

**FOREIGN OPERATIONS, EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATIONS FOR  
FISCAL YEAR 2001**

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**HEARINGS**

BEFORE A

SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

ON

**H.R. 4811 and 5526/S. 2522**

AN ACT MAKING APPROPRIATIONS FOR FOREIGN OPERATIONS, EXPORT  
FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR END-  
ING SEPTEMBER 30, 2001, AND FOR OTHER PURPOSES

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**Department of Defense  
Department of State  
Department of the Treasury  
Nondepartmental Witnesses**

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## JOINT HEARING ON SUPPLEMENTAL REQUEST FOR PLAN COLOMBIA

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THURSDAY, FEBRUARY 24, 2000

U.S. SENATE, SUBCOMMITTEE ON FOREIGN OPERATIONS,  
EXPORT FINANCING, AND RELATED PROGRAMS, SUB-  
COMMITTEE ON DEFENSE, AND SUBCOMMITTEE ON MILI-  
TARY CONSTRUCTION, COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittees met at 10:36 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman of the Subcommittee on Foreign Operations, Export Financing, and Related Programs) presiding.

Present: Senators Stevens, Specter, Domenici, McConnell, Gregg, Burns, Reid, Bennett, Inouye, Leahy, Lautenberg, and Feinstein.

### DEPARTMENT OF STATE

#### STATEMENT OF THOMAS R. PICKERING, UNDER SECRETARY OF STATE

##### OPENING STATEMENT OF SENATOR MITCH MC CONNELL

Senator MCCONNELL. The hearing will come to order. We are pleased to have with us the Chairman of the Full Committee, Senator Stevens.

And I do not know, Senator, whether you have any statements you would like to make.

Senator STEVENS. Well, I know you have an opening statement. I would say, just for the record, that this proposal that is before us from the Administration affects three of our subcommittees, Foreign Operations, Defense, and Military Construction.

I believe that—that as chairman of the Subcommittee on Foreign Operations, Senator McConnell should chair this and—and make the basic recommendations. But the other—members of the other subcommittees will be joining us too, Senator.

This is a very important subject. I think probably the most important subject we are going to deal with in the first part of this year.

I do have a statement after you finish yours. But I—I want to wait for your comments.

Senator MCCONNELL. OK. Thank you, Senator Stevens.

Welcome, gentlemen. When I traveled to—Colombia, Peru and Ecuador to examine U.S. support for regional counternarcotics programs, I was taught essentially four lessons.

One, there is no substitute for aggressive political leadership in Colombia, Peru, Bolivia and Ecuador.

Two, drug lords, guerrillas, and the paramilitaries are all profiting and part of the same problem. Our narco-security strategy must reflect that fact.

Third, containing one country only shifts the problem elsewhere. We need a regional strategy.

And, fourth, while it seems the most obvious, it seems the least observed, the American public must be told the truth about what lies ahead.

I am not convinced that the Administration has learned these lessons or can pass this test.

To determine how we proceed, I think it is worth taking a look around the region to consider what has worked.

While the Administration likes to claim credit for Peru's success, the truth is they succeeded largely on their own. The United States suspended all assistance in 1991 and 1992. Nonetheless, President Fujimori launched an aggressive broad scale assault on both the traffickers and the guerrillas protecting their trade.

I doubt anyone would be calling Peru a success today if traffickers were in jail, but the Sendero Luminoso had stepped in to take their place.

Critics argue that Peru's success came at a very high human rights price. As a result, many now argue that we—we must carefully concentrate only on the Colombian drug war and avoid any involvement or support of efforts which target the paramilitaries or guerrillas. Hence, we must not step up military training, support or presence of U.S. troops.

I am already hearing soothing Administration reassurances that Plan Colombia is a counternarcotics effort and we need not worry about the quagmire of a counter-insurgency or military campaign.

Now, what exactly does this mean? What is the Administration really promising in Plan Colombia?

It seems to me it is more, much more of the same thing we have been doing already. For several years, we have provided substantial support to the Colombia narcotics police (CNP) in their attack on coca crops and cartel.

While the CNP deserves credit for arresting kingpins and shutting down trafficking routes, coca growth and cocaine production, as we know, have exploded. The more the Administration spends in Colombia, the more coca is grown.

Now, we plan to offer more of the same support, but this time to the Colombia Army. We will train two counternarcotics battalions and provide counternarcotics helicopter gunships and weapons, all the while keeping a comfortable public distance from targeting the other two major threats to Colombia and our interests.

If it has not worked so far, why will it now? I guess what I really want to say is: Who are we kidding? Our strategy will have to change to succeed. We cannot pretend the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) are not tied to traffickers.

We cannot argue that a push into Southern Colombia will reduce drug production, as long as there is a policy of allowing the FARC

and traffickers safe haven in a demilitarized zone (DMZ) the size of Switzerland.

We cannot ignore the increase in paramilitary involvement in the drug trade. These are the same extremists with close ties to Colombian military, which we plan to train.

If the Colombian government meets the test and demonstrates political will, the Administration should acknowledge that we are prepared to do whatever it takes to support a serious effort that goes after the entire problem, traffickers, guerrillas and paramilitaries.

If we are not really committed, if we are uncertain about how involved we want to become, if we question the risks and are not confident of the results, we should quit now and save our \$1.6 billion.

If we proceed, the public deserves to know that we cannot succeed overnight. In fact, I believe we will be well past this election year before we can expect any results whatsoever. Not only should we avoid a half-hearted effort in Colombia, we should avoid a half-baked strategy in the region. The emphasis on Colombia must not overshadow requirements in Bolivia, Ecuador and Peru. Without a regional strategy, an attack on production in one country will only push the problem over to another country.

Bolivia is a good case in point. In a few short years, the new government has executed a determined and effective effort to eradicate coca and substitute alternative crops. But recently when the vice president was in town, he made it clear that the job was not yet done.

Any pressure on Colombia risks a resurgence in Bolivia, if alternative development, alternative opportunities are not better funded.

We have invited leaders from Bolivia, Ecuador and Peru to address their national needs. I do not view this as a choice between support for Colombia or her neighbors. Each has important interest. All have a common stake in success.

It is disappointing that the Administration's request does not support an approach which makes Colombia the anchor but recognizes that this is a broader partnership.

I would hope this hearing achieves a consensus so that we can correct that course.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

When I traveled to Colombia, Peru and Ecuador to examine U.S. support for regional counter-narcotics programs, I was taught four lessons: (1) There is no substitute for aggressive political leadership in Colombia, Peru, Bolivia or Ecuador; (2) Drug lords, guerrillas, and the paramilitaries are all profiting and part of the same problem—our narco-security strategy must reflect that fact; (3) Containing one country, only shifts the problem elsewhere—we need a regional strategy; and the fourth lesson, while most obvious, seems least observed, (4) The American public must be told the truth about what lies ahead.

I am not convinced that the Administration has learned these lessons or can pass this test.

To determine how we proceed, I think it is worth taking a look around the region to consider what's worked. While the Administration likes to claim credit for Peru's success, the truth is they succeeded alone. The U.S. suspended all assistance in 1991 and 1992. Nonetheless, President Fujimori launched an aggressive, broad scale assault on both the traffickers and the guerrillas protecting their trade. I doubt any-

one would be calling Peru a success today if traffickers were in jail, but the Sendero Luminoso had stepped in to take their place.

Critics argue that Peru's success came at a very high human rights price. As a result, many now argue that we must carefully concentrate only on the Colombian drug war and avoid any involvement or support of efforts which target the paramilitaries or guerrillas. Hence, we must not step up military training, support or the presence of U.S. troops. I am already hearing soothing Administration reassurances that Plan Colombia is a counter-narcotics effort, and we need not worry about the quagmire of a counterinsurgency or military campaign.

What exactly does this mean? What is the Administration really promising in Plan Colombia. It seems to me it's more—much more—of the same thing we have been doing. For several years, we have provided substantial support to the Colombian Narcotics Police in their attack on coca crops and cartels. While the CNP deserves credit for arresting king pins and shutting down trafficking routes, coca growth and cocaine production have exploded.

The more the Administration spends in Colombia, the more coca is grown.

Now, we plan to offer more of the same support, but this time to the Colombian Army. We will train two counter-narcotics battalions and provide counter-narcotics helicopter gun-ships and weapons, all the while keeping a comfortable public distance from targeting the other two major threats to Colombia and our interests.

If it hasn't worked so far, why will it now? I guess what I really want to say is: Who are you kidding?

Our strategy will have to change to succeed. We can't pretend the FARC and ELN are not tied to traffickers. We can't argue that a push into Southern Colombia will reduce drug production, as long as there is a policy of allowing the FARC and traffickers safe haven in a DMZ the size of Switzerland. We can't ignore the increase in paramilitary involvement in the drug trade. These are the same extremists with close ties to Colombian military which we plan to train.

If the Colombian government meets the test and demonstrates political will, the Administration should acknowledge that we are prepared to do whatever it takes to support a serious effort that goes after the whole problem: traffickers, guerrillas and paramilitaries. If we are not really committed if we are uncertain about how involved we want to become if we question the risks and are not confident of the results we should quit now and save our \$1.6 billion.

If we proceed, the public deserves to know that we can not succeed over night—in fact, I believe we will be well past this election year before we can expect any results.

Not only should we avoid a half-hearted effort in Colombia, we should avoid a half-baked strategy in the region. The emphasis on Colombia must not overshadow requirements in Bolivia, Ecuador and Peru. Without a regional strategy, an attack on production in one country will only push the problem elsewhere.

Bolivia is a good case in point. In a few short years, the new government has executed a determined and effective effort to eradicate coca and substitute alternative crops. But, recently, when the Vice President was in town, he made clear that the job was not done. Any pressure on Colombia risks a resurgence in Bolivia if alternative development opportunities are not better funded.

We have invited leaders from Bolivia, Ecuador and Peru to address their national needs. I do not view this as a choice between support for Colombia or her neighbors each has important interests—all have a common stake in success. It is disappointing that the Administration's request does not support an approach which makes Colombia the anchor, but recognizes that this is a broader partnership.

I would hope that this hearing achieves a consensus so that we can correct that course.

Senator McCONNELL. And with that, let me call on my friend and colleague, Pat Leahy, the ranking member.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you very much, Mr. Chairman.

Every 6 or 8 years, whichever Administration occupies the White House, they propose to dramatically increase military aid to fight drugs in South America.

Each time, Congress is presented with wildly optimistic predictions. We do not get very many facts with which to make informed decisions. Each time, though, we do respond. We appro-



priate billions of dollars. But the flow of illegal drugs just continues unabated and even increases.

I recognize the great challenges facing Colombia today. I have talked a number of times with the Ambassador from Colombia and also with President Pastrana. I think they make some persuasive arguments.

There is no dispute that the 40-year civil war and the violence and the corruption associated with the drug trade has inflicted a terrible toll on that country. I agree with the Administration and many in Congress that the United States should try to help.

But I have very serious doubts about the Administration's approach. They predict that by building up the Colombian Army and eradicating more coca, the guerrillas' source of income will dry up and they will negotiate peace.

