controlling infectious diseases world wide we not only provide development assistance, but we also reduce the risk of spread of virulent organisms to our own population. Investments in global infectious disease control are clearly a win-win for the USA: by helping others, we protect ourselves.

Thank you for your consideration of this request.

GLOBAL HEALTH
COUNCIL

Testimony submitted by Nils Daulaire, M.D., M.P.H.
President and CEO of the Global Health Council
to the House Appropriations Committee
Subcommittee on Foreign Operations
March 4, 1999

On the Subject of Fiscal 2000 Appropriations
for Global Health

1701 K Street, NW ■ Suite 600 ■ Washington, DC 20006-1503 ■ Tel (202) 833-5900 ■ Fax (202) 833-0075
50 Palmer Court ■ White River Junction, VT 05001 ■ Tel (802) 649-1340 ■ Fax (802) 649-1396
<ghc@globalhealthcouncil org> ■ <www.globalhealthcouncil.org>

Mr. Chairman,

On behalf of the several thousand individual and organizational members of the Global Health Council, I would like to thank you for this opportunity to testify before the House Appropriations Committee on the FY 2000 foreign appropriations budget. We are here to request that the Committee increase the appropriation for global health and for overall development assistance above the level requested by the Administration.

The Global Health Council recommends an appropriation level for FY 2000 which represents an approximate 15% increase over FY 1999 for programs directed towards the improvement of child health and nutrition; the reduction of the risk, spread and consequences of HIV/AIDS and other infectious diseases; and the reduction of unintended pregnancies together with the reduction of maternal deaths and improvement of women's health and nutrition. In support of all of these goals, it is also important that this Committee also recognize that all these vital programs share the same common vehicle, which is the health care delivery systems of developing countries. We urge you not to earmark health funds so restrictively that appropriate funding will not be available to support these essential health systems.

We believe this 15% increase would be a timely investment in our common future. This is a critical time for U.S. foreign assistance, and this Committee's wisdom and foresight in enhancing U.S. commitment to global health and development could pay great dividends.

As we approach the new century, the world faces a growing health gap that could have enormous consequences for every American and for all of humanity. Here in the U.S., life expectancy continues to increase as we spend more than $3,800 a year in healthcare for every American. At the same time, many poor countries that have less than $10 a year per person to spend on health are actually experiencing a decline in life expectancy, reversing decades of progress. This enormous disparity serves neither the humanitarian tradition nor the security interests of our country.

Globalization has been the dominant historical trend of the past several decades. It has brought clear benefits to many, but it has also exposed major stumbling blocks to human progress and highlighted stark differences between affluent and poor countries. Traditional concepts of global progress and global security are being revised in recognition of these new challenges, ranging from environmental concerns to human rights.

As civil society and the private sector have played a growing role, they have moved government and multilateral agencies out of sole possession of the center stage of global affairs. Numerous civil society organizations in an informal partnership have begun to address the new challenges of globalization. Some have focused on environmental matters, population, the rule of law, global economics and military security. The Global

Health Council's broad alliance has recognized the importance of bringing health issues to the table.

The present moment is critical. We perch today on the very crest of the largest human wave in history. The number of children born in this decade will constitute the largest generation the world has ever known, and, if current trends continue, the largest it ever will know. Actions taken to assure health and well-being for this decade's children and their families around the world will have enormous consequences for humanity over the next century and beyond.

The great American tradition of humanitarian concern calls for an active effort to raise health standards for the under-served living in the poorest countries. This is also in our own people's long-term interest, for if basic health is to be seen purely as a commodity sold to the highest bidder, then none of us can be assured a place at the table as our own health costs spiral. While charity starts at home, this should be seen as far more than charity. Compared to her counterpart in the U.S., a mother in Bangladesh is 15 times more likely to lose her child, a child in the highlands of Guatemala is 60 times more likely to lose her mother, and a young person in South Africa is several hundred times more likely to die of AIDS or other infectious diseases. This vast disparity is simply wrong, and could be greatly reduced by a modest package of basic health activities and services that would cost as little as $15 per person.

It is hard to imagine the United States could not afford to make this investment.

Protecting our national security calls for recognition that the threats to the physical and economic well-being of U.S. citizens are now inextricably tied to the health conditions of the poor everywhere in the world. The post Cold War world has as much to fear from these non-traditional security threats as from the classic military threats of the passing era.

The spread of infectious diseases, gaining their first foothold in developing countries, poses a direct threat to our own health here in the U.S. Tuberculosis, malaria, and now the spread of organisms resistant to modern antibiotics pose a real and present danger to Americans of all walks of life. We should do more.

The march of global AIDS is a crisis of global proportions that will kill tens of millions and there is clear evidence that it will have a devastating effect on economies in Sub-Saharan Africa and Asia; we also recognize that it is giving the world a vast army of orphans, ripe for exploitation and recruitment into unrestrained militias that will fuel the conflicts of the next century, much as we have recently seen in Africa. The news of this week from Uganda shows that the violence and disorder that ensue are a direct threat to Americans. We should do more.

Equally threatening, the continued lack of basic reproductive health and resulting high unwanted fertility is pushing the flow of economic migrants around an increasingly

borderless world. The very texture of American society will be affected. We should do more.

It is hard to imagine that the United States could afford *not* to make this investment.

If this Committee continues to expand its commitment to global health, we could see a world in which basic health becomes a universal reality. As a direct consequence, the spread of infectious diseases could be slowed at their source, children around the world would have a reasonable chance of growing to productive adulthood, sexuality would no longer be a game of Russian roulette for young women and men, and population would stabilize at a sustainable level.

The specific line items that we are proposing include:

An increase in the Child Survival and Diseases Account above the FY 1999 appropriated amount by $75 million (to $625 million, excluding the UNICEF contribution). This would augment the infectious disease initiative (surveillance, antimicrobial resistance, tuberculosis, and malaria) by $20 million; the HIV/AIDS control program by $20 million; and the maternal and neonatal health aspect of the current child survival program by $35 million. In addition, we urge the Committee to make last year's emergency supplemental appropriation of $50 million for this purpose into a regular part of the continuing Foreign Operations appropriation on top of the amount we have recommended.

We also strongly urge an increase in the Development Assistance Account of the Foreign Operations Appropriations for family planning and reproductive health of an additional $65 million the FY 1999 appropriated level and an additional $25 million for the United Nations Population Fund (UNFPA) in the International Organizations and Program Account. The U.S. has been a leader in helping poor countries develop humane and responsive population policies and implement family planning programs. U.S. population assistance has been highly effective. We urge this Committee to reverse the cuts of recent years and to formally recognize what our large network of health providers and program planners have known for years: U.S. family planning assistance helps create healthy families and prevent abortions, and the restrictions placed on this program over the past three years have hurt the health and well-being of millions of women and their young children..

While it is the purview of a different committee, we want this Committee to know that the Global Health Council has also called for an increase for the Center for Disease Control's (CDC) TB program of $10 million, to be used to deal with cross-border TB issues along the U.S.-Mexico border, and an increase for CDC's Office of Global Health of $5 million, and an additional $25 million for international polio eradication. We do not believe that these appropriated amounts need to or should come from the Foreign Operations appropriation because of their enormous and direct impact on the health of Americans.

Similarly, we have also called for an increase in the National Institutes of Health budget for the Fogarty International Center of $5.5 million to support its work on global health threats, increasing the capacity of U.S. institutions and foreign counterparts to identify risk factors and develop prevention strategies for HIV/AIDS, drug-resistant forms of tuberculosis, and streptococcus. Again, this should not come from the appropriation you are considering, but is an important piece of the bigger picture.

Finally, we urge you to convey to your colleagues the importance of supporting the budget and the vital operations of the Pan American Health Organization (PAHO) and the World Health Organization (WHO) through the International Operations Account of the State Department Appropriation.

We wish to clarify that this is not a request for an internal shifting of 150 account funding or domestic health and education activities to global health programs, but rather a call for an overall increase. We do not want this Committee to fund these pressing global health needs at the expense of equally pressing needs in basic education, agricultural development, economic growth and poverty reduction, or protection of the environment in developing countries. We recognize that healthy people require healthy economies and societies, and support the vital role played by U.S. international development assistance in bringing this about.

Thank you, Mr. Chairman, for the opportunity to present our views.

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK
OFFICE OF PUBLIC AFFAIRS

STATEMENT OF DR. MICHAEL M. CROW
EXECUTIVE VICE PROVOST
COLUMBIA UNIVERSITY

on the
INTERNATIONAL RESEARCH INSTITUTE
FOR CLIMATE PREDICTION
(IRI)
at
LAMONT-DOHERTY EARTH OBSERVATORY
of
COLUMBIA UNIVERSITY
NEW YORK, NEW YORK

SUBMITTED TO THE
SUBCOMMITTEE ON FOREIGN OPERATIONS,
EXPORT FINANCING,
AND RELATED PROGRAMS
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 19, 1999

Low Library, Room 301 Mail Code 4319 · 535 West 116th Street New York, NY 10027 212-854-2401 Fax 212-666-1952

DR. MICHAEL M. CROW
EXECUTIVE VICE PROVOST
COLUMBIA UNIVERSITY

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to submit a statement for the hearing record for Fiscal Year 2000 funding for the Agency for International Development. The statement makes the case for continued funding at in FY 2000 of $500,000 for the continued development of the regional climate forecasting capability in the Greater Horn of Africa region, and the development of one other site in the southern portion of Africa. This is the program level of Fiscal Year 1999.

International Research Institute (IRI)
The International Research Institute for Climate Prediction (IRI), a joint initiative between Lamont-Doherty Earth Observatory of Columbia University and the Scripps Institution of Oceanography at the University of California-San Diego. The IRI will be in the third year of a cooperative agreement with NOAA to develop long-range forecast models and capabilities related to major climate patterns and events on a world-wide scale. The IRI focuses on the following activities:

--works with an extensive network of existing research centers around the world to provide a multi-national "end-to-end" climate prediction program on seasonal-to-interannual time scales;

--provides forecasting and regional assessments of changing physical conditions (e.g., temperature and rainfall); and

--provides the application of forecasts to support practical decision making in critical sectors like water resources, agriculture, fisheries, emergency preparedness and public health and safety.

Recent Funding
In the current fiscal year, the IRI is cooperating with the Drought Monitoring Center (DMC) and the World Meteorological Organization in Nairobi, Kenya, to establish a regional climate forecasting capability. The joint proposal has been submitted, and we understand that approval will be granted in a short time.

The IRI-DMC project has the goal of enabling the DMC to make operational high resolution forecasts for Kenya using a workstation version of the Regional Spectral Model and boundary conditions form the IRI model runs. Operational runs of this model can be used to improve the regional climate forecasts for Kenya, and potentially for the Greater Horn of Africa region. This capability will result in enhanced early warning of significant floods and draughts, and their associated impacts in the region. When the project is granted approval, it will take little time to move the workstation to Nairobi and begin the necessary training and model development.

(2)

The forecasting efforts of NOAA, the IRI and other cooperating institutions have resulted in greatly improved lead time and capability in understanding Earth's complex climate system. Our capability could still be improved. The climate-driven events of the past five years have caused tremendous chaos and destruction. This accentuates the need for continued improvement in predictive ability. The back-to-back occurrence of a 100-year El Nino (1997-1998) followed by a 50-year La Nina (1998-1999) demonstrates the volatility of the world's climate, and the vulnerability of humanity to climatic aberrations.

The IRI develops long range forecasts for NOAA on climate change. IRI modeling incorporates international and domestic data and modeling in conducting long range forecasts and the interpretation of impact. As NOAA and other scientific institutions develop greater capacity and understanding, the IRI can provide more accurate, longer range forecasts. The IRI is now developing projects that focus on three applications areas related to long range predictions: Water, Agriculture, and Health.

Water

Water and Air are the two most important compounds for the sustenance of human existence. The IRI's mission focuses on water as a climate agent and water as a resource.

Water availability is determined by weather and climate. Dependence on water, for human use, commerce, and agriculture is predicated on usually reliable annual averages. The reliance on water and its expected availability do not factor extreme climate driven variations into annual planning. As more is learned about the interdependence of extreme climate events and their world-wide effects and implications, we can factor long range predictions on water availability as a function of these events into preparatory and prescriptive actions that will minimize the disruption an otherwise major climate anomaly could cause.

Water use has tremendous applications in society today. Hydroelectric power depends on a stable and predictable source of water at all times. Human use depends on stable supplies of potable drinking water and water for food preparation, hygiene, and for medical purposes. Agriculture, as an industry, depends on the time sensitive supply of water for seeding and growing. Industrial requirements for water range from manufacturing to construction. Transportation needs, apart from barge or river traffic, consume large amounts of water and depend heavily on water availability.

For these reasons, the IRI has developed an application project that concentrates on climate-caused variations in water availability, from the very broad to the very local, or regional, impact. The benefits of this development will be seen in every aspect of man's interaction with the environment. Long range predictive capability coupled with prescriptive courses of action to accommodate and counteract the destructive impacts of climate events on water availability will result in more efficient use of resources, prevent disruption in major capital markets, and minimize human suffering and death.

(3)

Agriculture

US agriculture is the most vulnerable domestic industry to extreme climate variation. Genetically designed food and feed crops (corn, wheat, and soybeans) and fruits and vegetables are so refined that the slightest variation in water supply can destroy a season's product. With advance knowledge of the type and nature of a major climate event, appropriate steps can be taken to protect agricultural products and investment from suffering adverse effects due to extreme climate events. This applies not only to the interrelated water availability model for reservoir and irrigation purposes, but also in the decisions concerning which seed strains to use at planting and when the most advantageous planting time might be in a particular year.

Foreign demand for US agricultural products has a direct impact on commodity prices and farm income. If foreign demand for US agricultural products changes significantly, the US economy will reflect the variation from the commodity futures markets down to the level of the farm gate. Climate events such as drought can reduce foreign agricultural production, thereby increasing dependence on and demand for US agricultural products and causing prices and farm income to rise. Conversely, if the US suffered crop losses due to drought or flooding, major crop failures could increase domestic reliance on imported agricultural products, increasing the US negative balance of trade and a concurrent increase in domestic agricultural prices, but loss of farm income.

The advance knowledge of the probabilities related to foreign and domestic growing conditions would aid governments and planters immeasurably. The expected demand for products from non-domestic purchasing would permit farmers to make rational decisions on which crops to plant and in what volumes. The improved decision making structure for US agriculture would provide more confidence, and less guess work, in the agricultural economy.

The IRI focus on agriculture promises to yield returns exponential to the investment in the capability. The applications program is integrated with the water modeling discussed in the previous section. The two assessments are interdependent on one another.

Health

Climate variation can result in dramatic health-related problems. Studies have shown that in years of above average moisture coupled with above average temperature there has been a much higher incidence of malaria and other water related diseases.

The change in environmental conditions conducive to mosquito proliferation or water borne pathogens can greatly impact animal and human health, particularly when naturally occurring diseases and bacterial agents are permitted to grow in regions where inhabitants have not had to develop natural immunities to new pathogens. The reconstruction of some past plagues and devastating diseases can be traced historically to preceding major climatic events. The more reconstruction that IRI can

(4)

develop through historical modeling, the more IRI will be capable of minimizing the potential threat to other living organisms (plants and crops as well as animals and humans).

Water sustains all life, including microbiological diseases. The forecast of above normal precipitation for a region could result in an increase in the potential habitat for harmful diseases. The increased medium for disease reproduction could then lead to a greater impact on human lives. If both greater than normal precipitation and greater than normal temperature are forecast for the same region, conditions for new organisms to thrive in that region are greatly enhanced. The new organisms often are harmful to human and animal survival.

The IRI, in conjunction with the water modeling initiative, will integrate regional health modeling and impact assessments in FY 2000. This additional capability will permit public health precautions to be conducted--such as vaccines and preventive water treatment activities--long before the onset of climate-driven health problems begin to occur.

Summary

This statement provides the current capabilities and the planned stages of growth for the IRI. The IRI can bring these capabilities to areas susceptible to extreme climate impact, and improve the quality of life for much of the third world. This, in turn, reduces U.S. disaster relief and foreign recovery costs. The cost in FY 2000 for the continued development of the Nairobi capability for the Greater Horn of Africa region, and one other site within the continent of Africa, is estimated at the continued funding level of $500,000.

Thank you for this opportunity to present this plan and this statement for the hearing record.

TESTIMONY OF

MICHAEL L. MARVIN
EXECUTIVE DIRECTOR
BUSINESS COUNCIL FOR SUSTAINABLE ENERGY

SUBMITTED TO THE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE OF FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS

ON THE FY'2000 BUDGET FOR USAID'S ENERGY PROGRAMS
AND MULTILATERAL DEVELOPMENT BANKS

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to submit testimony on behalf of the members of the Business Council for Sustainable Energy in support of sections of the fiscal year 2000 foreign operations budget.

Introduction

The Business Council for Sustainable Energy (BCSE) was created in 1992 by senior executives in the natural gas, renewable energy, electric utility and energy efficiency industries who were concerned about the economic, environmental and national security ramifications of energy policy at home and abroad. The Council focuses on issues relating to international finance, energy research and development, electric utility restructuring and climate change. Our members include Fortune 500 companies, small and mid-sized entrepreneurial businesses and national trade groups. The Council supports energy policies and programs that enhance the nation's economic, environmental, and national security goals through the rapid development and deployment of efficient, cost-effective, non- and low-polluting energy technologies. Investments in clean energy technologies, including natural gas, renewable energy and energy efficiency, domestically and overseas, enable U.S. businesses to thrive in an increasingly competitive global economy while facilitating sustainable economic development.

The Council's testimony will focus on two areas of the foreign operations budget; specifically, funding for the U.S. Agency for International Development's energy programs and multilateral development banks. Both spending priorities expand markets for clean energy technologies and advance the nation's sustainable development policy objectives. The Council would like to thank the Subcommittee for its support of these priorities in the past and urges the Subcommittee's support of the Administration's funding requests for these initiatives in the fiscal year 2000 budget.

USAID's Energy Programs

The Council supports the Administration's fiscal year 2000 budget request for the U.S. Agency for International Development's (USAID) energy programs. USAID's energy programs provide vital technical support to developing countries to foster reforms that enable private sector investment in sustainable energy sources.

USAID's energy programs support the transfer of energy-efficient technologies and services, and provide needed capacity building resources to developing countries. The aim of this work is to promote U.S. industry's energy efficient and clean energy products abroad while protecting the human health of citizens and the environment in recipient countries. To achieve these objectives, the U.S. Congress in last year's Foreign Operations appropriations bill, called on USAID to maintain level funding for the Office of Energy, Environment and Technology The directive recommended USAID to "continue funding for projects which promote power sector efficiency, energy efficiency, and renewable energy, recognizing U.S. industrial leadership in these areas."

Further, the Committee recommended that "projects should be developed and carried out in collaboration with U.S. industry " The Council firmly maintains that close work with industry is essential to progress in expanding markets in clean energy technologies and sources. The directive to collaborate with industry should be included again as report language in the fiscal year 2000 appropriations bill.

An example of the value of USAID's work is illustrated through its support for the Technology Cooperation Agreement Pilot Project (TCAPP). The TCAPP seeks to foster investment in energy technologies that reduce greenhouse gas emissions while producing economic benefits for participating developing countries Also, through its capacity building elements, TCAPP is developing a model for the transfer of sustainable energy technology to developing countries through voluntary partnerships with targeted countries' governments, the U.S., international donors, and the private sector.

The Council, on behalf of USAID and other U S government funders, has coordinated private sector participation for the TCAPP during its first year. While still in the early stages, TCAPP is assisting companies in two ways· first, it provides companies with knowledge of energy priorities in participating countries; and second, it gives companies a vehicle to relay their experiences in these markets to developing country governments.

Among other benefits, USAID projects like TCAPP are essential in encouraging developing country participation in climate change mitigation efforts. Such initiatives also facilitate international cooperation and coordination of efforts to break down investment barriers in these countries – providing a chance for expanded private investment and economic growth.

USAID's energy programs provide valuable services to developing countries, and to the private sector. We support the energy directive and encourage the Subcommittee to recognize and support the valuable work that USAID is undertaking with industry in the energy sector.

Multilateral Development Banks

Multilateral development assistance advances U.S. sustainable energy goals while expanding markets for U.S. companies. We urge the Subcommittee to support the Administration's request of $1 394 billion in spending for contributions to multilateral

development banks. The Administration's request represents an increase from fiscal year 1999 funding and includes $168 million in arrears payments to development banks.

U.S. contributions to multilateral development banks, which include the World Bank Group, five regional development banks, and the Global Environment Facility, assist U.S. companies that invest in developing countries and emerging markets where risks are too high for private financing alone or where additional financing is required. Specifically, multilateral lending for clean energy sources and energy efficient technologies results in dramatic improvements in the quality of life and productivity of people living in parts of the world where access to a reliable and affordable energy supply is not available. Multilateral development bank funding for rural electrification projects is a primary tool to bring the benefits of clean energy to small communities without access to the electricity grid.