I suggest that it is just as likely that it will lead to a wider war, more innocent people killed, more refugees uprooted from their homes, and no appreciable change in the flow of cocaine into the United States.

The Administration has requested \$1.6 billion over 2 years. Seventy-nine percent of that is for the Colombian Armed Forces. This is an institution that has a sordid record of human rights violations, corruption and even involvement in drug trafficking.

Today, while the Army's direct involvement in human rights violations has fallen sharply—I give them credit for that—there is abundant evidence that some in the Army regularly conspire with paramilitary death squads who, like the guerrillas, are also involved in drug trafficking.

So I cannot support this military aid without strict conditions to ensure that military personnel who violate human rights or who aid or abet the paramilitaries are prosecuted in the civilian courts. The Colombia military courts have shown time and again that they are unwilling to punish their own. The Administration's proposal is for 2 years. Yet it is going to be at least that long before most of the equipment even gets to Colombia and that people are trained to use it.

The Colombia government cannot possibly afford to maintain this equipment, most of which is sophisticated aircraft, so we can assume that this is only a down payment on a far longer, far more costly commitment.

And like every previous Administration, this proposal comes with only the vaguest of justification. Nothing in the materials I have seen describes the Administration's goals with any specificity, what they expect to achieve in what period of time, at what cost, and what the risks are to civilians caught in the middle when the war intensifies, or for that matter, to our own military advisors.

So in that regard, Mr. Chairman, I am glad that two of the witnesses we have here are General Wilhelm and Ambassador Pickering.

Ambassador Pickering has been a friend and advisor to me for many years. General Wilhelm is one of the most respected military leaders that I have had the privilege to deal with in my 25 years here.

So I look forward to what they have to say, but I must say, Mr. Chairman, that I am a skeptic.

Senator McCONNELL. Thank you, Senator Leahy.  
[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Every six or eight years, the administration that occupies the White House at the time proposes to dramatically increase military aid to fight drugs in South America.

Each time, the Congress is presented with wildly optimistic predictions, but few facts with which to make informed decisions. Each time, we respond by appropriating billions of dollars, but the flow of illegal drugs into the United States is unchanged.

I recognize the great challenges facing Colombia today. There is no dispute that a 40 year civil war and the violence and corruption associated with the drug trade have inflicted a terrible toll on that country.

I agree with the Administration, and many in Congress, that the United States should try to help.

But I have serious doubts about the Administration's approach. Today's prediction is that by building up the Colombian Army and eradicating more coca, the guerrillas' source of income will dry up, and they will negotiate peace.

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The Administration's proposal is for two years, yet it will be that long before most of the equipment even gets to Colombia and their people are trained to use it.

The Colombian Government cannot possibly afford to maintain this equipment, most of which is sophisticated aircraft, so this is a down-payment on a far longer, far more costly commitment.

Like every previous administration, this proposal contains only the vaguest justification.

Nothing in the materials I have seen describes the Administration's goals with any specificity, what they expect to achieve in what period of time, at what cost, and what the risks are to civilians caught in the middle when the war intensifies, or to our own military advisors.

Maybe General Wilhelm and Ambassador Pickering, two men I admire greatly, can give us the details.

Senator McCONNELL. Senator Stevens.

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Oh, Mr. Chairman, I am going to put my statement fully in the record, if you will.

I do want to point out this is a request for emergency money. As I said, it covers three subcommittees of our full Committee. It is a new initiative. It is a new direct role for U.S. military personnel on the ground in Colombia, and it involves the establishment of new permanent forward-operating locations, effectively bases, in Ecuador, Aruba and Curacao, a continued deployment of U.S. military forces at those sites.

These may be the right steps to take, but they have severe consequences. I spent last week with Admiral Barrett at the Joint Interagency Task Force East Headquarters to review operational intelligence efforts underway to combat the flow of drugs from Latin America.

In addition, I visited Special Operations Command to get General Schoomaker's perspective on these efforts. And I look forward to hearing from General Wilhelm today.

Whatever steps we take I think that Senator McConnell is right. We must be prepared to address how these efforts will impact the neighboring countries of Ecuador, Venezuela, Panama and—and Bolivia. It does seem to me that we have some very, very serious problems to resolve here in the Committee if we are to expect this supplemental to survive on the floor.

And I do hope you will call on Senator Inouye, and see if he has any comment about Defense.

Senator McCONNELL. Yes.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

Let me begin by thanking Sen. McConnell for convening this hearing to review the supplemental request for expanded counter-drug funding for fiscal year 2000. I also want to thank Gen. Wilhelm for appearing today, under very short notice.

The request before the Committee proposes a significant fiscal, programmatic and human commitment to working with the government of Colombia to combat the growth of cocaine and heroin production and distribution.

This Committee has consistently supported, and added to, funding requested for Department of State, Defense and intelligence community efforts to fight the war on drugs.

This request comes to the Committee as an emergency increase for fiscal 2000. Our hearing today will identify how these funds would be spent, and the long term implications of this policy.

In particular, this initiative envisions a new, direct role for U.S. military personnel on the ground in Colombia, to train and assist Colombian Army units in their combat role in fighting the counter-narcotics forces in Colombia.

This initiative accelerates the establishment of new, permanent forward operating locations, effectively bases, in Ecuador, Aruba and Curacao, and the continuous deployment of U.S. military forces to operate from these sites.

These may be exactly the right steps to take—but they will have consequences.

Last week, I met with Adm. Barrett at the Joint Interagency Task Force East headquarters, to review the operational and intelligence efforts underway to combat the flow of drugs from Latin America. In addition, I visited the Special Operations Command, to get Gen. Skoomaker's perspective on these efforts.

I look forward to hearing Gen. Wilhelm's perspective on these matters today.

Whatever steps we take to increase the pressure on drug activity in Colombia, we must be prepared to address how these efforts will impact the neighboring countries of Ecuador, Venezuela and Panama.

We need to understand the commitment of the government of Colombia this program—our Committee heard from President Pastrana last month, and I believe we were all impressed by his personal determination.

Finally, we must decide how we will pay for this effort—not contemplated in the bills we completed just 3 months ago, but now before the Committee as an urgent, emergency priority.

Senator McCONNELL. Senator Inouye, do you—Senator Burns.

STAFF. He is not—

Senator McCONNELL. OK.

Senator Specter.

Senator SPECTER. Thank you very much, Mr. Chairman.

Senator BURNS. I am not about to step in front of a senior Senator.

Senator McCONNELL. Well, I was calling on you because you are the Chairman of the Military Construction Subcommittee. We were going to get—

Senator BURNS. Oh, OK. My statement will be very short. Go ahead.

Senator McCONNELL. Go ahead, Senator Specter.

Senator SPECTER. So will mine, providing it gets started.

OPENING STATEMENT OF SENATOR ARLEN SPECTER

Senator SPECTER. I want to make just a few comments about the issue of the impact on the drug problem in the United States.

I have visited Peru, Ecuador, Venezuela, and Colombia on a number of occasions over the past decade and a half and have seen our efforts and co-sponsored the legislation to bring the military in, but all of the expenditures which have looked to try to cut down the supply of drugs from Latin America have been notably unsuccessful.

When there is an effort made to curtail the supply coming out of a country like Colombia, it is like pushing air in a balloon. It goes to Peru or to Venezuela or to Ecuador or to some other country.

When I look at \$1.6 billion on an emergency supplemental, given the problems that we have in looking at our funding for next year when we are now in the budget process, it seems to me there has to be a very direct connection to our national interest.

And I am concerned about the stability of Colombia. And I had a chance recently to visit President Pastrana in December and have talked at length with Ambassador Moreno, and applaud what they are doing. And it is a big advance since the Supreme Court Chambers were attacked by the guerrillas not too long ago in Colombia.

But when you take a look at what will the impact on the use of drugs and the tremendous problems we have in this country, I want to candidly express my concern over this kind of an expenditure.

We spent \$18 billion a year on the drug problem. And \$12 billion of that is spent on fighting drugs on supply coming into this country, and street crime, which I used to participate in when I was district attorney of Philadelphia.

And we spend \$6 billion on demand on education and rehabilitation. And I have long thought that we ought to be spending more on the demand side, at least a 50/50 split in terms of a long-range solution.

So that before I am authorized to cast my vote for \$1.6 billion, I want to see some direct effect on the serious problems of drugs in the United States. That is an aspect that concerns me first and foremost.

I am also concerned about the Colombian Army and I am also concerned about the U.S. commitment.

And we have two very expert witnesses here in Undersecretary Pickering, with whom we have all worked for many years, and General Wilhelm. So I am prepared to listen but, candidly, it is a high hurdle.

Thank you, Mr. Chairman.

Senator McCONNELL. Thank you, Senator Specter.

Any of our colleagues on this side have an opening statement?  
Senator Feinstein.

## OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I am not a member of the subcommittee. I am a member of the general Committee.

I have worked with Senator Coverdell on the drug issues for a substantial period of time. I come from a state heavily impacted. And I have met with the former Defense Minister of Colombia. And Senator Stevens was good enough to provide an opportunity for us to meet with President Pastrana.

I do not believe there are any good options. Of course, we have got to fight drugs on both the demand side and the supply side. However, we provide money to local jurisdictions on the demand side to provide prevention treatment, education.

The Federal Government itself does not do that. Our total responsibility is to maintain our borders, to provide Federal law enforcement and to interdict.

The former defense minister pointed out to me how 30 to 40 percent of the land mass of Colombia is today controlled by narcoterrorists; how 1,500 citizens are held as hostages; 250 military, 250 soldiers.

Eighty percent of the cocaine is grown in Colombia, is transported via, for the most part, Mexican cartels into this country. And I am one that believes something has to be done, that—that we have to provide the kind of aid to an ally who has been a stalwart ally of this country, to a president who is doing his utmost to prevent human rights abuses; to change a pattern of corruption; and to stand tall in a situation in which it is very difficult to stand tall.

Everyone runs. And you cannot countenance running, and face these cartels and narcoterrorists. They understand one thing.

More pronouncedly, what is happening on the borders of this country, the Southwest border, is the spread of the corruption from the Southwest through the border into the United States.

With customs agents, with local public officials, the money for bribes is so enormous and I happen to believe that it is within our national interest to be helpful. It is not within our national interest to see the drug cartels and the narco-terrorists penetrate this country. And believe me, they will and they are trying now.

So I have very strong feelings on this issue. And I have a very strong belief that the Federal Government's responsibility is enforcement, is forward placement, and is to stop this development.

The cartels are more sophisticated than they have ever been before.

Our intelligence intercepts are down because they utilize highly encrypted computer systems. They have the most updated military equipment. And they are on a march.

Now, we either sit back and let this march take place because we are worried that there is not a 100 percent guarantee of success, or we are willing to play a role to back an ally that wants to be helpful; and the victims are right here on our side of the border.

So I am in support of this. I feel very strongly that Mr. Pickering and the General will hopefully provide as much guarantee of suc-

cess as they possibly can. And I am one that recognizes there is no guarantee.

But I do think that the national interest is a clear one, that when you have arrests as we have had called busts, in the colloquial, of 5 tons of cocaine, this is brought in by Mexican cartels, produced in Colombia, and these arrests are commonplace, that we have a huge problem.