An Inter-American Development Bank initiative, Sustainable Markets for Sustainable Energy (SMSE) is an example of the type of targeted work in the energy sector that should be supported by the U.S. government and mirrored at other regional and multilateral development banks. SMSE is a pilot project that works with highly motivated countries to accelerate clean energy market development.

Multilateral development assistance in the energy sector plays an important role in alleviating poverty, improving human health and protecting the environment by providing access to clean and hot water, efficient lighting, cooking fuel and indoor heating and cooling.

Energy development is an essential infrastructure investment. Energy services provide people with basic necessities, allowing education, healthcare and economic enterprise to flourish while creating the foundational economic structure important for sustainable development.

Further, multilateral development assistance advances U.S. energy policy objectives by working with developing country governments to adopt financial sector reform and anti-corruption, natural resource management, energy conservation, and environmental protection measures. Many of these activities also benefit energy-related companies by fostering legal, regulatory and pricing structures that are necessary to attract private sector investment.

The World Bank
The World Bank finances development projects in underdeveloped countries where private financing is not available or where support is needed to leverage additional private investment. Through its energy portfolio lending, the World Bank facilitates investment and trade in the energy sector and the transfer of technology to developing countries.

Under the leadership of World Bank President James Wolfensohn, the World Bank has focused increased attention on the environmental impact of its investments. The Council

strongly supports the Bank's efforts in this area, and is working to increase the Bank's portfolio lending in clean energy sources and to expand lending for cost-effective energy efficiency investments.

To ensure that global environmental objectives and sustainable energy development is incorporated into the World Bank Group's activities, a new energy and environment strategy in under development. The Council, non-governmental organizations and other stakeholders have provided extensive comments on the strategy over the past two years. While improvements to the strategy still need to be made, this endeavor demonstrates a commitment by the World Bank to adopt more sustainable energy lending practices.

Global Environment Facility
The Council supports continued funding for the Global Environment Facility (GEF). The GEF provides grants and concessional funds to developing countries for projects and programs that protect the global environment and promote sustainable economic growth. The GEF covers the incremental costs of activities that benefit the global environment in four focal areas: climate change; biological diversity; international waters; and stratospheric ozone depletion.

The Council has worked with the World Bank, the U.N. Framework Convention on Climate Change (UNFCCC), multilateral and regional development banks, the GEF's Implementing Agencies and other governmental and non-governmental bodies to promote sustainable development practices through international financing mechanisms. The birth of the GEF and its subsequent activities during the pilot phase and GEF I have resulted in small but important steps toward incorporating sustainable energy goals into traditional development assistance practices.

Thank you for the opportunity to submit testimony to the Subcommittee in support of funding for multilateral development banks and USAID's energy programs in the fiscal year 2000 budget.

I would be happy to answer any questions members of the Subcommittee may have regarding the Council or this testimony.

TESTIMONY OF

RICHARD A. HELLMAN,

PRESIDENT, CIPAC

BEFORE THE

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND

RELATED PROGRAMS

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

MARCH 4, 1999

Thank you, Chairman Callahan, Congresswoman Pelosi, and other distinguished members of this Subcommittee, for the opportunity to present testimony today.

I serve as President of the Christians' Israel Public Action Campaign (CIPAC), the only nationwide organization which organizes and informs all Christians and others in the United States who see Israel from a biblical perspective to work for sound U.S. laws and policy regarding the Israel-United States relationship, the fate of the Jewish People, e. g. the right of the Jewish People to live in peace and security wherever they wish, including Judea, Samaria, Gaza, the Golan, and all of Jerusalem, and U.S. policy on the Middle East.

Since I last testified here, the peace process has been undermined once again, perhaps fatally, by the Palestinian Arab leadership's repeated threats to resort to war, riots and terror whenever peace talks do not produce enough concessions by Israel on a fast enough schedule to satisfy them, and by the failure of Yassir Arafat and the PLO to comply substantially with their agreements with Israel.

The one unchangeable tenet is the continued friendship between the United States and Israel, our strong, free, democratic, ally in the Middle East, regardless of the changing political scene and other factors.

Since I know that you are good friends of Israel, I will ask you again to examine the financial aspects of United States policy toward Israel in the context of Israel's growing economic growth and potential, with full consideration of the many changes that have occurred in the Middle East and the world. This hearing should focus on positive, constructive, proposals for change where needed, something which the State Department and other conventional thinkers, are unable to address adequately. Thus I feel sure that you are the ones to do it, if it is to be done.

As believers in the truth of the Bible, the members and leaders of CIPAC, the only national registered lobby representing the millions of Christian and other Bible-believing friends and supporters of Israel, believe in the active pursuit of peace, for the Word says " Blessed are the peacemakers: for they shall be called the children of God. " (Mt. 5.9) and, commands us, in the words of David from the Psalms, to "Pray for (actively pursue) the peace of Jerusalem: They shall prosper that love thee." (Ps. 122.6). Nonetheless the Psalmist also commented wryly "I am for peace: but when I speak, they are for war." (Ps. 120.7) and Jeremiah prophesied of a time when people would say " Peace, peace, when there is no peace." (Jer.7.14 (b). Sadly these latter two verses appear to describe Israel's current predicament all too aptly as she abides by her agreements fully , but is criticized for not capitulating unilaterally to the Palestinian Arab leaders' demands. Thus the Oslo process, to the extent it was not flawed fatally from its inception, has been undermined substantially by the failure of Yassir Arafat and the PLO to comply substantially with any of their commitments to Israel, and by the Palestinian Arab leadership's repeated resort to terror whenever peace talks do not produce enough concessions by Israel on a fast enough schedule to satisfy them.

The problem with the mantra " peace process", which the press bandies about freely, is that it often has more to do with "process " than peace, and like processed cheese, once you see the results on health and well-being, you well may lose your taste for it. Hundreds of Israelis, many more Arabs, and more than a dozen Americans, have died, and countless more have suffered severe injuries and property losses in Israel, since the September 13, 1993 Oslo accords signing, in a destructive cycle unmatched in any comparable "pre-peace process" period. The Wye accords of last year have produced no change in this sad saga of the Palestinian leaders' non-compliance, incitement to hatred, anti-Semitism and terror, and refusal to respect human rights and democratic norms for

their own people, much less security for Israelis and other residents in and visitors to the Holy Land.

Rather than duplicate the excellent presentation of our friend Howard Kohr of AIPAC regarding continued needed military aid to Israel, I simply will endorse his figures and arguments, subject to my presentation later in this testimony in favor of the eventual restructuring of the entire aid program for Israel.

My principal mission today is to propose a comprehensive new course of action toward Israel in the Middle East and in the broader international context. This has been inspired by the remarks of a gallant lady whom I greatly admire, Mrs. Jeane Kirkpatrick, who, when she served as United States Ambassador to the United Nations (as I heard her recount years later) made it an integral part of her assignment to help Israel receive fair and equal treatment, on a par with other nations. These remarks of Ambassador Kirkpatrick have resonated in my memory as I reflected on the fact that the task which she and others began has not yet been completed. And what better time to advance a detailed agenda to achieve this goal than now, with a staunchly pro-Israel Congress in power? For the record, Ambassador Kirkpatrick played no role in the formulation of these proposals, has not seen or heard them, and thus bears no responsibility for them beyond the stated inspiration I received.

I believe there is much that the Congress, on behalf of the American public, can do for a nation and a people who have suffered so much, who have risen out of the ashes of the Holocaust and triumphed over extreme adversity - and who unfailingly have been and remain our best friends and allies year in and year out - strategically, geopolitically, in the United Nations, and in every other realm of life, regardless of changes of government or other developments.

While taking nothing away from America's record as Israel's best friend and ally, a record which has been written by virtually every president and every congress since before Israel was reborn, we must be honest with ourselves in acknowledging the continuing shortfall in the customary recognition and respect which should be accorded by all nations, even the United States, toward Israel. This deficiency persists, notwithstanding the professions of our leaders that Israel is our "best friend and ally", our "democratic partner in the Middle East" and our "strategic partner." Nothing is wrong with these descriptions, with which I agree wholeheartedly. But an honest comparison of how the United States. -

and, *a fortiori*, other nations of the world - treat Israel, vis-a-vis the ordinary norms of statecraft and the laws of nations, reveals that our practice as a nation often lags sadly behind these positive descriptions of the relationship.

As a matter of constitutional law and a general rule of practice the Congress has left the conduct of foreign affairs to the executive branch. I have no quarrel with this since we cannot have some 535 ambassadors implementing United States foreign policy (notwithstanding some good work that members of Congress have done with presidential blessing on an *ad hoc* basis). Nonetheless each of us knows, as the Constitution confirms, that the Congress is a coequal policy-making body with the executive branch, in foreign policy as in domestic policy formulation. We recall that the Congress has expressed itself forcefully on matters of foreign policy repeatedly during the history of our nation, most recently on such matters as Cuba, trade, human rights, narcotics trafficking, terrorism and more. And nowhere is the force of Congress felt more keenly than in the appropriations process over which you preside.

I now wish to describe some of the vital aspects in which the United States treatment of Israel does not accord with our professed principles, or with the ringing declarations of friendship and solidarity which were amplified during the recent celebration of Israel's 50th Anniversary. In fact it may not be too strong to state that Israel will not be fully recognized as a sovereign nation - even after 50 years of independence and a demonstrated record of success in many fields - unless and until the United States leads the nations of the world by our example in according Israel the respect and recognition to which that nation is due in ordinary custom and fairness. As Jeane Kirkpatrick has said regarding her tour of duty of duty as United States Ambassador to the United Nations (one of the very best ever to serve in that role), one of her key goals was to see that Israel was treated fairly in the United Nations - not preferentially, but at least as well as other nations were treated. While the worst example of discrimination against Israel - the infamous United Nations resolution which alleged that " Zionism is racism" has been rescinded, other examples of disrespect - and real danger - to Israel persist, even in United States practice, although we still are the best among world powers in this regard.

I will not dwell upon the way that the President and administration continue to treat Israel and her Prime Minister, Benjamin "Bibi" Netanyahu, by declining to meet with them during visits to the Middle East or the President's apparent meddling in Israel's coming elections once again , as he did when he openly campaigned in 1996 for the socialist

Labor candidate, Shimon Peres, over the conservative Likud candidate, Mr. Netanyahu, except to express my opposition to these affronts as shameful and shortsighted. Instead I will pass on to more productive areas where the Congress has power to correct policy deficiencies - if you will summon the courage to do the right thing, and the focus to stay with the task to completion.

Instead of petty snubs and political meddling, I will emphasize other examples of invidious mistreatment which are more substantive, more systemic, and indeed critical to the security and international status of Israel, one of our closest allies, and completely inconsistent with our customary practice toward virtually every other state. These include the following:

*** Israel's Position in the United Nations**

The administration has not used any of the weight of United States prestige, power, and the purse to correct the situation in which Israel remains - after more than 50 years as a reborn nation - the only country that is not a part of a regional bloc in the United Nations, with all the danger, disadvantage, and disrespect which that omission connotes. As one result of this discrimination, only Israel, of all nations, still may not serve on the Security Council, where her security is compromised regularly by ill-considered resolutions (not all of which the United States delegates veto, sad to say), which measures she never has a chance to debate and on which she never has a vote. Meanwhile her enemies, many still in a state of declared war against the Jewish state, taking their regular rotation, are voted in to serve terms on this and other important United Nations bodies.

Thus I demand today , on behalf of millions of American Christians and other voting citizen supporters of Israel that you not appropriate any further funding for the United Nations without the express condition that such funds may not be obligated until this oversight has been corrected by the United Nations and Israel has been seated duly in one of the regional groups (probably the Western Europe and Other Nations group as has been proposed).

*** Treatment of Jerusalem**

Israel is the only nation whose capital, Jerusalem, the United States still does not recognize - after more than fifty years of national existence - a shameful mark of disrespect (shameful to the United States and the other nations who shun Jerusalem, I should emphasize) and a serious danger to the Jewish population - and to Christian, Jewish, and other visitors - in Jerusalem. Already the PLO secret police forces are operating there illegally and reliable reports confirm that parts of the city are less safe for residents and visitors alike due to the presence of terrorists - condoned, if not fostered, by Arafat and the Palestinian Authority. As established in Senate and House hearings years ago, this failure to recognize a nation's legal capital has been unmatched historically in United States diplomatic practice, even toward enemies. We treated the barbarous regime of East Germany better at the height of the Cold War, for example, by placing our embassy in East Berlin, despite our refusal to recognize that city's division or that nation's legitimacy.

Every knowledgeable expert concedes that Jerusalem is the *de facto* capital of Israel, even though many consider it inconvenient to recognize that fact in United States law and practice. Israel has the sole legitimate claim under international law (as the only extant successor sovereign over Jerusalem following the British Mandate). And even though the Congress enacted the very moderate Jerusalem Embassy Act of 1995 (without the President's signature) to build and relocate our Embassy there at long last, the President, after refusing to take any action to be ready to make that move by May 1999, has extended the deadline for that move legally by at least another six months.

Jerusalem, the ancient city of David, which celebrated its 3,000th year of Jewish life and rightful claim to rule there two years ago, remains a pawn in the stillborn Oslo process, with the sword of redivision hanging over its head, like the disputed baby in King Solomon's courtroom. I challenge you to consider that Israel will not really be treated as a fully respected, sovereign, nation by the United States until the Congress, by a further definitive act, over the President's veto if need be, affirms unequivocally that our nation recognizes Israel as sovereign over Jerusalem and proclaims that our Embassy is relocated there forthwith by law.

The question of whether and how to build a new embassy is something of a red herring since the United States government owns and operates at least two impressive consulate

buildings and leases, on a more or less permanent basis, a lovely suite at the King David Hotel. These and other facilities of which I may not be aware should more than suffice for our ambassador and his critical staff, with any others staying in Tel Aviv if need be, pending completion of any needed new diplomatic edifices in Jerusalem.

The issue of what, if anything, may be agreed to in future by the parties to the moribund Oslo talks in the final status discussions concerning Jerusalem also is irrelevant, since the United States can make any needed changes to accommodate such diplomatic developments as they occur.

Most important now is to send the signal that the United States Congress is tired of over fifty years of State Department foot dragging on the issue of Jerusalem. Since we do not have a Harry Truman in the White House to force the full recognition of Jerusalem - as Truman did for Israel as a state in 1948 at the United Nations - the buck must stop here - in the Congress, instead.

You may recall that President Truman later mused that he had been "Cyrus", recalling the great Persian emperor who facilitated Israel's earlier return from exile. But the current incumbent president apparently does not envision such courageous action as part of his historical legacy.

Enacting a new Jerusalem law along the lines I have outlined will remove the inherent contradiction in long-standing United States policy that Jerusalem (1) is never to be redivided but (2) somehow still is left up for grabs in future negotiations. Even more significantly this law will advance, rather than impede, the cause of a secure and lasting peace by removing the illusory option of Jerusalem's future redivision, a course which no responsible statesman supports, but which certain leading authoritarian rulers and terrorist chiefs in the Middle East still demand.

Meanwhile I recommend that you use the full weight of the appropriations process to ensure that the State Department comply fully with the letter and spirit of the Jerusalem Embassy Act of 1995 .

*** Needed now: an Israel Economic Independence Act**

What more can the Congress do to help Israel be more free, sovereign and independent following the celebration of her 50th year as an (old) new nation? In addition to the recommendations above, I firmly believe that the Congress can remove a large share of the implicit, if not express, pressure upon Israel by transforming the United States foreign aid program for Israel in innovative ways which will help rather than hurt Israel, ways which fully acknowledge Israel's achievements as the major success story of foreign aid since the Marshall Plan - and ways which recognize and reward Israel's very real benefits to the United States.

While this proposal has in no way been coordinated with the Israel government, I believe that it builds upon the very welcome - and virtually unique - initiative of Israel Prime Minister Netanyahu in which he told the Congress, in his masterful address to a joint session after his 1996 election, that Israel plans to phase out all non-essential United States aid over time.

The outline of a plan to achieve these goals is simple and, I am sure, eminently workable and mutually productive for America and Israel. In brief **I propose that the United States Congress act now to place all defense aid to Israel (now some $1.8 billion annually) in the DOD budget, a natural venue where Israel's value to United States security, in absolute terms and relative to NATO and other key allies, can be more fully recognized.**

Second, instead of the 10-year phase-down begun last year (although that was a good start), I propose that the Congress fully eliminate the so-called economic aid to Israel (which totaled $1.2 billion annually before the phase-down began and which actually goes mainly to service Israel's old defense debts), in exchange for the enactment of a continuing no-year authorization measure which, once and for all, will forgive (i.e. pay) each annual debt service requirement of Israel to the United States automatically as it comes due.

Finally, I propose that this new law establish a blue ribbon, binational, United States-Israel, commission, with a fixed term, comprising members from the public and

private sectors, with a reasonable staff and budget, to review the Israel - United States economic, aid and trade picture. This will be aimed at ensuring that Israel's financial status, bond and credit ratings, etc., do not suffer in any way from these changes in the foreign aid program, but in fact are enhanced as Israel moves to privatize further and to stress foreign trade, rather that aid, for its economic and social well-being. As we recognize with warm approval, such goals as these are apparently what the present Israel government already is accomplishing and intends to complete during its terms of office.

Think for a moment of the benefits to Israel, the United States, and other nations: Israel's place as our strategic partner, equally with NATO, Japan and South Korea, for examples, will receive full recognition and reward. Never again will Israel feel real or implied pressure to compromise its security needs to keep United States aid in place. The Israel-United States economic relationship will emphasize free trade, not aid, to the benefit of both nations. Israel's efforts at privatization and deregulation, like our own, will receive new emphasis. United States efforts to help the truly desperate poor and hungry of the world develop the means to help themselves (as we have done in the Marshall Plan and the Israel aid program to date) and to assist those suffering from natural disasters and other calamities, will be more easily evaluated by the relevant committees of the Congress without fiscal pressure from the relatively large Israel aid requirement.

Clearly this proposal is more workable, more generous, more fully fledged, and more likely to achieve the desired results than the other such proposal of which I have heard.

Therefore I seriously question whether any new foreign aid, e.g. for parties to the ill-fated and stillborn Wye accords, is needed or beneficial to U.S. foreign policy objectives.

ISRAEL-PALESTINIAN ARAB NEGOTIATIONS

While much of the continuing anti-Israel violence apparently is perpetrated by Hamas or Islamic Jihad, Arafat and the PLO cannot be exonerated from fault in these attacks. Similarly, Clinton's witness to Arafat's and the Palestinian National Assembly's vague and ambiguous decision to make the required changes to the Palestinian National Covenant in Gaza last year serve as a whitewash since no one can show a revised, certified copy of an amended Covenant. And State's reports neglect even to mention such whole areas of PLO violations of written pledges as Arafat's failure to prevent the continued operation of armed forces other than

the Palestinian Police and to prevent incitement to violence - an everyday occurrence, especially in Gaza. Palestinian police are seen regularly at open rallies for HAMAS and Islamic Jihad exhorting the crowds to violence and *jihad* against Israel and letting civilians handle and shoot their weapons.

We call on the Congress to take the lead in demanding that Arafat disarm HAMAS and other militant factions; disband the illegal private security gangs that intimidate the Palestinian press and operate outside the Palestinian Authority's jurisdiction; and set up a real judicial system with arrest and trial procedures to ensure rule of law and deter violence. The Palestinian Authority also must take action to stop the flow of weapons and explosives into Palestinian controlled areas, including mortars and Katyusha rocket launchers - and even heavier weapons, plus illegal arms production there (including one report of chemical and biological weapons production) - according to reliable security sources.

Chairman Arafat repeatedly has been excused from taking action to condemn and curb violence and terrorism. After more than four years, such excuses no longer are credible or acceptable since direct authority has been in the hands of the PLO and a strong Palestinian police force whose salaries are paid with American taxpayer money, not to mention the millions of additional U.S. dollars pouring into the territories for the benefit of the Palestinian Arab population. Further, we expect the PLO to work for the repeal of the illegal Arab economic boycott of Israel in all its forms and to support the unhindered flow of trade and commerce between Israel and the areas of autonomy.

We also have concerns about the ability of the Palestinian autonomy authorities to manage funds provided by the U.S. and other donor nations properly and responsibly. We do not oppose the use of foreign assistance to improve the economic conditions and standard of living of Palestinian Arabs in Gaza, although their living standards rose at world-record levels during the 27 years of Israeli administration. International efforts for economic improvement are something that Israel sought to achieve and we and many others have supported for some time, only to be opposed by the Arab leaders themselves. But U.S. foreign aid to the Palestinian Arabs should include strict conditions concerning the distribution and use of these moneys. They must be used only for properly approved projects, by properly audited non-governmental organizations, using such guidelines as those established by the World Bank, which will bring real improvement to the health, living conditions and economy of the Palestinian Arab population.