And the supply is so great, the street price is dropping and continues to drop. And I agree, we must fight it on the demand side. I am certainly happy to do that. Some programs work. And some programs do not.

But we also have to make it extraordinarily difficult and prevent its admission to this country, and so I am in support of this effort, and I look forward to hearing the particulars.

Thank you, Mr. Chairman.

Senator McCONNELL. Thank you, Senator Feinstein.

Let me—normally, when it is just a hearing of our subcommittee, Senator Leahy and I restrict opening statements just to the Chairman and the ranking member.

I am—since we have several different subcommittees today, we are being a little looser, but let me just remind everybody that anybody who—who does not feel the need to make an opening statement, that would not be frowned upon. And we do have a long list of witnesses.

Senator Burns.

#### OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. Thank you very much, Mr. Chairman, I will try to stay in my two-minute confine.

Ambassador Pickering and General Wilhelm, nice to see you, and thank you for coming today.

Just a short statement, I chair the Military Construction Subcommittee and we have been asked to provide some of the infrastructure that they will need in their forward positioning.

I would have to say that as we move this along that we could sit down privately and talk about the situation and if it is well thought out, if it gets us to our mission, keeping in mind that I have some very serious reservations as the role of the military plays in this situation with drugs.

I think the role of the military is much different in this country than what it is being asked to do. I would hope that we could sit down and just visit about that because we are going to make a sizeable investment in our areas down there.

And with the drug situation, we are going—always going to have this drug situation in this country, folks, because we can buy—we have the money to buy the darn stuff.

That is our biggest problem, so how do we combat that? What we are trying to do down there and the infrastructure we will need in order to—to carry out your mission.

And Semper Fi, General.

Senator McCONNELL. Thank you, Senator Burns.

Does anyone else feel moved to make a statement on the Democratic side?

Senator INOUE. Well, we feel moved, but we will respond to our kinder instincts and——

Senator McCONNELL. Great.

Anyone else on the Republican side feel moved to—to make an opening?

Senator DOMENICI. I am also moved, but I am going to pass on it.

Senator McCONNELL. Thank you. We will be happy to make any opening statements a part of the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR FRANK R. LAUTENBERG

Mr. Chairman, thank you for holding this hearing on a subject of critical importance: how the United States can work with and support our partners in Latin America in our common fight against the scourge of illegal drugs.

We will soon consider emergency supplemental funding for Assistance to Plan Colombia. The President has made this a high priority, requesting this funding within a responsible Budget which pays down America's debt.

I would like to commend President Pastrana for developing a national strategy to free Colombia of the production and trafficking of drugs so he can reunify a country torn by decades of fighting. While he has asked the United States and other allies to help, Colombia itself will bear most of the cost to implement Plan Colombia. This comprehensive strategy includes the peace process, to bring leftist forces back into the political process; a forceful counter-drug strategy; reform of the justice system and protection of human rights, and democratization and social development.

For these reasons, I would be inclined to support rapid American assistance to help Colombia bring this strategy to fruition.

However, I have serious concerns and questions which I believe must first be addressed. I discussed some of these issues with Ambassador Moreno yesterday, and I will raise some of these questions here today.

The Pastrana Government has made important strides in improving respect for human rights, not least by Columbia's military. Columbia must follow through by prosecuting military officers accused of extra-judicial killings and other crimes in civilian courts. Firm action must be taken to investigate and prosecute crimes carried out by paramilitary groups, which seem to have taken on some of the military's "dirty work." In short, more needs to be done to protect human rights.

I also wonder whether a counter-drug strategy that relies on fighting insurgents in the jungle is likely to succeed, or whether it might make more sense to first focus on interdiction efforts to cordon off drug-producing areas. I'm also not sure I understand how military counter-narcotics operations in southern Columbia can be separated from the political fight against leftist rebels with whom President Pastrana says he would like to negotiate.

While Columbia's national commitment to the counter-drug effort is welcome, we also need to ensure that our support is part of a regional approach, so we do more than just move drug production and trafficking elsewhere in the region. And we need to ensure that alternative development programs are economically and environmentally sustainable, so we create a real future for those willing to give up producing drugs.

Finally, and perhaps most importantly, I'm not sure we're doing enough here at home to reduce the demand for drugs. In particular, we need to ensure that everyone who wants help to escape drug addiction can get into a treatment program, and help educate our youth to stay free of drugs. Otherwise, our efforts in Latin America run the risk of simply raising the price addicts pay for drugs.

I look forward to hearing from Under Secretary Pickering and General Wilhelm and Ambassador Moreno and our other witnesses so we can better understand how to use our resources effectively in a joint effort to free our hemisphere from the scourge of drugs.

Thank you, Mr. Chairman.

SUMMARY STATEMENT OF AMBASSADOR THOMAS R. PICKERING

Senator McCONNELL. And, gentlemen, why do you not proceed? Mr. Ambassador, are you leading off?

Ambassador PICKERING. I am, Mr. Chairman. And thank you very much. I have a statement for the record.

Senator McCONNELL. We will make it part of the record.

Ambassador PICKERING. And I will try to deliver a summary of the important parts of the remarks that I have prepared.

Let me begin by saying I was very appreciative of your statement of the four McConnell principles on dealing with drugs.

I think that they both inform and energize the kinds of approaches that we can take. And I think that they represent a potentially very strong bipartisan consensus on how to deal with this problem.

Mr. Chairman, members of the Committee, I appreciate the opportunity today to discuss the U.S. Government assistance for Plan Colombia. I know that we are all concerned about the ramifications of the situation in Colombia and its impact on the United States.

The importance of fighting the scourge of illegal drugs as we have just heard from you is an issue on which we can all agree. The cost is of, on an annual basis, 52,000 dead and \$110 billion each year due to the health costs, accidental costs, lost time and so on. If my historical recollection is correct, these are the numbers respectively that we lost in Vietnam and Korea.

These are a huge toll. And 75 percent to 80 percent of the cocaine in that terrible cocktail comes from——

Senator REID. Mr. Chairman——

Ambassador PICKERING [continuing]. From Colombia.

Senator REID. Mr. Chairman——Mr. Chairman.

Would you explain the 52,000?

Ambassador PICKERING. My testimony says that we had—the cost to our society is 52,000 dead and nearly \$110 billion each year. The \$110 billion is each year. The 52,000 dead, I think, is a cumulative total.

Senator REID. 52,000 who died from drug use——

Ambassador PICKERING. Exactly.

Senator REID [continuing]. Or is that in the war against drugs?

Ambassador PICKERING. No. It is the people impacted by—by the—by the drugs in this country. That is the death toll.

General WILHELM. Drug-related violence.

Ambassador PICKERING. Yes. Drug-related violence——

General WILHELM. Overdoses.

Ambassador PICKERING [continuing]. Overdoses, all causes, but related to drugs.

Senator REID. Thank you, Mr. Chairman, and thank you, Mr. Ambassador.

Ambassador PICKERING. Although narcotics remain the key in our assistance to Colombia, strengthening the economy and Colombia institutions and supporting the peace process will also help to bring about an objective of stability to the entire region and aid in the struggle against narcotics. I am grateful, Mr. Chairman, for the support of the Congress on this issue.

Our approach to Colombia can be one of the best examples of what might be achieved when there is a bipartisan consensus on pursuing our national interests abroad. I thank you all for that consideration.



We are fortunate, as we have just heard, to be working with President Pastrana and his Administration. After the terrible relations with the Samper Administration, President Pastrana's tenure offers the United States and the rest of the international community a golden opportunity to work with Colombia in confronting these threats.

President Pastrana's commitment to achieve peace is indisputable. He has also demonstrated his willingness to root out narcotics trafficking while remaining firmly committed to democratic values and principles.

Colombia is currently enduring a critical societal, national security and economic series of problems that stem in great part from the drug trade and the internal conflict which is financed by that trade.

This situation has limited the government of Colombia's sovereignty in large parts of the country. These areas have been becoming the prime coca and opium poppy producing zones.

This problem directly affects the United States as drug trafficking and abuse cause the enormous social, health and financial damage to our communities, which I have just described.

Over 80 percent of the world's supply of cocaine is grown, processed or transported through Colombia. The U.S. Drug Enforcement Agency estimates that up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia, although Colombia produces less than 3 percent of the world's heroin.

The government of Colombia has taken the initiative to confront the challenges it faces. With the development of a strategic approach to address its national challenge called Plan Colombia, a plan for peace, prosperity and the strengthening of the state.

It is an ambitious, but we believe realistic, package of mutually reinforcing integrated policies.

The plan itself was formulated, drafted and approved in Colombia by President Pastrana and his team. Without its Colombian origins and its Colombian stamp, it would not have the support and commitment of Colombia behind it. Colombian ownership and vigorous Colombia implementation are essential to the future success of the Plan.

The U.S. Government shares the assessment that an integrated, comprehensive approach to Colombia's interlocking challenges holds the best promise for success.

I had the honor of meeting with President Pastrana and his team February 13th and 14th in Colombia to discuss implementation. We reviewed the—with the Colombians a wide array of coordination and implementation issues.

I believe with Colombia we have launched a process of continuous bilateral discussions that will refine and make more effective our capacity to contribute to the implementation of Colombia's policies.

Before I describe for you our proposal to assist Plan Colombia, I want to remind you that the Plan cannot be understood simply in terms of a U.S. contribution.

Plan Colombia is a \$7.5 billion plan over 3 years, which President Pastrana has said Colombia will provide \$4 billion of its

scarce resources to support. He called on the international community to provide the remaining \$3.5 billion.

In response to this request, the Administration is now proposing, and it is before you, a \$1.6 billion assistance package to Colombia of new monies and current funding for the years 2000 and 2001. Our request for new monies includes \$954 million in 2000 in an emergency supplemental and \$318 million in 2001 funding.

A significant share of our package will go to reduce the supply of drugs to the United States, by assisting the government of Colombia in its efforts to limit the production, refinement and transportation of cocaine and heroin.

Building on current funding of over \$330 million in fiscal year 2000 and 2001, the Administration's proposal includes an additional \$818 million funded through the international affairs programs, the function 150 account, and \$137 million through defense programs, the 050 function, in 2000; and \$256 million in 150; and \$62 million through 050 in fiscal year 2001.

We are looking to the European Union and the International Financial Institutions to provide additional funding. Already, the International Financial Institutions have committed between \$750 million and \$1 billion, which is focused on Plan Colombia and its objectives.

The Departments of State, Defense, Justice and Treasury, as well as the Agency for International Development, the Drug Enforcement Administration, the Office of National Drug Control Policy, all played very major roles in proposing and crafting the 2-year support package which is before you. They will play an essential role in the inter-agency implementation effort.

I briefly would like now, Mr. Chairman, to focus on the key elements of the plan.

The first is boosting governing capacity and respect for human rights. Here, the Administration proposes funding \$93 million over the next 2 years to fund a series of programs under the Agency for International Development and the Department of State and Justice to strengthen human rights and the administration of justice institutions.