There also are reliable confirmed reports, including still-secret GAO reports,

of large scale PLO assets ($10-13 billion) and profitable businesses ($1.5-2.0 billion income annually) under Arafat's personal control, but never used to help the Palestinian Arab population.

Thus U.S. aid is supporting authoritarian rule which uses unfair tactics to enrich corrupt bureaucrats. And because of the fungibility of money, we are very concerned that the U.S. may be aiding and abetting terrorism unwittingly.

The GAO study ordered by Chairman Ben Gilman of the House Committee on International Relations and completed in June 1995 was never made public due to what we believe is a continuing CIA coverup for the Administration's tendencies to shill for Arafat at all costs to save the flawed "peace process". Regardless, the GAO report is still classified SECRET and even the CIA letter of explanation to the committee explaining why is itself marked SECRET. So much for the new open CIA! Nonetheless a reliable source who has seen the GAO report states that Arafat and the PLO have more than the asset level stated by the NCIS in just one of their accounts!

There is more than enough information available to justify completely a total cutoff of funds to the PLO and PA until Arafat spends his own PLO funds (even if the other failures of Arafat and the PLO were resolved); and even then, to justify bypassing Arafat with his wasteful, corrupt management in any further aid we give. We should not allow Arafat to manage one cent of U.S. funds, but rather channel our assistance through responsible non-governmental and international organizations for specific projects to improve the Palestinian economy, as we have attempted to do in the past. It is possible -and essential - to require Arafat to spend his own cash first and to end U.S. direct or indirect funding of Arafat's corrupt machine, while continuing to help the Palestinian Arabs as required. Any other course does not constitute "paying the price for peace", but "appeasing corrupt autocrats", a course which produces neither solid development nor peace and stability.

ISRAEL-SYRIA/LEBANON NEGOTIATIONS

The Syrian and Lebanese tracks must be linked if we are to ensure fair agreements that reflect American values , since Syria occupies Lebanon and dominates its policies. In the assessment of reliable intelligence officials; "Lebanon's dependence on Syria is absolute."

It is completely unacceptable for the United States to ignore this intolerable occupation while expending countless hours to try to broker a deal between Israel and Syria over the Golan, an area that has rested in peace for almost 26 years.

The United States also should be alert to assure that any agreement between Israel and Syria is in the U.S. national interest and likely to bring long-term peace and stability to the region before we endorse it, much less commit our funds, peacekeeping troops or other tangible support.

Despite public displays of support for the peace process aimed primarily at a Western audience, Syrian dictator Assad continues to harbor Marxist and Islamic terrorists. In fact the coded signals for the Hamas bombings in Israel in March, 1996, which killed threescore Israelis and maimed many more, came from Damascus, as did the green light for the upsurge of Hezbollah rocket firings and terror attacks that ignited the continuing deadly mini-war in Lebanon that still lingers on despite U.S. - brokered agreements.

Syria works closely with Iran diplomatically as witnessed by periodic visits of Iranian officials to Damascus, where they state, without contradiction, that there is no area of policy dispute between the two governments.

Other Syrian military liaisons and agreements include those with the Palestinian Authority and even Iraq, which Syria has agreed to help rearm.

Mr. Chairman, we strongly concur with your past assessments that any possible U.S. commitment of large-scale special financial assistance to Syria, whether direct or indirect, civilian or military, for making peace with Israel should be ruled out completely from the start. .

There are no signs that Syria intends to leave Lebanon any time soon. Rather, Assad continues to promote the cultivation and trafficking of narcotics in the Beka'a Valley and to manipulate Hezbollah and other terrorist groups and militias in a proxy war with Israel. In this regard, Syria is still on the State Department's official list of states which sponsor international terrorism, and Assad knowingly harbors more than 10 terrorist organizations radically opposed to the U.S.-sponsored peace process.

CONCLUSION

Mr. Chairman, the foreign aid which the U.S. provides to Israel has been a good investment in a strong democratic and strategic ally of this country, and still is needed, although we see the advent of a day when Israel will be a lender, not a borrower. Most American Christians and other Bible-believers support this traditional assistance for FY 2000 because it is in the U.S. national security and economic interests, and we call for approval of any further military cooperation, for example against growing missile, nonconventional weapon, and terror threats, as well as any emergency humanitarian assistance requested by Israel to help in the transportation and absorption of Russian and other Jewish immigrants. As stated we do not see the need for any aid to help the parties to the Wye accords carry out the dismemberment of our friend and ally Israel.

We appreciate the support that this committee and the Congress have given to Israel and we are thankful for your courageous and moral leadership on these issues.

In the near future, if not this year, I recommend adoption of the Israel Economic Independence restructuring proposal outlined above. This is more workable, more generous, more fully fledged, and more likely to achieve the desired results than any other such acts or proposals which I have observed.

And before you reauthorize aid to other nations of the Middle East, we recommend that you take a careful second and third look at whether these nations fully support: (1) a warm peace with Israel, including an end to officially sponsored or condoned anti-Semitism; (2) a complete, immediate, and unconditional end to the economic boycotts against Israel; (3) progress toward democracy and respect for the rights of all; and (4) U.S. initiatives in the United Nations, including present or prospective sanctions on or containment of Iran, Iraq, Libya, Sudan, Syria, or other outlaw states. If not, any such nation should receive a significant cut in U.S. assistance.

In short, U.S. foreign aid, and our foreign policy in general, must serve not only U.S. national interests , but also our principles and values, now more than ever. Thank you, once again, for the opportunity to present this testimony.

I will be pleased to answer any questions you may have.

STATEMENT

of

RICHARD A. HELLMAN, PRESIDENT

THE U.S. COMMITTEE FOR THE UNITED NATIONS ENVIRONMENT PROGRAM

(US/UNEP)

BEFORE THE

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND

RELATED PROGRAMS

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

March 4, 1999

Chairman Callahan, Congresswoman Pelosi, and other distinguished committee members:

Thank you once again for the opportunity to present the strong American public opinion in favor of a clean, healthy, planet Earth and specifically to advocate full funding for UNEP, the UN Environment Program, Earth's environment agency. UNEP has done an incredible job with little public recognition.

Over the last year, under the firm, efficient, leadership of the new Executive Director, Mr. Klaus Topfer, formerly the second longest serving Minister in the German Government and the recipient of many honors for his achievements, UNEP has reached new high levels of achievement and stands poised to do still more. I believe that the United States must do more to help him to accomplish this daunting task with sufficient funding.

Clearly, international environmental planning, assessment, policy setting, and action continue in the forefront of issues which Americans want the United States Government - including the Congress - to handle wisely and well. Public opinion polls continually confirm that American citizens support sound environmental programs.

UNEP fills a unique and indispensable role for the people of the United States and the world.

Some seven years after the Rio Earth Summit, while we see few concrete results from the Commission on Sustainable Development created at Rio, UNEP, as a catalytic operating agency, has made steady progress in practical environmental stewardship in a wide variety of areas, from worldwide monitoring, surveillance and reporting, to ozone layer protection, protection of the oceans and seas, and species conservation, to name just a few key programs.

The nations of the world, including the U.S. delegates, in June, 1997, adoptedthe Nairobi Declaration which set forth the future role and mandate for UNEP. In brief, they declared that, if there were not a UNEP, we would have to create one. Rather than a whole new UN environmental super-agency some had called for, the declaration recognized that we only needed to strengthen and enhance UNEP.

Not only is UNEP vitally needed, with its services in great demand in the United States and worldwide, but it offers an extraordinary return on investment for the United States as well.

Over the last year, UNEP, despite limited resources, has continued its excellent efforts for a healthy Earth environment. With the appointment of Mr. Topfer as the new Executive Director, the UNEP Governing Council's previous creation of an Executive Committee to guide UNEP operations between GC sessions; and other reforms, UNEP has shown increasing responsiveness, resilience and flexibility. Under Mr. Topfer's guidance, UNEP has refocused its efforts on a limited number of high priority areas:

1. Environmental information, assessment and research (including emergency response and early warning);
2. Developing and coordinating environmental policy instruments;
3. Fresh water programs; and
4. Industry and technology transfer programs.

This new, tight, focus is expected to produce even better results for Earth's environment.

Since UNEP passed its twenty fifth birthday, we have seen how the organization's major achievements have benefited all Americans and countless others around the world:

* Progress in the control of ozone-depleting chemicals under the Montreal Protocol, action that was given new urgency by monitoring data showing ever-larger "holes" in the ozone layer over Antarctica, and by research confirming that uniquely man-made chemicals were to blame.

* Major initiatives to protect the oceans and seas of the world, including the regional seas programs, notably the Caribbean Environment Program in which we share, and such new global initiatives as the sustainable tourism program and the Protocol and Action Program for Protection of the Marine Environment from Land-based Sources of Pollution , the latter being key results of the Washington conference, to protect the oceans and seas of the world from the adverse effects of waste water outfalls, runoff and other sources of water pollution from land.

* UNEP's Clean Development Mechanism to help industrialized nations earn credits in the form of certified emission reductions which they can use to meet their international obligations in return for investing in cleaner development technology in developing nations. This is expected to contribute markedly to protecting the overall global environment and thus better implement the goals of international agreements.

*The new Rotterdam convention which provides for prior informed consent by importing nations before certain hazardous chemicals and pesticides may be imported.

*The interlinkages assessment report entitled " Protecting Our Planet - Securing Our Future: Linkages Among Global Environmental Issues and Human Needs " jointly produced by UNEP, the World Bank and U.S. NASA, which concluded that we need more comprehensive approaches, with new institutional partnerships, and particular emphasis on those changes in the international environment which cannot be reversed easily, if at all.

Such initiatives as these are only examples, however, of the kinds of special services which result from the unique mission, established infrastructure, and professional capacity which characterize UNEP, as explained by the facts that:

* UNEP is the only multilateral organization coordinating the monitoring and assessment of international environmental problems, linking thousands of institutions worldwide in the effort, and developing and implementing policies, international agreements and plans to deal with them. UNEP remains positioned uniquely to identify emerging threats to the environment which sustains our lives, and to develop coalitions to deal with these threats in a timely manner.

* UNEP assures that, when we in the United States and other developed countries have done all we responsibly can do to protect Earth's thin envelope of atmosphere, our shared oceans and seas, and other elements of the global commons from which we draw many needed products and materials (as well as the oxygen we breathe and the water we drink) our efforts are not negated by the unregulated industrial and other activities of the populous developing world, the former Soviet Union, and other countries.

* UNEP frees the State Department, EPA, and other agencies and officials from the virtually impossible task of dealing with the shared environmental concerns of over 200 nations bilaterally. This allows them the freedom to use scarce resources primarily to meet and negotiate primarily with our major defense and trading partners. UNEP already has close working relationships with EPA, NASA and other U.S. agencies, of course, which help these organizations to increase their reach and perform the international aspects of their missions.