Expansion of counternarcotics operations into Southern Colombia: With this part of the package, the Administration proposes to fund \$600 million over the next 2 years to help train and equip two additional special counternarcotics battalions, which will move into Southern Colombia to protect Colombian National Police as they carry out their counterdrug mission of eradication. The program will provide helicopters, training and intelligence support for that activity.

The third area is alternative economic development. The Administration proposal includes new funding of \$145 million over the next 2 years to provide economic alternatives for small farmers, who now grow coca and poppy, and to increase local government's ability to respond to the needs of their people.

This is an integral part of the program based on the success which has been seen in Bolivia in its integrated program of eradicating crops and providing for alternative development.

The fourth area is more aggressive interdiction. Building on Peru's success in aerial and riverine and ground-based interdiction,

enhancing Colombia's ability to interdict air, water-borne and road trafficking is essential to decreasing the price paid to farmers for coca leaf and to decreasing the northward flow of drugs. The Administration proposes to spend \$340 million on the interdiction programs.

The fifth element is assistance to the Colombia National Police. The Administration proposes an additional funding of \$96 million over the next 2 years to enhance the Colombia National Police's ability to eradicate coca and poppy fields, this in addition to the counternarcotics assistance of \$158 million provided to the CNP in fiscal year 1999.

I would like now to mention just an important aspect of what we are dealing with in the human rights dimension. We have strongly supported the efforts of President Pastrana and his Administration to advance the protection of human rights and to prosecute those who abuse them.

Complicity by elements of Colombia's security forces with the right wing militia groups called paramilitaries, remains a serious problem.

Although the government of Colombia has taken important steps in holding senior military and police officers accountable for participating in human rights violations, we believe more must and can be done, however.

And in my talks with President Pastrana, I had the opportunity to emphasize that and he tells me he believes that that can be accomplished.

U.S. assistance to Colombian military and police forces is provided strictly in accordance with Section 563 of the Fiscal Year 2000 Foreign Operations Appropriations Act, the so-called Leahy Amendment.

No assistance is provided to any unit of the security forces for which we have credible evidence of the commission and I quote from the act, "of gross violations of human rights," unless the Secretary of State is able to certify that the government of Colombia has taken effective measures to bring those responsible to justice.

We are firmly committed to the Leahy Amendment and have a rigorous process in place to screen those units being considered for assistance.

A word, Mr. Chairman, on the peace process. President Pastrana has made bringing an end to Colombia's civil strife through a peace agreement with the various insurgent groups a central goal of his Administration. He was elected on that platform.

Pastrana believes, and the U.S. Government agrees, that ending the civil conflict and eliminating all of that conflict's harmful side effects is central to solving Colombia's multi-faceted problems.

Mr. Chairman, distinguished members, the Administration has been pleased by the support from both sides of the Congress that share our concern for Colombia's future.

At this moment, Colombia is a partner which shares our counternarcotics concerns and possesses the will to execute the needed reforms and operations.

Our challenge is as a neighbor and as a partner. And it is to identify the ways in which the U.S. Government can assist Colombia in resolving these problems.

Concerted action now could, over time, stem the illicit narcotics flow to the United States. Action now can contribute to a peaceful resolution of a half-century of conflict. Action now could return Colombia to its rightful historical place as one of the hemisphere's strongest democracies.

Mr. Chairman, with your permission, before I close, I would like very briefly to mention two other important supplemental requests for which the Administration is seeking funding.

First, emergency supplemental funds are needed in Southeast Europe in Kosovo to support crucial economic and democratic reform in the region, promote law and order in Kosovo and provide much-needed assistance for the United Nations interim mission in Kosovo.

Secondly, additional funding is also being requested for U.S. contributions to the Heavily Indebted Poor Countries Trust Fund. Our contribution is an essential component of this initiative, to provide necessary debt-relief for the world's poorest and most indebted countries.

The debt relief will enable those recipients to fund crucial poverty reduction programs, and I urge the Committee to give these requests full and equal consideration with the support for Plan Colombia.

Thank you, Mr. Chairman.

#### PREPARED STATEMENT

Senator STEVENS. Well, thank you very much, Mr. Ambassador. I want to make sure everyone understands. Those last two requests are not before the Committee this morning.

[The statement follows:]

#### PREPARED STATEMENT OF AMBASSADOR THOMAS R. PICKERING

Mr. Chairman, members of the Committee, I appreciate the opportunity today to discuss U.S. Government assistance for Plan Colombia. I know that we are all very concerned about the ramifications of the situation in Colombia on the United States. The importance of fighting the scourge of illegal drugs is an issue on which we can all agree. The problems in Colombia affect the lives of Americans at home and abroad. Illegal drugs cost our society 52,000 dead and nearly \$110 billion each year due to health costs, accidents, and lost productivity. Narcotics also have a corrosive effect on the democratic institutions and economies of the region. Although counter-narcotics remains key in our assistance to Colombia, strengthening the economy and institutions and supporting the peace process would help to bring stability to the entire region.

I am very grateful for the support of Congress on this issue. Our approach to Colombia is one of the best examples of what can be achieved when there is a bipartisan consensus on pursuing American interests abroad. I thank you for that.

We are fortunate to be working with President Pastrana and his Administration. After strained relations with the Samper Administration, President Pastrana's tenure offers the United States and the rest of the international community a golden opportunity to work with Colombia in confronting these threats. President Pastrana's commitment to achieve peace is indisputable. He has also demonstrated his willingness to root out narcotics trafficking while remaining firmly committed to democratic values and principles.

Colombia is currently enduring critical societal, national security, and economic problems that stem in large part from the drug trade and the internal conflict that it finances. This situation has limited the Government of Colombia's sovereignty in large parts of the country. These areas have become the prime coca and opium poppy producing zones. This problem directly affects the United States as drug trafficking and abuse cause enormous social, health and financial damage in our communities. Over 80 percent of the world's supply of cocaine is grown, processed, or transported through Colombia. The U.S. Drug Enforcement Agency estimates that

up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia—although Colombia produces less than 3 percent of the world's heroin.

Colombia's national sovereignty is increasingly threatened by well-armed and ruthless guerrillas, paramilitaries and the narcotrafficking interests to which they are inextricably linked. Although the Government is not directly at risk, these threats are slowly eroding the authority of the central government and depriving it of the ability to govern in outlying areas. It is in these lawless areas, where the guerrilla groups, paramilitaries and narcotics traffickers flourish, that the narcotics industry is finding refuge. As a result, large swathes of Colombia are in danger of being narco-districts for the production, transportation, processing, and marketing of these substances.

These links between narcotics trafficking and the guerrilla and paramilitary movements are well documented. We estimate that the FARC now has 7,000–11,000 active members, the ELN between 3,000–6,000, and that there are an estimated 5,000–7,000 paramilitary members. They participate in this narcotics connection. Much of the recruiting success occurs in marginalized rural areas where the groups can offer salaries much higher than those paid by legitimate employers. Estimates of guerrilla income from narcotics trafficking and other illicit activities, such as kidnapping and extortion, are unreliable, but clearly exceed \$100 million a year, and could be far greater. Of this, we estimate some 30–40 percent comes directly from the drug trade. Paramilitary groups also have clear ties to important narcotics traffickers, and paramilitary leaders have even publicly admitted their participation in the drug trade.

This situation is worsened by the fact the Colombian economy is undergoing its first recession in 25 years, and its deepest recession of the last 70 years. Real gross domestic product is estimated to have fallen by 3.5 percent last year, the result of external shocks, fiscal imbalances, and a further weakening of confidences related to stepped up activity by insurgent groups. Unemployment has rocketed from under 9 percent in 1995 to about 20 percent in 1999, adding to the pool of unemployed workers who can be drawn into the narcotics trade or into insurgent or paramilitary groups. This recession has also sapped the Colombian government of resources to address societal and political pressures, fight the narcotics trade, or respond to its thirty-five year internal conflict.

#### *Plan Colombia*

The Government of Colombia has taken the initiative to confront the challenges it faces with the development of a strategic approach to address its national challenges. The "Plan Colombia—Plan for Peace, Prosperity, and Strengthening of the State" is an ambitious, but realistic, package of mutually reinforcing policies to revive Colombia's battered economy, to strengthen the democratic pillars of the society, to promote the peace process and to eliminate "sanctuaries" for narcotics producers and traffickers. The strategy combines existing GOC policies with new initiatives to forge an integrated approach to resolving Colombia's most pressing national challenges.

The USG consulted closely on the key elements that make up the Plan with Colombian leaders and senior officials. It ties together many individual approaches and strategies already being pursued in Colombia and elsewhere in the region. The Plan itself was formulated, drafted and approved in Colombia by President Pastrana and his team. Without its Colombian origins and its Colombian stamp, it would not have the support and commitment of Colombia behind it. Colombian ownership and vigorous GOC implementation are essential to the future success of the Plan.

The USG shares the assessment that an integrated, comprehensive approach to Colombia's interlocking challenges holds the best promise of success. For example, counternarcotics efforts will be most effective when combined with rigorous GOC law enforcement/military cooperation, complementary alternative development programs and measures to assure human rights accountability. Similarly, promoting respect for the rule of law is just as essential for attracting foreign investors as it is for securing a durable peace agreement.

I met with President Pastrana and his Plan Colombia team on February 13–14 to discuss the Plan's implementation. To underscore the importance of integrated planning, I brought a senior counterpart team including Rand Beers, Assistant Secretary Bureau of International Narcotics and Law Enforcement Affairs; Harold Koh, Assistant Secretary Bureau of Democracy, Human Rights, and Labor; Julia Taft, Assistant Secretary Bureau of Population, Refugees, and Migration; Brian Sheridan, Assistant Secretary of Defense Special Operations Low Intensity Conflicts; Mary Lee Warren, Deputy Assistant for the Attorney General; and William Brownfield, Deputy Assistant Secretary Bureau of Western Hemisphere Affairs. We reviewed

with the Colombians a wide array of coordination and implementation issues. I believe we have launched a process of continuous bilateral discussions that will refine and make more effective our implementation policies.

Before I describe for you our proposal to assist Plan Colombia, let me remind you that the Plan cannot be understood simply in terms of a U.S. contribution. Plan Colombia is a \$7.5 billion plan of which President Pastrana has said Colombia will provide \$4 billion of its scarce resources. He called on the international community to provide the remaining \$3.5 billion. In response to this request, the Administration is proposing a \$1.6 billion assistance package to Colombia of new monies and current funding. Our request for new monies includes a \$954 million fiscal year 2000 emergency supplemental and \$318 million in fiscal year 2001 funding. A significant share of our package will go to reduce the supply of drugs to the United States by assisting the Government of Colombia in its efforts to limit the production, refinement, and transportation of cocaine and heroin. Building on current funding of over \$330 million in fiscal year 2000 and fiscal year 2001, the Administration's proposal includes an additional \$818 million funded through international affairs programs (function 150) and \$137 million through defense programs (function 050) in fiscal year 2000, and \$256 million funded through function 150 and \$62 million through function 050 in fiscal year 2001. We are looking to the European Union and the International Financial Institutions to provide additional funding.

The Departments of State, Defense, Justice, and Treasury, as well as the Agency for International Development, the Drug Enforcement Administration, and the Office of National Drug Control Policy all played major roles in proposing and crafting the Plan Colombia two year support package. They will all play essential roles in the interagency implementation effort.

The Administration's proposal for support for Plan Colombia addresses the breadth of Colombia's challenges, and will help Colombia in its efforts to fight the drug trade, foster peace, increase the rule of law, improve human rights, expand economic development, and institute justice reform. Much of the assistance for social assistance programs will come from the International Financial Institutions (IFI), future potential bilateral donors and Colombia's own funds.

There has been an explosive growth in the coca crop in Putumayo, in southern Colombia and, to a lesser extent, in Norte de Santander, in the northeast. Putumayo is an area that remains beyond the reach of the government's coca eradication operations. Strong guerrilla presence and weak state authority have contributed to the lawless situation in the Putumayo. As our success in Peru and Bolivia demonstrates, it is possible to combat narcotics production in the Andean region. This package will aid the Government of Colombia in their plans to launch a comprehensive step-by-step effort in Putumayo and Caqueta to counter the coca explosion, including eradication, interdiction, and alternative development over the next several years.

The push into drug producing southern Colombia will give greater sovereignty over that region to the GOC, allowing the CNP to eradicate drug cultivation and destroy cocaine laboratories. Increased interdiction will make the entire drug business more dangerous for traffickers and less profitable. Meanwhile, funding for Plan Colombia will support internally displaced people with emergency relief in the short term and will fund alternative economic development to provide licit sources of income in the long term. USAID and DOJ will fund programs to improve human rights conditions and justice institutions giving the Colombian people greater access to the benefits of democratic institutions.

Our counternarcotics package for Colombia was designed with the benefit of knowing what has worked in Bolivia and Peru. With USG assistance, both countries have been able to reduce dramatically coca production. This was achieved through successful efforts to re-establish government control and bring government services to former drug producing safe havens. Both Bolivia and Peru combined vigorous eradication and interdiction efforts and with incentives for small farmers to switch to legal crops. We aim to help Colombia accomplish a similar record of success.

In doing this, we cannot, and will not, abandon our allies in Bolivia and Peru. Their successes are real and inspired with 66–73 percent reductions of coca production in each country. But they are also tenuous against the seductive dangers of the narcotics trade. This is why our Plan Colombia support package includes \$46 million for regional interdiction efforts and another \$30 million for development in Peru, Bolivia and Ecuador. These countries deserve our continued support to solidify the gains they have striven so hard to obtain. We are not content to allow cultivation and production of narcotics to simply be displaced from one Andean country to another.

*Components of U.S. Assistance Package*

The proposed U.S. assistance has five components:

*Boosting Governing Capacity and Respect for Human Rights.*—The Administration proposes funding \$93 million over the next two years to fund a number of programs administered by the Agency for International Development (AID) and the Departments of State and Justice to strengthen human rights and administration of justice institutions. Specific initiatives include increasing protection of human rights NGOs, supporting human rights NGOs' information and education programs, creating and training special units of prosecutors and judicial police to investigate human rights cases involving GOC officials, and training public defenders and judges. We propose to allocate \$15 million to support GOC and NGO entities specifically focused on protecting human rights. Boosting governing capacity also includes training and support for GOC anti-corruption, anti-money laundering and anti-kidnapping personnel.

*Expansion of Counternarcotics Operations into Southern Colombia.*—The world's greatest expansion in narcotics cultivation is occurring in insurgent-dominated southern Colombia. With this package, the Administration proposes to fund \$600 million over the next two years to help train and equip two additional special counternarcotics battalions (CNBN) which will move into southern Colombia to protect the Colombian National Police (CNP) as they carry out their counter-drug mission. The program will provide 30 Blackhawk helicopters and 33 Huey helicopters to make the CNBNs air mobile so they can access this remote and undeveloped region of Colombia. It will also provide intelligence for the Colombian CNBNs. These troops will accompany and backup police eradication and interdiction efforts. They will also provide secure conditions for the implementation of aid programs, including alternative development and relocation assistance, to those impacted by the ending of illegal narcotics cultivation.

*Alternative Economic Development.*—The Administration includes new funding of \$145 million over the next two years to provide economic alternatives for small farmers who now grow coca and poppy, and to increase local governments' ability to respond to the needs of their people. As interdiction and eradication make narcotics farming less profitable, these programs will assist communities in the transition to licit economic activity.

*More Aggressive Interdiction.*—Coca and cocaine are produced in a relatively small area of Colombia, while the Central American/Caribbean/Eastern Pacific transit zone is approximately the size of the United States. Enhancing Colombia's ability to interdict air, water-borne, and road trafficking is essential to decreasing the price paid to farmers for coca leaf and to decreasing the northward flow of drugs. The Administration proposes to spend \$340 million on interdiction. The program includes funding over the next two years for radar upgrades to give Colombia a greater ability to intercept traffickers, and also to provide intelligence to allow the Colombian police and military to respond quickly to narcotics activity. It will support the United States forward operating locations in Manta, Ecuador, which will be used for narcotics related missions. These funds will also provide \$46 million to enhance interdiction efforts in Peru, Bolivia, and Ecuador to prevent narcotics traffickers and growers from moving into neighboring countries.

*Assistance for the Colombian National Police (CNP).*—The Administration proposes additional funding of \$96 million over the next two years to enhance the CNP's ability to eradicate coca and poppy fields. This request builds upon our fiscal year 1999 counternarcotics assistance of \$158 million to the CNP. Our additional assistance will upgrade existing aircraft, purchase additional spray aircraft, provide secure bases for increased operations in the coca-growing centers, and provide more intelligence on the narcotics traffickers.

All U.S. counternarcotics assistance to Colombia will continue to be in the form of goods and services. The counternarcotics components of Plan Colombia will be implemented by the Colombian police and military, and there are no plans to commit U.S. forces to implement militarily any aspect of this Plan. On the ground, our military assistance will be limited to training vetted counternarcotics units through the temporary assignment of carefully picked U.S. military trainers.

*Human Rights Dimension*

We have also strongly supported the efforts of the Pastrana Administration to advance the protection of human rights and to prosecute those who abuse them. Complicity by elements of Colombia's security forces with the right wing militia groups remains a serious problem, although the GOC has taken important steps in holding senior military and police officials accountable for participation in human rights violations. Since assuming office in August of 1998, President Pastrana has demonstrated his Government's commitment to protecting human rights by the dismissal of four generals and numerous mid-level officers and NCO's for collaboration

with paramilitaries or failure to confront them aggressively. There have also been repeated government declarations that collaboration between members of security forces and paramilitaries will not be tolerated. More must be done, however.

U.S. assistance to Colombian military and police forces is provided strictly in accordance with Section 563 of the Fiscal Year 2000 Foreign Operations Appropriations Act—the so-called Leahy Amendment. No assistance is provided to any unit of the security forces for which we have credible evidence of commission of gross violations of human rights, unless the Secretary is able to certify that the Government of Colombia has taken effective measures to bring those responsible to justice. We are firmly committed to the Leahy Amendment, and have a rigorous process in place to screen those units being considered for assistance.

The Government of Colombia also acknowledges the urgent need to improve physical security and protection for human rights workers and the NGOs to which they belong. Currently, the GOC has dedicated \$5.6 million to provide physical protection to approximately 80 human rights activists and their offices. The Plan outlines measures to strengthen the Human Rights Ombudsman's office, as well as to establish a Permanent National Commission on Human Rights and International Humanitarian Law.

One of the most serious problems in Colombia, a "silent crisis", is the plight of its internally displaced persons (IDPs). The scope of the problem is enormous. The vicious conflict between paramilitaries and guerrillas is largely responsible for the forced displacement of Colombians. As many as 300,000 persons, mostly women and children, were driven from their homes in 1998 by rural violence. NGOs report that Colombia has the fourth largest population of displaced persons in the world. The USG provided, in fiscal year 1999, \$5.8 million to the International Committee of the Red Cross's (ICRC) Western Hemisphere operations, with an additional \$3 million earmarked for Colombia. Additionally, \$4.7 million was contributed to the United Nations High Commissioner for Refugees' (UNHCR) general fund for the Western Hemisphere, a portion of which was used for institutional capacity building in Colombia. Responsibility for assistance to IDPs has been assigned to the Colombian government's Red de Solidaridad (Solidarity Network) which will work closely with the U.N. system, NGOs, and other Colombian agencies to coordinate services for IDPs throughout the country.

#### *Peace Process*

President Pastrana has made bringing an end to Colombia's civil strife through a peace agreement with the various insurgent groups a central goal of his Administration. Pastrana believes, and the United States Government agrees, that ending the civil conflict and eliminating all of that conflict's harmful side effects is central to solving Colombia's multi-faceted problems.

A peace agreement would stabilize the nation, help Colombia's economy to recover and allow for further improvement in the protection of human rights. A successful peace process would also restore Colombian government authority and control in the coca-growing region. We hope the peace negotiations going on now between the GOC and the FARC and the GOC and the ELN prove successful. We applaud the Colombian Government's determination to press the guerrillas to cease their practices of kidnapping, forced recruitment of children, and attacks against the civilian population.

Mr. Chairman, distinguished members, the Administration has been pleased by the bipartisan support from both houses that share our concern for Colombia's future. At this moment, Colombia is a partner who shares our counternarcotics concerns and possesses the will to execute the needed reforms and operations. Our challenge, as a neighbor and a partner, is to identify ways in which the U.S. Government can assist Colombia in resolving these problems. Concerted action now could help over time to stem the illicit narcotics flow to the United States. Action now can contribute to a peaceful resolution of a half-century of conflict. Action now could return Colombia to its rightful historical place as one of the hemisphere's strongest democracies.



## DEPARTMENT OF DEFENSE

### STATEMENT OF GEN. CHARLES WILHELM, COMMANDER IN CHIEF, U.S. SOUTHERN COMMAND

Senator McCONNELL. General, go right ahead.

General WILHELM. Mr. Chairman, distinguished members of the Committee, I welcome this opportunity to discuss with you Plan Colombia, the Colombia Supplemental Request and our past, present and future initiatives to assist Colombia and its neighbors in their struggle against illegal drugs and the threats the drug trade poses to their societies and to our own.

The counter-drug struggle provides the underpinning for most of our military engagement activities in the Andean region. With regard to Colombia, I am encouraged by the progress that is being made.

#### COUNTERNARCOTICS BATTALION

During 1999, we created—we created the first of the Colombia counternarcotics battalions. This 931-member unit is composed of professional soldiers, all of whom have been vetted to avoid human rights abusers.

The battalion has been trained by members of the U.S. Seventh Special Forces Group and is designed to interact with and provide security for elements of the Colombian National Police during counter-drug operations.

Tactical mobility has long been the Achilles heel of Colombia's Armed Forces. This battalion will be supported by an aviation element consisting initially of 18 refurbished UH-1N helicopters provided through our cooperative effort involving INL at our State Department and the U.S. Southern Command representing the Department of Defense (DOD).

These new units will focus their operations in the southern departments of Colombia, which have been the sites of recent wholesale increases in drug cultivation and production.