* UNEP empowers developing nations to create and maintain the infrastructure and laws to protect their populations - and, most importantly, encourages inclusion of the full cost of such protection in their products and services. This helps ensure that American products and services, which are produced with a comparatively broad range of protections for health, safety, and the environment which increase costs, are not disadvantaged in the global marketplace.

* UNEP is a catalyst accelerating the worldwide demand for a cleaner environment which is creating new markets for U.S. vendors of pollution control

equipment and other environmental goods and services, including openings for data and technology from the U.S. space and global change programs. These trends produce a dynamic growth opportunity for the U.S. industrial base - especially for high tech equipment and high value professional services.

* UNEP provides a channel for outstanding American experts and firms in environmental management, science and technology to bring their talents and abilities to bear in analyzing and solving major international environmental problems.

* UNEP disseminates unique environmental information for problem evaluation, policy-setting, early warning, and action planning, providing invaluable environmental intelligence to U.S. policy makers and those of other nations.

Once again we ask regarding this small, largely neglected, remotely located, underfunded, agency : " How do they do all that?", especially with the inadequate sums we contribute.

UNEP enjoyed a slight rise in the U.S. contribution to $13 million in FY 99 from the FY98 figure of $12 million. Now the Administration has asked for $16 million for UNEP for FY 2000. While all of this hopefully signifies a return to the pattern of growth which saw the U.S. voluntary contribution reach a peak of $21 million for FY 94, it may be a case of "too little, too late" relative to the continuing pace of worldwide degradation of earth's environment.

Other nations have overtaken the United states in contributions to UNEP, causing us to lose influence and to forego benefits. Even more critical to UNEP and the health of our planet is the overall deficiency in UNEP's annual budget as others follow America's lead and cut their contributions. This must not be allowed to continue.

We are convinced that the FY00 Administration proposal is completely inadequate to meet our fair share of the real international needs or to let the United States to reap the environmental export advantages that United States producers should receive.

The new leadership of UNEP must be granted sufficient resources to accomplish its vital tasks. Therefore the United States, as the last remaining superpower and a prime

model for other nations , should enhance our commitment for FY00 to at least $21 million (the FY94 benchmark) so that the American public and American business can receive the full return on our investment. In no case should we allocate less than the $17 million needed to bring UNEP back to the FY95 level (as adjusted) and signal the renewed international environmental concern of this Congress and the American public.

If we will fund UNEP fully we can avoid:

* Loss of capability to coordinate the monitoring and assessment of ozone layer losses and other dangerous worldwide phenomena and to take corrective actions including servicing of such international agreements as the Montreal Protocol ; thus more skin cancer and crop losses well could be the result.

* Diminished capability to protect Earth's rare and endangered species, including those we know well like elephants, rhinos, lions, tigers and leopards, as well as critical habitats, ecosystems and other specially protected areas, through the CITES, Biodiversity and other international treaties and programs. This not only diminishes the richness and beauty of life on Earth, but eliminates key potential sources of new wonder drugs, enhanced crops, and other life-sustaining and economically valuable products.

* Crippling of efforts to promote responsible environmental laws and infrastructure in all nations - especially those of the populous developing world and the former Soviet Union - which help level the playing field so that foreign goods and services do not receive a special advantage over US-made products, and which provide U.S. manufacturers with lucrative overseas markets for their environmental technology, including pollution control and other environmental equipment, goods and services.

The sum of $21 million for UNEP in FY 99 is needed because UNEP must be at full strength to accomplish the daunting agenda which the Governing Council nations, including the United States, has set. Anything less would be an abdication of our responsibility in an area critical to the well-being of our citizens and our neighbors around the world.

In summation:

*UNEP, under new leadership and with new organization and management reforms , deserves enhanced funding;

*If there were not a UNEP, we would have to create one;

*Helping UNEP really helps our own people, as well as our partners abroad; and

*This requires only the low sum of $21 million - for which we literally receive a world of protection (and of opportunity for our exporters) - for less than what any U.S. state, or even the average county or city, spends on environmental protection.

Will you do all you can to strengthen U.S. support for UNEP - and restore our contribution to UNEP to the $21 million level - to show that the Congress understands the depth of American commitment to a clean, safe, world environment ? This will show that the Congress is committed fully to the health and well-being of our people and to safeguarding Earth's resources for the future - in the great tradition of President Teddy Roosevelt and many other statesmen throughout our history as a nation up to the present.

Посольство України
у Сполучених Штатах Америки
Embassy of Ukraine

3350 M Street, N.W., Washington, D.C. 20007
Tel.: (202) 333-0606, FAX (202) 333-0817
website: http://UKREMB.COM

200/455

March 3, 1999

The Honorable Sonny Callahan
Chairman,
Subcommittee on Foreign Operations
United States House of Representatives

Dear Mr. Chairman,

Further to my letter of March 1, 1999, regarding the forthcoming hearings with public witnesses on the US Foreign Assistance for the FY 2000, scheduled for March 4 , 1999 , I would like to suggest for your consideration some remarks related to the U.S. assistance to Ukraine.

As you are aware, Ukraine is going through an uneasy period of its history. One of our biggest challenges is to make everything possible for Ukraine to live without external assistance and to be able to provide support for other countries.

However, during this period of history Ukraine is facing problems of transforming its economy from centrally planned to market-oriented, and to get rid of totalitarian legacy and move towards democracy, building at the same time its statehood with all necessary institutions.

We know only too well that we must rely on our own resources in coping with these problems. We also fully realize that foreign assistance could greatly facilitate our task. That is why the assistance, provided by the United States, is appreciated in Ukraine.

Twice, both in FY 1998 and 1999, assistance to Ukraine was conditioned on undertaking significant economic reforms and continuing progress in resolution of complaints by the United States investors.

Twice Secretary of State Madeleine Albright certified positive developments, achieved by Ukraine in this regard (enclosed is specific information with regard to economic reforms and fighting corruption in Ukraine).

The leadership of Ukraine is determined to continue these transformations. In this connection I would like to emphasize that Ukraine carries on economic reforms not just to please the U.S. or out of sheer desire to attract foreign

assistance, but because of our conviction that there is no alternative in order to get out of economic crisis.

That is why we cherish assistance, which is provided without reservations. Having this in mind, we would appreciate if in the year 2000 the U.S. assistance to Ukraine would be rendered on such basis.

Such approach would adequately reflect the spirit of the strategic partnership between Ukraine and the United States. It would also emphasize the perception of Ukraine by the international community as a country, which was the first in history to acquire non-nuclear status by relinquishing the third nuclear arsenal it possessed after the breakdown of the former Soviet Union, as a country, which alongside the U.S. efforts to prevent nuclear weapon proliferation refused to cooperate with Iran by giving up a contract to supply Iranian nuclear power plant with Ukrainian turbines, and as a country, which oriented its foreign policy toward integration with European and Euro-Atlantic institutions, developing distinctive partnership with NATO. It is our priority to successfully meet, jointly with the United States, the challenges of today.

We would be pleased if the U.S. assistance to Ukraine in the FY 2000 were aimed at addressing urgent problems that the President and our Government see as of top priority for Ukraine, the solution of which, in turn, will help Ukraine to secure financing from international financial institutions.

I would kindly ask you to consider these remarks and, if the rules permit , to include into the Records of the hearings as my written testimony. Indeed, I would not mind if my remarks, should you find them useful and appropriate, were also distributed among other members of your Subcommittee and members of the House Appropriations Committee.

Sincerely,

Anton Buteiko
Ambassador

Enclosure

THE
POPULATION
INSTITUTE

107 Second Street, N.E.
Washington, DC 20002
(202) 544-3300
Fax (202) 544-0068

OFFICERS AND DIRECTORS

PRESIDENT
Werner Fornos

George Allen, Esq., *Chair*
Rodney Shaw, *Honorary Chair*
Suzanne Kellerman, *Vice Chair*
Joyce W. Cramer, *Treasurer*
Jean Greene, *Secretary*
Victor Morgan, *Member At Large*
Jack Brandenburg
Betty Cogswell, PhD.
Donald Collins
Van Crawford
S. Connally Davies
Lulu Davies
Robert Gillespie
Hon. Bruce Halliday
Russell Hemenway
Marilyn Scaff Hempel
Joel Johnson
H E. John Karefa-Smart, M.D.
William N. Leonard, Ph D.
Winford Lindsay
Gayl D. Ness, Ph.D.
Patricia Nielsen
Hon. Paul Simon
Joyti Shankar Singh
Linda Williams, Ph.D.
Donald C. Wilson

PUBLIC POLICY ADVISORY COMMITTEE

Bettye Ward, *Chair*
Hon. Thomas Allen
Hon. Chet Atkins
Hon. Barbara Boxer
Dorothy Cullman
Kimball Faulkner
Hon. Edward F. Feighan
Hon. Elizabeth Furse
Hon. Sam Gejdenson
Hon. William H. Gray III
Hon. Bill Green
Hon. Luis Gutierrez
Miriam H. Keare
Hon. Henry L. Kimelman
Hon. Jim Leach
Hon. Ronald Machtley
Hon. Jim Moody
Stewart R. Mott
Anjum Niaz
Hon. John E. Porter
Dr. Glen T. Seaborg
Russell E. Train
Ted Turner
Dr. James D. Watson

Testimony

of

Werner Fornos
President
The Population Institute

before the

U.S. House of Representatives
Committee on Appropriations
Foreign Operations Subcommittee

March 4, 1999

Printed on recycled paper.

E-mail: web@populationinstitute.org Website: http://www.populationinstitute.org

Mr. Chairman and members of the committee, I am the President of the Population Institute, a non-profit, non-governmental organization, with some 100,000 members and associates worldwide, including all 50 states, that seeks a more equitable balance between the world's population, environment and resources. I have had the honor testifying before this committee every year since 1979.

I have spent over a quarter of a century dedicated to this effort. As we prepare for the challenges of the 21st century it is as important as ever. I am still surprised to learn that there are a number of individuals who do not believe that population growth is a global concern. While one can question dire population projections, no one can deny that in the last portion of the twentieth century that world population growth is accelerating and United States support is needed to prevent still more population related combustible societal problems.

It took until 1830 for the world to reach one billion individuals and then one hundred years more to add an additional one billion. In 1960, the world's population reached the three billion level. This October the world will see the birth of its 6 billionth person – a doubling of the world's population in about 40 years. This figure may double in the next fifty years depending on which estimates one accepts and on the success of international family planning programs to help achieve global population stabilization.