To assure that combined police and military units conducting counterdrug operations have the best, most recent and most accurate intelligence, we have worked closely with Colombia while developing The Colombia Joint Intelligence Center, or COJIC as it is commonly referred to, at the Tres Esquinas Military Complex that abuts the southern departments. This computerized facility attained its initial operating capability on 18 December of last year.

Deliberately and without fanfare, these new organizations have commenced operations. Their two initial forays into drug cultivation and production areas near Tres Esquinas resulted in arrests, seizures of drugs, destruction of laboratories, confiscation of precursor chemicals and identification and subsequent eradication of new cultivation sites.

## ACTION PLAN

The initiatives that I have just described, we refer to collectively as Action Plan 99. The follow-on effort, Action Plan 2000 builds on these first-phase efforts.

If—if additional funds are provided during the coming year, we will build two additional counternarcotics battalion and a brigade headquarters.

With a well-trained and a fully equipped counternarcotics brigade consisting of more than 3,000 professional soldiers, the Colombian Armed Forces will be prepared to join forces with Air Mobile elements of the National Police and reassert control over the narcotics-rich departments of southern Colombia.

## HELICOPTERS

Continuing to focus on mobility and intelligence, we will provide 15 additional UH-1N helicopters, rounding out the aviation battalion.

The UH-1Ns will ultimately be replaced by UH-60 Blackhawks, which have the range, payload, high altitude capability and survivability required by Colombia's Armed Forces to cripple the narcotics industry and bring the remainder of the country under government control.

On the intelligence side, we will continue to develop and refine the Colombia Joint Intelligence Center and pursue a broad range of initiatives to improve our interdiction capabilities.

## FORWARD OPERATING LOCATIONS

A key component of the interdiction plan, which was mentioned by Senator Stevens, is first-phase development of the forward operating location at Manta, Ecuador.

As I had previously testified before Senator Stevens and Senator Inouye's Committee, this test—this facility is urgently required to replace the capabilities that we lost when we left Panama and closed Howard Air Force Base.

Manta's importance stems from the fact that it is the sole operating site that will give us the operational reach we need to cover all of Colombia, all of Peru and the coca cultivation areas of Bolivia.

Looking beyond the year 2000, we have engaged the services of the Military Professional Research Institute (MPRI); hand-picked and highly experienced MPRI analysts will assess Colombia's security force requirements beyond the counterdrug battalions and their supporting organizations.

The contract tasks MPRI to develop an operating concept for the Armed Forces force structures to implement the concept and supporting and related doctrine.

In recent months, I have become increasingly concerned about Colombia's neighbors. The adverse social, economic and political conditions spawned wholly or in part by drug trafficking and the other corrupting activities it breeds are weakening the fabric of democracies in other nations in the region.

For this reason, while I endorse a Colombia-centric approach to the drug problem, I caution against a Colombia-exclusive approach.

As we assist Colombia in making important strides to reassert its sovereignty over its territory and to curb growing cultivation, we should also take appropriate steps to preserve the noteworthy success—successes achieved by Peru and Bolivia. And we should be sensitive to emerging needs in the bordering countries of Ecuador, Panama, Venezuela and Brazil.

This is by every measurement a regional problem. As such, I think we must pursue regional solutions.

In summary, I am convinced that the Supplemental Funding Initiative is an important step in the right direction and not a minute too soon.

To seize the initiative in a struggle, which according to the Director of the Office of National Drug Control Policy, claims as many as 52,000 lives per year, which Ambassador Pickering has already mentioned, I urge speedy approval of the Colombia Supplemental and increased support for the other nations in the region.

I will be pleased to answer your questions. Thank you.

Senator MCCONNELL. Thank you, General.

We are going to have 5-minute questioning rounds. And let me just begin with a kind of overview statement of the last few years.

From 1985 to 1992, why do we not just call these the “Just-say-no” years—if you would put this chart up?

Senator MCCONNELL. During the “Just-say-no” years, both the production and use of drugs in this country declined. Then in 1992, about the time the President when asked with regard to inhaling, if he would have—had—if he had it to do over again, would he have inhaled, and he said, “Sure, if I could.”

We have the—those years in which both the production and the use—if you could hold that up a little higher—continues to go up.

Now, excuse my skepticism, gentlemen, but here we are in an election year in 2000. And the Administration comes up here with a massive request, which I must say parenthetically, I am likely to support with some revisions, but where have you been for the last 7 years?

Mr. Ambassador?

Ambassador PICKERING. Let me say that the results in both Bolivia and Peru, some of which you already cited, show you some of where we have been for the last 7 years or the last whatever years.

In the last 3 years, the Banzer Administration through real dedication has reduced cocaine production 50 to 60 percent, and that is a conservative figure. Some say more like 70. That similar reduction levels have been—

Senator MCCONNELL. OK. You are taking credit for what happened in Peru, are you?

Ambassador PICKERING. We are, for some of it, because we had provided assistance for it. But you are entirely right. It does not work if the countries themselves are not prepared to gear up and do the job.

And that is precisely what we compliment President Banzer and President Fujimori for doing. It is not something the United States would do alone, but it is something we can make a major contribution to.

Now, both of those successes are now being applied to Colombia, but we share with you the concern, the balloon effect, that suc-

cesses in Bolivia and Peru have helped to push some of this problem in the direction of Colombia.

Colombia is there. Why have we not done more in Colombia sooner? Well, we have done a lot with the Colombia National Police, but you and I know that until 1 year ago, there was a president by the name of Samper in Colombia, whose least interest was in cooperating and taking that personal responsibility or the national responsibility to work on drugs.

And so as a result, what has changed in Colombia is two things: A rapid increase in production but a new president and a new team that are willing to work on this particular problem, the way President Banzer and President Fujimori have led their countries to work on.

So I believe, in fact, we now have a successful series of ingredients in place to work on this particular problem, and obviously you know and I know that it takes two. It takes the country concerned, as well as the willingness on the part of the United States to do that. And that is why we are before you today.

Senator MCCONNELL. Well, I am a little more—and I am not as concerned about their President as I am ours. I mean, the question is: Where has this Administration been for the last 7 years on this problem?

We see the statistics. They are off the charts. Now, you are—you are telling me, Mr. Ambassador, that—that we did—we were making a significant request before this year. Well, I am looking here at—

Ambassador PICKERING. I am not. I am saying that, in fact, there have been significant successes within the requests that we had made before this year—

Senator MCCONNELL. But there—

Ambassador PICKERING [continuing]. That there was a reason why we did not go into Colombia.

Senator MCCONNELL. But in Peru, Bolivia and Ecuador, you—you gave me a—a rationale for not making a huge request for Colombia before. But you were seeking to take credit for what has happened in Peru and Bolivia and Ecuador.

These figures just pale in comparison to what has been dropped on us here in an election year in an attempt obviously to—to try to obscure what is the—the—the weakest imaginable record on—on fighting drugs that you could conceive of over the last 7 years.

General, you are not in politics here, but you are also sitting at the table. I wonder if you have some rationale for why all of a sudden, right now, we are getting a massive request like this to go after a problem that—that—that—that the chart indicates has been worsening over the last 7 years.

Ambassador PICKERING. With all respect, Mr. Chairman, the reason why we are now up with a very large request is both the character of the problem in Colombia, after many years of the Samper Administration, a guerrilla movement and now a paramilitary movement that are deriving enormous benefits, and so they are seeking to spread this as widely as possible.

The unlimited capacity they have had to transport these drugs through Colombia and the change in Colombian Administration, I think, all produced very clear and self-evident reasons why we

should be putting a significant amount of money into Colombia now to deal with this issue.

Senator McCONNELL. Well, I—as I said, I may well support this with modifications. The—the question remains, and you have done the best you can with a question that simply cannot be answered, which is: Where has this Administration been for the—for the last 7 years?

The truth of the matter is there has been little or no interest in the war on drugs. And both the production and the use of it here in the United States, the figures are indisputable.

Now, during his visit, President Pastrana made a commitment to break the links between the military and paramilitary groups to assure any soldier engaged in human rights abuses is brought before a civilian court.

Unfortunately, a panel known as the Supreme Judicial Council continues to have the right to intervene and direct that cases be removed from the civilian courts and considered only by the—the military courts.

The record shows the military justice system invariably drops charges or fails to prosecute serious cases of abuses. I know there are a few officers who have lost their positions, but that falls far short of appropriate legal action.

Now, I understand that President Pastrana could issue an executive order which would forbid this Council from undermining investigation and prosecution of cases of human rights abuse. He could do that.

I am considering language which conditions assistance on just such an executive order. And I wonder, Mr. Ambassador, how you would feel about that kind of stipulation in the bill?

Ambassador PICKERING. I believe that President Pastrana will keep his commitment to us and move in that particular direction.

I think as a result, it makes it unnecessary to condition the legislation. And many countries around the world find it easier to take initiatives than to be told by us exactly what they have to do.

They are all in the common interest and they are moving ahead. And as you have said, President Pastrana has already begun to take actions in dealing with this nexus between the military and the paramilitaries, and I believe he will continue to do so.

Within the last 2 days, two more paramilitaries who occupy significant positions in their structure have been arrested in Colombia.

I also believe that the President is very serious when he has not only relieved individuals but looked into the record of finding ways to bring those individuals to justice if the evidence and the information is available to do so.

When I was there last week, I talked to him, as I know General McCaffrey is talking to him this week, about taking that step that he has committed to take, to us, to move these cases into the civilian courts.

Senator McCONNELL. So the answer is no, you—you would oppose that language.

Ambassador PICKERING. I would.

Senator McCONNELL. Yes. One quick question before going to Senator Leahy. Mr. Ambassador and General, there is strong evi-

dence that the paramilitaries with known ties to the traditional Armed Forces are also profiting from the drug trade.

Although you acknowledge the paramilitaries are a problem, I have heard no concrete discussion of how you plan to target their trafficking or break their ties to the regular military. What should the Pastrana government be doing to break that tie?

Ambassador PICKERING. Would you like me to start with that, if I may?

We believe that the paramilitaries are deeply involved in the drug trade. And that is only one of a number of reasons why they need to be opposed and why President Pastrana should move against them.

When I was in Colombia last week, it was made clear that in the southern area, on which we intend to target the newly trained units and to use them as a basis for reestablishing the government authority that is necessary to eliminate the coca production in that area either through fumigation or eradication by the people themselves, the paramilitaries have increased their strength, increased their position, and increased their control and operation of the trade.

So they are directly in the line of the government advance. To be able to do this—and there is nothing that I have seen that in any way, eliminates their role or indeed the effort to do that.

We have as part of our proposal before you a continuation and expansion of a program we have undertaken with President Pastrana to deal with the ever-present and very difficult question of corruption.

It is also a serious problem in Colombia. I think that as you look around there is not any problem that anybody else has that Colombia does not seem to have in one way or another. But this is important and this is within and part of the budget proposals that we have before you.

And President Pastrana has also made it clear that he is committed in moving in this area.

#### PARAMILITARIES

General WILHELM. Senator McConnell, if I could pick up where the Ambassador left off, I think there can be absolutely no doubt that the paramilitaries are directly involved in the narcotics trafficking enterprise.

I think we can deduce that from their own admission. They have openly acknowledged their involvements and their links with drug traffickers.

In terms of the Colombian government's approach to address this linkage between the paramilitaries—the paramilitaries and the narco-traffickers, I think it has been clearly defined by the Chief of Defense, the Commander of the Armed Forces, General Tapias.

Sir, General Tapias has developed a 6-year strategy, which supports Plan Colombia. This is the overarching Colombia Military Strategy. It is a regional strategy. The first 2 years target the southern departments where the majority of cultivation and production takes place. Years 3 and 4 target the——

Senator MCCONNELL. Sorry to interrupt you, but how does that help, if you still have a safe haven the size of Switzerland?

## COLOMBIA'S STRATEGY

General WILHELM. OK, sir. You are discussing the Despeje region, which has—was created to provide a negotiating space with the FARC.

Sir, the Dispeja region is not a major drug cultivation or production area in Colombia. Estimates of the total amount of coca being grown there hover around the 10 to 12 percent range of the total national area being cultivated.

When we consider that in the context of the growing regions in Putumayo and Caqueta provinces, the two southern departments, it is probable that we would target the vast majority of our efforts to Putumayo and Caqueta anyway. It is not a primary drug cultivation area.

Sir, if I could return very briefly to General Tapias's strategy, the 3rd and 4th years would target the central portion of the country.

And during years 5 and 6, General Tapias would then seek to reassert control over the rest of Colombia's national land mass.

In the process, he would seek to reduce drug production by 50 percent. That strategy is actually more ambitious than the goals stated in our own national drug control strategy, where we say that by the year 2002, we would like to reduce the amount of narcotics flowing through the transit zone by 10 percent and produced in the Source Zone by 15 percent; and by the year 2007, reduce the amount in the Transit Zone by 20 percent and in the Source Zone by 30 percent. General Tapias's figure, again, is 50 percent.

In putting his strategy together, General Tapias—and I discussed this in great detail during many visits. I average about a visit every 6 weeks to Colombia. We agreed that there were two ways that he could go with this, and these were his decisions.

He could target two modes of the apparatus that is visiting these ills on Colombia. He could take on the paramilitaries and the insurgents directly. This would involve primarily targeting the fronts and the mobile columns of the FARC and the 5,000 to 7,000 paramilitaries.

That would result in pitched battles. I think history proves that it is very, very difficult to resolve insurgency strictly on the battlefield. Insurgents tend to fight at times and places of their own choosing when the advantage is clearly theirs. We learned that in 10 years in Vietnam.

Instead, he went an alternate path, which was to target the FARC and the paramilitaries' primary line of sustainment, the narcotics trafficking industry.

We know that fully one half of the FARC fronts derive their principal financial support from their links with narcotraffickers.

The other insurgency, the ELN, about 25 percent of their operating elements have their—that same linkage.

The Tapias strategy involves attacking their lines of sustainment and logistics, drying up the funds available from narcotrafficking industry, which then in turn, I think, would disable the insurgency.

So that was his approach. That is the Colombian government's approach. I believe it will work.

Senator MCCONNELL. Thank you, General.

Senator LEAHY. Thank you, Mr. Chairman.

I should note for the record when we talk about whether the Administration has done anything or not, this Administration has spent far, far more money on law enforcement than any Administration in history in combating drugs.

They have done it at the state, local and Federal level. I mention that just so the record will be clear, and we have steadily increased our aid to Colombia.

I would also note that law enforcement does not seem to be the answer. We build a lot more prisons than we do schools in this country to combat drugs, but it does not seem to do a great deal.

"Just say no" may be the answer, but I doubt it. I will not embarrass everybody by asking those, Republicans and Democrats alike in the room, who have never used drugs illegally to stand up.

Now, Mr. Pickering, what I do worry about, is—just like with some of the money we spend on law enforcement, which has not done a great deal of good other than giving us the largest prison population of just about any country in the world—it looks to me like we are embarking on an open-ended multi-million dollar commitment without benchmarks to say whether we are successful or not successful.

I think of our past experience in Central America in the 1980s when we spent billions of dollars without anybody saying whether we were ahead or not.

Now, you said the Colombian Army is doing its best to purge itself of human rights violators. Well, I see only about 15 or so Army officers in 10 years that have been either prosecuted or purged compared to, I think, thousands in the National Police.

Yesterday, Human Rights Watch released a report documenting links between the Colombian Army and the paramilitary groups, saying what a lot of reputable journalists have been saying for a very long time.

When I asked the State Department a couple of years ago about these links, they said there was no evidence to support it. Then about a month ago, the State Department said the Colombian Army has made a lot of progress severing these links for which they had no evidence before.

The links are there. Why should we not condition any aid on the Army's assurances that its members who violate human rights or aid or abet the paramilitaries will be prosecuted, and prosecuted in a civilian court where they are not protected?

Ambassador PICKERING. That is what we have said. Of course, as you know, Senator, and that is what we are pushing to get accomplished. It is, I think, important to note that the military record has improved markedly.

Their responsibility has diminished into low single figures in the reports of others for human rights violations. It is also, I think, important to note that the bulk of the evidence relied upon by the excellent human rights report came from Colombia investigators themselves, which I think is a real advance. The fact that people at their own peril are able, in the Colombia government, to investigate these activities and—

Senator LEAHY. But generally—



Ambassador PICKERING. Such important reports is a significant forward step; and it leads, I think, to the basis for the next steps, which you and we both share, which is the dismissal and——

Senator LEAHY. But——

Ambassador PICKERING [continuing]. Prosecution of people so involved.

Senator LEAHY. As far as the excellent human rights report you just referred to, General Tapias said yesterday that Human Rights Watch conspires with drug traffickers to defame the Army. This does not show that this commitment is foremost in his mind.

Ambassador PICKERING. I have not seen the report from General Tapias, but I have talked to President Pastrana, who happily is still Commander in Chief in Colombia.

Senator LEAHY. Well, I hope so. As I said before, I have a great deal of respect for President Pastrana, as I do for you, and for General Wilhelm.

But I am worried that some people down there may give lip service, but then when pushed to actually do something, are unwilling to do it. And that is what worries me.

Let me ask General Wilhelm. General, if General Tapias says that Human Rights Watch conspires with drug traffickers to defame the Army, does that show—or does that say anything about his own commitment to human rights?

#### HUMAN RIGHTS

General WILHELM. Senator Leahy, I have not talked to General Tapias since the report was announced, but I have talked to him about this subject on many occasions.

I know him well. I am personally convinced that he is absolutely committed to reducing these abuses. So rather than engage in generalities, let me give you a couple of specifics.

About a month ago when I was down in Bogota, General Tapias gave me the—a list of 400 people by name, paramilitaries who had been arrested, detained, turned over for judicial action.

Senator LEAHY. To the civilian court or to the military courts?

General WILHELM. Some of both, sir, some of both.

Senator LEAHY. The reason I ask is that military courts have generally not done anything.

General WILHELM. Sir, that is—I think—I cannot really comment precisely on the statistics concerning judicial impunity, but I have heard the same thing.

But in an operational sense, the point is that they have undertaken these operations. And as a matter again of operational fact, more than 100 operations were mounted by the security forces in the last year against paramilitary organizations.

I cannot confirm it right now, but I received a report this morning that the Colombian Marines had mounted an operation against paramilitaries near Salado, one of the recent sites of paramilitary atrocities and that they had killed 2 and had captured 11 paramilitaries.

I am personally convinced that there are not institutional linkages between the Armed Forces of Colombia and the paramilitaries. Having said that, I cannot rule out local collusion.

Senator LEAHY. General and Ambassador, one of the problems we have in this Committee, on both sides of the aisle—there is enormous respect for both of you, respect that you have both earned in your long and distinguished careers—is that we have to rely on you, both of you, to be as careful in the scrutiny of what is going on here as anybody. Because there is a concern among many of us—and this has nothing to do with political ideology—that we are buying ourselves into a never-ending tar-baby, where ultimately we do not stop drugs and we tarnish our own reputation.

Thank you, Mr. Chairman.

Senator STEVENS [presiding]. Thank you very much.

President Pastrana came and visited with the Committee. We were very pleased at that and have a very high respect for him and the changes he is trying to bring about in Colombia.

However, in the visits I have just made to the two commands I mentioned, I found out that Colombia law prohibits sending high school graduates or above into combat.

Now, you say you—they are training the finest soldiers in the world. We do not train people for combat unless they have high school degrees.

#### BACHILLERES

General, how can you support your statement to us that they are the finest trained people that you have seen?

General WILHELM. OK. Senator Stevens, all right, you are making direct reference to the bachilleres, and that is correct.

As best I have been able to determine within the structure of the Colombian Armed Forces, there have been somewhere in the neighborhood of 30,000 young Colombians who by virtue of their educational level have been exempted from military service that involved direct combat operations.

Senator STEVENS. Are you training them for this combat?

General WILHELM. Sir, we are training other—no, sir. We are not training bachilleres, if I—

Senator STEVENS. Well, they are training conscripts, and they stay for 12 months to 18 months, I am told. They are conscripts.

General WILHELM. No, sir.

Senator STEVENS. Sir, am I informed incorrectly that they are not conscripts that are being trained in these Army units?

General WILHELM. The young Colombian soldiers who are being trained in the counterdrug battalions are changed—are required to change their status from—from conscript to professional volunteer soldiers before entering the units.

Senator STEVENS. And they—they all—what about those who—that have the high school diplomas?

General WILHELM. All right, sir. If I could continue with my—

Senator STEVENS. I have only got 5 minutes, General. I hate to be short with you, but I am going to go vote here in a few minutes. What about the ones that are—have the high school diplomas?

General WILHELM. OK. This is a part of the military structure that Colombia is moving right now to reform and have been moving on since Mr. Rodrigo Lloreda was the Minister of Defense.

Senator STEVENS. All right.

General WILHELM. One of their proposals is to eliminate the bachilleres, convert a portion of that 30,000-member structure to professional soldiers and upgrade the quality of their Armed Forces across the board and eliminate that particular segment of the Armed Forces, which I think we all agree, Colombians and U.S. friends, is a non-productive segment of the military.

Senator STEVENS. All right. Let us go on to another subject here.

On the Defense side, this request asks for \$439 million to refurbish and support the helicopters. I am told \$85 million of that will refurbish helicopters; \$350 million is to buy Blackhawks.

In our own Army, we are now—in the Army, the National Guard and Marines flying older UH-1s that—than this model UH-60.

It would be much more cost-effective to continue to modify the UH-1s. Why are we buying these Blackhawks, if this is the commencement of a program where we need the others immediately?

#### UH-60S

General WILHELM. First of all, sir, the Colombians considered four options as a means to address their mobility needs.

They considered the Blackhawk option. They considered a mix of Bell products, which would have been remanufactured UH-1s and the AH-1W gunship. They considered a Russian option that involved MI17s and MI35s and Carmine 50s. And they considered an option involving European aircraft built around the Augusta 129.

The Blackhawk option was felt to be best for the near and long term for some of the reasons that I cited in my opening statement, but—

Senator STEVENS. I agree with that too, but we are—this Committee is putting up money for our Army, our National Guard, our Reserve to refurbish existing helicopters. What you are saying is this operation is going to be better equipped than our own military.