This year I come to urge that the Foreign Operations Subcommittee include as part of the Fiscal Year 2000 foreign assistance bill, a direct earmark in the amount of $25 million for the United Nations Population Fund, also known as UNFPA. This international agency established with United States help in 1969 has over the years provided more than $4.3 billion to virtually all developing nations. In 1997, it provided support to 168 nations, including 46 in sub-Saharan Africa and 44 in Asia and the Pacific. By contrast, the United States Agency for International Development (USAID) Population, Health and Nutrition programs, while first-rate, operate in over 67 nations. Thus, the United Nations Population Fund is a vital complement to the work being done by USAID in providing quality reproductive health care worldwide in the effort to achieve world population stabilization.

Mr. Chairman, two days ago Representatives Carolyn Maloney and Connie Morella along with 15 other members introduced H.R. 895, the "United Nations Population Fund (UNFPA) Funding Act of 1999" which calls for the restoration of a voluntary United States contribution to this fund. The $25 million sought in this bill, which is enclosed, for Fiscal Year 2000 is the identical amount being requested by the Administration.

The United Nations Population Fund provides worldwide leadership in the population field. It was instrumental in organizing the 1994 International Conference on Population and Development held in Cairo. Since that time, UNFPA has worked hard on behalf of one of the central tenets adopted by that conference: that "all couples and individuals have the basic right to decide freely and responsibly the number and spacing of their children and to have the information, education and means to do so." As the First Lady stated in addressing The Hague Forum, a five year review of the world population

situation since the 1994 Cairo conference, "Government has no place in personal decisions about whether to bring a child into the world." By funding UNFPA in Fiscal Year 2000, the United States will show support for the idea that it is couples and individuals, not governments, that know best when to have children.

Mr. Chairman, UNFPA is an organization that gets a highly efficient return on the funds donated by UN member states. In 1997, 63% of its assistance was used for reproductive health care including family planning. Further, it is a lean organization with three-quarters of its staff abroad, one half in Africa, the continent with the world's highest fertility rates. UNFPA also is cognizant of the value non-governmental organizations (NGOs) bring to the population field. In 1997, 15 per cent of their assistance went to NGO projects.

Mr. Chairman, let me provide an example of the work UNFPA is doing in the world's most populous democracy, India. This is a nation whose population in 1998 was 982 million making it the second most populous nation in the world after China. By 2050, India is projected to surpass China and become the world's most populous nation with 1.5 billion individuals. An India that can achieve population stabilization will be one better able to provide for all its citizens and thus a strong engine for growth in South Asia. UNFPA is helping achieve these goals by assisting India in moving its population programs away from family planning targets and quotas and, instead, emphasizing the need to provide high quality services within a reproductive health care system.

At this time UNFPA is managing a five-year country program in India that will cost $100 million over the 1997-2001 time period. Its representative in India, Wasim Zaman notes that the decentralization of authority in India, along with an emphasis on empowering women and a willingness of the central government to work with NGOs shows that India is eager to achieve a better life for its citizens. According to the World Bank, India contains 40 per cent or 411 million of the world's absolute poor (those living on the equivalent of one U.S. dollar or less per day) and of this group 60% are women. Yet India is making great strides. By 1992 the annual population growth rate was below 2% for the first time and fertility levels have declined from 6 children per woman in 1960 to an average of 3.4 by 1996. However, because of India's large population base, family planning assistance is still important. India is gaining population at about 18 million yearly. Yet with the help of organizations such as UNFPA India is able to emphasize reproductive health and family well being rather than a more narrowly focused family planning program.

I would now like to address concerns that some in the Congress hold regarding UNFPA's activities in China at this time. No one, including myself, condones China's human rights record. However, denying all United States assistance to UNFPA because of its China program would be counterproductive. The primary objective of UNFPA in China is to demonstrate that a voluntary, non-coercive, human rights-based approach to family planning is the best means to achieve effective reproductive health programs. In the negotiation of its program in China, UNFPA insisted that the Chinese authorities agree to abolish all quotas and targets in 32 demonstration counties where UNFPA operates.

Further, both China and UNFPA welcome independent, I emphasize independent, monitoring of this program. This program will bring the Chinese people face to face with international experts who can recommend alternative approaches to compulsory family planning. Rural women are now receiving reproductive health care for the first time and medical personnel are better equipped to act in the best interests of their clients. UNFPA's work in these 32 counties can be an example for the rest of China and help reach a goal we all share – changing China's family planning policy to one that supports empowering women, expanded child health care services and voluntarism.

I also wish to affirm that UNFPA does not support abortion services and does not promote abortion as a method of family planning. Further, UNFPA does not under any condition condone coercive practices in the family planning field. It is a gross violation of human rights and UNFPA's Executive Director and Under-Secretary-General Nafis Sadik has clearly and publicly condemned coercion – in fact doing so in Beijing at the Fourth World Conference on Women in 1995. I do not know of a better way to tell the Chinese Government that no international family planning programs will assist them if they engage, in any way, in a coercive program.

In addition, last July, she wrote to Representative Christopher Smith to set the record straight as to UNFPA's mandate and its role in China. In that letter, a copy of which is submitted along with my testimony, she makes it absolutely clear that UNFPA in no way supports abortion services, does not promote it as a method of family planning and does not under any circumstances condone coercion.

Mr. Chairman, it would be tragic if, as we approach a new millenium, the United States were to abdicate its position as a leader in the effort to achieve world population stabilization based on voluntary and informed choices by individuals, not governments. The decision in the waning days of the 105th Congress to not provide $20 million to UNFPA means that 870,000 women are being deprived of effective contraception. This, in turn, is estimated to result in half a million unwanted pregnancies and 200,000 abortions which is something nobody wants and precisely what opponents of UNFPA funding sought to avoid. As I mentioned earlier, abortion is not a method of family planning. As one of your distinguished colleagues has noted, family planning is a life-saving alternative.

Late last year, Undersecretary of State for Global Affairs, Frank Loy, declared that restoring our nation's contribution to UNFPA would be one of his highest priorities. He cited estimates that the United States contribution, in only one year, would have prevented the deaths of 1,200 mothers and 22,500 babies all over the world. Mr. Loy also pledged that the United States would [in China] "react firmly to allegations of coercion and abuse."

I am concerned, Mr. Chairman, that the United States, long regarded as a leader in the population field through its expertise and efforts in helping set up agencies such as UNFPA, is in danger of forfeiting this leadership. The 20-year plan adopted at the 1994 Cairo conference on International Population and Development (ICPD) aims at achieving

universal access to a full range of reproductive health services no later than 2015. In reaching this goal, the developing world is expected to shoulder a major portion of the costs. Donor nations agreed to provide one-third of the total cost or $5.7 billion, with 0.7% of their Gross Domestic Product (GDP) going to Official Development Assistance (ODA) and 4% of the ODA going to population activities.

However, in remarks last year, Mr. Loy noted: "It is sad but true that the country which risks being the biggest Cairo deadbeat of all is the United States." That does not have to be the case. It should not be the case. To honor our commitments to ensure that the goals of the Cairo conference are reached, a small but significant start would be to restore our contribution to the United Nations Population Fund in the amount of $25 million.

I would also like to urge an increase in the bilateral funding programs operated by the United States Agency for International Development. The current ceiling of $385 million should be changed to an earmark of $435 million. Providing additional funds for population assistance will enable USAID to expand the reach of its programs regarded by experts as among the best in the field. Also, the more effective that USAID's programs are, the more efficiently they are able to complement the efforts undertaken by UNFPA in working toward the same goal - a more equitable balance between the world's population, environment and resources.

Thank you for allowing me to testify before the Committee.

(Note: The Population Institute does not seek or receive United States government grants.)

The Executive Director

UNFPA
United Nations
Population Fund

2 July 1998

Dear Mr. Smith,

I have been informed of comments you made during the June 10 subcommittee hearing on China's population programme. I am very concerned that your comments contained serious misstatements of fact concerning the United Nations Population Fund (UNFPA) and UNFPA's role in China. I would like to bring to your attention the correct information.

As is well known, UNFPA's mandate is to promote quality reproductive health services, gender equality, improvement in the health and status of women and the universally-accepted principle that women and men should have the right to choose the size and spacing of their families and the information and the means to do so -- in other words voluntary family planning.

As we have stated publicly and brought to your attention on several previous occasions, UNFPA does not support abortion services and does not promote abortion as a method of family planning. UNFPA does not under any circumstances condone coercion. Coercion is a violation of human rights, and I have explicitly and publicly condemned it, notably in Beijing, at the Fourth World Conference on Women in 1995.

No organization has done more to promote human rights in the area of reproduction and childbearing than UNFPA. Your accusation that UNFPA supports abortion and coercion in China ignores pertinent reviews and evaluations by the US Government and other authorities. Our programmes have no abortion components and have always supported the principle of voluntary decision-making by individuals.

Accordingly, we have done a great deal to widen the choice of contraception available to China's people, to train service providers in managing fully voluntary programmes and to empower women to make their own decisions. We have brought to the attention of the authorities every instance of deviation from human rights norms that has come to our attention, and we have conveyed to China's policy-makers the long-term effectiveness of a policy which allows full and free choice.

In January UNFPA's 36-nation Executive Board, of which the United States is a member along with countries form every region (including France, Germany, Japan and the United Kingdom) approved a new sharply focused four-year programme for China. It is expressly designed to demonstrate that free choice, access and information are the basis for effective reproductive health programmes, and to advance the voluntary principle.

/...

The Honorable Christopher H. Smith
Chairman, Sub-Committee on International Operations and Human Rights
2370 Rayburn House Office Bldg.
Washington, D.C. 20515

220 East 42nd Street

It will operate in 32 of China's 2,700 counties. The programme will offer a full range of modern, safe and effective family planning methods, adapted to the age, family and personal circumstances of the individual concerned. It will also offer maternal health services, assisted delivery, pre-natal and post-partum care, counselling and treatment services for sexually-transmitted diseases with a focus on HIV/AIDS prevention. The programme will include activities designed to enhance women's status such as literacy, training in the management of small enterprises, loans for economic activities and advocacy for gender equality. China's Government has given assurances that all vestiges of the one-child policy will be removed in these 32 counties.

We consider this programme to be a significant achievement. This is an internationally agreed approach which will afford the best chance to provide women and men with the opportunity to make their own reproductive decisions.

We all share common values for the improvement of the health and wellbeing of women and men, the promotion of human rights, and the goal to eliminate the need for abortion. Women do not want to have abortions: they want not to be pregnant. The best way to help them achieve their aims is to help them avoid unwanted pregnancies. To foster these aims women need reproductive health services, including a full range of modern, safe, effective and appropriate means of contraception.

Women also need the power to use these services. Women need men's support, including your support, for their choices. They need to be free from sexual violence; they need to be free from coercion of all kinds, including the kind that puts pressure on them to become pregnant against their will. We should be in daily contact with governments and opinion leaders in every country, advocating for the norms and standards we share, and which are widely accepted by the whole international community.

My belief, based on 30 years of experience and backed by all experts on reproductive health is that the best way to end coercion and other forms of violence towards women is to ensure that they are free to make their own choices. In that we need your support.

Every 45 seconds, a woman dies from causes related to pregnancy. Every seven and a half minutes, a woman dies from an unsafe, often self-induced abortion. These women do not need to die. But they will go on dying unless action is taken to give them choices other than abortion. That is exactly what UNFPA is attempting to do 24 hours a day, 365 days a year.

Women in many countries, including the United States, take it for granted that they can limit and space their pregnancies. They take it for granted that no-one will force them to terminate a pregnancy, or start one. These are rights which all women should be able to take for granted. It is the purpose of UNFPA to ensure that they can. We urge your support for this mission.

/...

UNFPA's programme in China will be monitored by our office in China, by members of our Executive Board, including the United States, by outside experts and selected non-governmental organizations. The Government of China stated at the Executive Board that they are open to any independent monitoring of the programme.

I trust that this accurate factual information reassures you as to the aims and conduct of UNFPA's work. I hope you will join the consensus in the international community, that human rights are respected in all of the important work carried out by the UNFPA, and that women, and men, everywhere are benefitting accordingly.

Yours sincerely,

Nafis Sadik
Executive Director
and Under-Secretary-General

WERNER FORNOS

Werner Fornos, who has been described as the foremost speaker on global population issues, is the President of the Population Institute, a Washington, DC-based public interest group with members in more than 160 countries.

Mr. Fornos has attended virtually all major international population and development conferences dating back to 1974. He has addressed plenary sessions of the 1974 World Population Conference in Bucharest; the 1984 International Conference on Population in Mexico City; the 1994 International Conference on Population and Development in Cairo, the 1995 Fourth World Conference on Women in Beijing, and the 1999 ICPD + 5 at The Hague, among others. He has been nominated three times for the United Nations Population Award.

Mr. Fornos has been named Humanist of the Year by the American Humanist Society, a Paul Harris International Fellow of Rotary International and an Honorary Professor of International Relations at Sichuan University in China. A member of the NGO Advisory Committee of the United Nations Population Fund, he has served as chairman of the Council of Representatives on the United Nations in Washington, D.C.

The author of the book, *Gaining People, Losing Ground,* Mr. Fornos has contributed articles to such publications as *The Washington Post, The New York Times, The Christian Science Monitor,* and *Technology Review.*

He has dedicated his energies and talents to addressing a variety of people including college students, members of civic organizations, and U.S. and U.N. officials, pressing for what he calls "rational and humane solutions to the world population problem."

THIS SEARCH	THIS DOCUMENT	GO TO
Next Hit	Forward	New Bills Search
Prev Hit	Back	HomePage
Hit List	Best Sections	Help
	Doc Contents	

GPO's PDF version of this bill	References to this bill in the Congressional Record	Link to the Bill Summary & Status file.	*Full Display* - 6,902 bytes.[Help]

United Nations Population Fund (UNFPA) Funding Act of 1999 (Introduced in the House)

HR 895 IH

106th CONGRESS

1st Session

H. R. 895

To restore a United States voluntary contribution to the United Nations Population Fund.

IN THE HOUSE OF REPRESENTATIVES

March 2, 1999

Mrs. MALONEY of New York (for herself, Mrs. MORELLA, Mr. PORTER, Mrs. LOWEY, Mrs. KELLY, Mr. MORAN of Virginia, Mr. GILMAN, Mr. HINCHEY, Mr. GREENWOOD, Mr. WAXMAN, Mr. SHAYS, Ms. JACKSON-LEE of Texas, Mr. BAIRD, Ms. MCKINNEY, Mr. CAMPBELL, Mr. CONYERS, and Mr. BOEHLERT) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To restore a United States voluntary contribution to the United Nations Population Fund.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the 'United Nations Population Fund (UNFPA) Funding Act of 1999'.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The renewed commitment of the world community to the formulation of government policies that contribute to global population stabilization and to improvements in the status of women owes much to the efforts of the United Nations and its specialized agencies and organizations, particularly the United Nations Population Fund (UNFPA).

(2) Over one-half of the UNFPA's assistance is devoted to maternal and child health programs, including the provision of family planning services, and it is a major supplier of modern methods of contraception. UNFPA also supports efforts aimed at preventing the spread of HIV/AIDS and other sexually-transmitted diseases and activities aimed specifically at enhancing the status of women.

(3) UNFPA does not fund abortion services, rather, UNFPA seeks to reduce the incidence of abortion by improving access to contraceptive services and to reduce deaths and injuries related to unsafe abortion by supporting treatment of women suffering from its complications.

(4) Operating in over 160 nations in all regions of the world and as a politically neutral source of funds, UNFPA complements the important work of the United States Agency for International Development population assistance program.

(5) As a result of the withdrawal of the United States contribution to UNFPA as of 1999, it is estimated that 870,000 women in the developing world will be deprived of effective modern contraception, leading to 500,000 unintended pregnancies, 234,000 births, 200,000 abortions, and thousands of maternal and child deaths.

(6) Many global environmental problems, including water shortages, pollution, tropical deforestation, and the loss of wildlife habitat are linked to rapid population growth. UNFPA has assisted countries around the world plan for and slow population growth, therefore reducing its effects on the environment.

(7) Assistance provided by UNFPA conforms to the principle, affirmed at the 1994 International Conference on Population and Development by 180 nations, including the United States, that 'all couples and individuals have the basic right to decide freely and responsibly the number and spacing of their children and to have the information, education, and means to do so.'.

(8) UNFPA opposes coercion in any form. All of UNFPA's programs are designed in conformity with universally recognized human rights principles.

(9) An appropriate way to express the legitimate concerns of the United States Government about the population policies of the People's Republic of China is by placing those concerns on the bilateral agenda along with other important human rights issues, not by singling out a United Nations agency by withholding all funding thereby punishing the women and families around the world who depend on its humanitarian aid.

(10) UNFPA can and should play a constructive role in helping to reduce the incidence of coercive practices in China through its new country program that aims to expand voluntarism and contraceptive method choice, to strengthen a broader range of reproductive health services, and to enhance the status of women.

SEC. 3. RESTORATION OF THE UNITED STATES VOLUNTARY CONTRIBUTION TO THE UNITED NATIONS POPULATION FUND.

In addition to amounts otherwise available to carry out the purposes of chapter 3 of part 1 of the

Foreign Assistance Act of 1961, there are authorized to be appropriated $25,000,000 for fiscal year 2000 and $35,000,000 for fiscal year 2001 to be available only for United States voluntary contributions to the United Nations Population Fund.

SEC. 4. LIMITATION ON THE UNITED STATES VOLUNTARY CONTRIBUTION TO THE UNITED NATIONS POPULATION FUND.

(a) LIMITATION- Notwithstanding any other provision of law, of the funds appropriated for voluntary contributions to the United Nations Population Fund for each of the fiscal years 2000 and 2001, an amount equal to the amount allocated by the United Nations Population Fund for the country program in the People's Republic of China during each fiscal year shall be withheld from obligation and expenditure unless during such fiscal year, the President submits to the appropriate congressional committees the certification described in subsection (b).

(b) CERTIFICATION- The President shall certify that the country program of the United Nations Population Fund in the People's Republic of China--

(1) focuses on improving the delivery of voluntary family planning information and services;

(2) is designed in conformity with the human rights principles affirmed at the International Conference on Population and Development with the support of 180 nations including the United States;

(3) is implemented only in counties of the People's Republic of China where all quotas and targets for the recruitment of program participants have been abolished and the use of coercive measures has been eliminated;

(4) is carried out in consultation with and under the oversight and approval of the UNFPA executive board, including the United States representative;

(5) is subject to regular, independent monitoring to ensure compliance with the principles of informed consent and voluntary participation; and

(6) suspends operations in project counties found to be in violation of program guidelines.

THIS SEARCH	THIS DOCUMENT	GO TO
Next Hit	Forward	New Bills Search
Prev Hit	Back	HomePage
Hit List	Best Sections	Help
	Doc Contents	

WITNESSES

	Page
Andrews, Hon. Robert	464
Ardouny, Bryan	161
Austin, Joyce	51
Bonior, Hon. D. E	460
Brown, Hon. Sherrod	458
Buteiko, Anton	544
Chaisson, Dr. Richard	88
Crow, Dr. M. M	515
Daulaire, Nils	510
Derrick, John	316
Dickinson, Tim	420
Donnelly, J. A	412
Drinan, Father Robert	465
Epperly, David	137
Feldman, Dr. L. A	398
Fitzhugh, E. J	290
Fornos, Werner	546
George, Father W. L	473
Gilman, Hon. B. A	460
Giulietti, Father Julio	473
Guthrie, Dr. R. L	335
Gutierrez, Hon. L. V	460
Hall, Hon. T. P	24
Hartke, Jan	242
Hekimian, Chris	145
Hellman, R. A	524
Hinchey, Hon. M. D	84, 460
Horn, Hon. Stephen	460
Jollivette, Cyrus	368
Kaptur, Hon. Marcy	460
Kohr, Howard	96
Levin, Hon. S. M	460
Lewis, Hon. John	156
Lintner, Rev. Dr. Jay	443
Lowman, Shep	231
Lucas, C. P	218
Luther, Hon. Bill	47
Manatos, A. E	176
Manoff, Robert	386
Marvin, M. L	520
Miller, Lindsay	109
Moody, Jim	358
Nassif, T. A	501

	Page
Nemtzow, David	308
Pallone, Hon. Frank, Jr	349
Pascrell, Hon. Bill, Jr	460
Peel, Terry	37
Pigman, H. A	62
Portman, Hon. Rob	1
Quinn, Hon. Jack	00
Rossides, E. T	186
Sadik, Nafis	551
Salzberg, J. P	18
Sawkiw, Michael, Jr	128
Schaffer, Hon. Bob	124, 460
Siemens, Stephen	73
Slaughter, Hon. L. M	460
Stabenow, Hon. Debbie	463
Visclosky, Hon. P. J	8
Walsh, Hon. J. T	12
Watson, A. F	260
White, P. C	344
Worthington, B. K	333

○

ISBN 0-16-058513-9