General WILHELM. Well, sir, there are some limitations on what we could do with the UH-1 inventory. To produce the Huey 2 aircraft that I think you are referring to, one of the first ingredients is a serviceable UH-1, normally UH-1H base frame to work on.

Our inventory of those aircraft is just about exhausted. And for the long term, when we look at life cycle maintenance and life cycle cost, a single family of aircraft in two configurations armed in troop carriers will be more economical for the long-term.

That is what led to the Blackhawk decision. And as I mentioned, sir, the characteristics of their operating area, the ranges required, the altitudes needed to confront, after the coca problem is solved, the heroin problem.

Senator STEVENS. I have to tell you, both of you, I join Senator Leahy to say I have great respect for both of you and in your careers.

But we are dealing with an industry—I am told to ask for these figures. These are estimates that—that on the drug traffic, U.S. traffickers get about \$80 billion to \$100 billion from this industry, this drug industry. And the Colombian traffickers get \$3 to \$6 billion a year. The FARC guerrillas get \$100 to \$600 million a year.

I am told that those insurgents do not have a restriction on not having people who have got higher degrees in their midst, that they are probably the best equipped, the best trained, even to their

modernization in terms of communications and command and control, they are probably the best in South America today.

Now, we have got one—we are going to equip one brigade to take on what I was told is about 25,000 of those insurgents.

Now, my one question to you is: Who goes in if this thing blows up? Who goes in if those hand-held weapons knock down these helicopters, and we have a bunch of American-trained Colombian forces right there in the midst of these guerrillas, these insurgents?

Who is going to get them out, General?

General WILHELM. Senator Stevens, first I need to clarify one point. The counterdrug brigade does not target the insurgents. It targets the——

Senator STEVENS. I understand.

General WILHELM [continuing]. Narcotraffickers who support it.

Senator STEVENS. Do you think they are just going there—and let me—25,000 trained insurgents are going to sit there and let them pick off—cherry pick the operating arm of the drug traffickers? Oh, come on now. Who is going to go in if this blows up?

General WILHELM. That is——

Senator STEVENS. There are 800 people on the ground. Tell me this is not a Vietnam again.

#### VIETNAM

General WILHELM. Sir, it is not a Vietnam again. I spent 1965, 1966, 1969 and 1970 in Vietnam, and I think I will know it when I see it happening again. When I go to Colombia, I do not feel a quagmire sucking at my boots.

Senator STEVENS. I am——

General WILHELM. I think we have a good——

Senator STEVENS. The guerrillas control 70 percent of the land mass now.

General WILHELM. No, sir.

Senator STEVENS. How much would you say?

General WILHELM. Between 40 and 50 percent, and I would not say the guerrillas control it. I would say that the government does not control it. It is contested territory.

Senator STEVENS. Well, that was Vietnam, was it not?

General WILHELM. No, sir.

Senator STEVENS. Well, we have got to go vote, but I have to tell you, if you do not get the drift, we are probably your best supporters in the Senate on this issue.

I want to help this President, but I do want to see a plan come to us that is survivable and tells us what is going to happen if something goes wrong. I do not see this here. I really do not.

And I think we are going to have stand in recess.

General WILHELM. Senator, I know that our time is short, but——

Senator STEVENS. I know, General. We have to vote. Thank you very much.

#### COLOMBIAN PILOTS

General WILHELM. They will become the pilots in command, and then we will back fill the loveseats with new Colombian pilots. To get this program underway and to really operationalize a plan in

Colombia in a responsive way, contract pilots are the right way to go.

There are only three U.S. contract pilots involved in this, and there is very, very clear guidance that they will not participate in tactical missions. They oversee, what we call, safety and standardization to make sure that the training of all the flight crews is conducted to our standards and that at the end of the day, we emerge with well-qualified and capable air crews. But we have, I think, a good, progressive program that will fill those cockpits with Colombian aviators in a very efficient and short period of time.

Senator MCCONNELL [presiding]. Thank you, General. And finally, Ambassador Pickering, you know, we certainly agree that Colombia has a horrible problem. It came about in part because of the aggressive efforts in Peru and Bolivia, which achieved some level of success. And so I get back to, in closing here, with sort of how we began.

Are you concerned—I guess you are not or you would not be here, but ease my concern that this \$600 million hammer on Colombia does not just make a problem re-emerge in other countries and reassure me that somehow in all of this, there is a regional strategy that deals with the entire area.

Ambassador PICKERING. There is, Senator. And there is a regional component in the plan. I, frankly, would have hoped it would have been larger, but we all operate under constraints and you know what those are as well as I do. But there is a regional piece, obviously, because of the pressure being put on the problem in Colombia. We do not want that to move back to Peru or Bolivia or Ecuador.

So, there is an early piece, I will put it that way. At the same time, we are building up to deal with the problem, and we are talking in the build-up in Colombia. Not in days or weeks or months even, but probably years. The General cited some benchmark figures out 2 to 5 years from now.

But we do think we need to have an immediate and important input of additional funding over and above the base, which they already received, to continue their activities now for Bolivia, Peru, Ecuador and perhaps others. And I was just down to the region and talked to a number of people about it. We all share exactly your concern.

There is a regional strategy. The regional strategy is to fight this on a regional basis. To increase cooperation. To make sure that all the left hands and all the right hands know what is going on and are working together to try to deal with this problem; and that our funding assistance gets targeted first where the problem is worst, but then next is second order of priority to where it might go.

And the Andean Region, unfortunately, has the climate, the disparities in economic status and all the other things that you know that make it a convenient and very productive area for this kind of activity. So, we have to work it on a regional basis.

General WILHELM. Now, Senator McConnell, might I add just a couple of comments to the Ambassador's response? We are very sensitive to that, as well, so the question is what next. And in the military, we always look at a cycle that we call action, reaction and

counteraction. We always want to control the first one and the last one.

We have developed what we call a counter-narcotics campaign plan, which is a regional plan. Phase one, which is about 2 years in length, we call the regionalization and stabilization phase.

During that phase, we would work not just with Colombia, but with the other nations in the Andean region to help them to develop the capabilities that they would need to successfully contend with the drug threat.

Phase two we call the decisive operations phase. That is when the nations and the region, working in a coordinated way, would strive to drive a wedge between the various operating modes of a narco trafficking industry. Be it cultivation, be it production or be it transport.

Then in phase three, we would go to what we call a sustainment phase which would emphasize intelligence collection and sharing where the security forces of the region, both military and police, would demonstrate the ability to adapt to the changing patterns of activity that the narco trafficking industry has demonstrated it is capable of doing.

This is a formal campaign plan, which has been submitted to the Joint Staff. It is well understood, sir, and has as its foundation a regional approach.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator McCONNELL. Well, thank you both very much. I appreciate your coming up, and as you know, it is our plan to deal with this request rather expeditiously. Thank you very much.

Ambassador PICKERING. Thank you very much, Mr. Chairman.

[The following questions were not asked at the hearing, but were submitted to the Departments for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

*Question.* President Pastrana says he wants to fight against the drug lords while seeking to negotiate a solution to the political insurrection which has divided Colombia for decades. Is the war on drugs separable from the guerrilla war? Doesn't the "push into the South" in Plan Colombia really mean stepped-up military attacks on the left-wing guerrillas?

*Answer.* Drugs and the insurgency are linked financially. Narcotics money funds the guerrillas, funds the paramilitaries, and fuels the violence that is tearing at the fiber of Colombia. One added benefit to the increased counternarcotics efforts could be the breaking of these financial links.

The plan's push into southern Colombia is an effort to step-up operations against the narcotics industry in that part of the country. Because of their links to narcotraffickers, the guerrillas may be subject to increased police and military action. The same is true for paramilitary groups and other criminal groups who are involved in the illegal drug industry.

*Question.* Right-wing paramilitaries, like leftist guerrillas, reportedly have ties to drug producers and traffickers. Aren't you concerned that military action against the leftists will only strengthen the drug lords' ties to paramilitary organizations which might also allow them to ply their deadly trade?

*Answer.* The objective of Plan Colombia's counternarcotics component is to confront and disrupt the narcotics trade. As long as they maintain connections to the narcotics trade, the paramilitaries are valid targets for counternarcotics units, as are the guerrillas. The plan aims to sever the financial ties between traffickers and all illegal armed groups, regardless of the political orientation they may claim. The paramilitaries are present protecting trafficking in the South along with the FARC.

*Question.* Mr. Secretary, since you are here as the Administration's representative, I hope you won't mind if I ask you a question outside the purview of the State Department. In the multi-front "war on drugs," are we devoting sufficient resources to demand reduction? In particular, I am concerned that we may not be adequately funding drug treatment programs to help those who would like to free themselves of drug addiction. Shouldn't we be doing more here at home as well as abroad?

*Answer.* I refer you to the Office of National Drug Control Policy (ONDCP) for a discussion of domestic drug policy. However, there are some telling statistics on this matter. According to information from ONDCP, one third of the fiscal year 1999 National Drug Control Budget, roughly \$5.4 billion, went towards demand reduction in the United States. The fiscal year 2001 budget contains \$6 billion for demand reduction. Clearly, these efforts in Colombia are not a trade-off. Rather, they are complementary. It is important that the United States maintain efforts against both supply and demand if the problem is to be brought under control.

Indications are that domestic demand reduction programs are working. In August 1999, ONDCP reported that youth drug use had dropped 13 percent in a one-year span. The decline over that period was even more pronounced for the use of inhalants (45 percent) and cocaine (20 percent). ONDCP also reported that drug-related murders were at a ten-year low. In short, we are doing more.

*Question.* While I respect President Pastrana's efforts to develop a comprehensive plan to bring peace and unity to Colombia, starting by ending the narcotraffickers' grip on the country, can a solely national strategy truly succeed? Won't the drug business simply move to Venezuela or Ecuador or Brazil, just as it moved to Colombia from Bolivia and Peru?

*Answer.* Concerns over narcotics industry relocation are the reason that the package includes additional funds to support Colombia's neighbors. There is also a cultural factor that mitigates the threat of large-scale migration of drug crops to those specific countries. Like Bolivia and Peru, Colombia already had a history of coca cultivation when the industry shifted there. The shift of cultivation represented the expansion of an existing practice; not the introduction of a new one as it would in Brazil, Venezuela and Ecuador.

*Question.* I understand the United Nations Drug Control Program (UNDCP) is eager to begin testing in Colombia of microherbicides (sic) which could wipe out drug crops while leaving other plant and animal life unaffected. Has Colombia signed the proposal to allow this U.S.-funded project to go forward? Do you consider this a promising approach to narcotics, the "magic bullet" we all are hoping for?

*Answer.* Colombia has not yet signed the agreement to allow testing, but preliminary testing has been conducted elsewhere under other auspices. I believe that the Government of Colombia understandably wants a high degree of confidence regarding the environmental impact of the project before moving to the next level.

The Department of State is encouraged by the early results of the mycoherbicide project, and we believe that this is indeed a promising approach. That said, we resist labeling anything as a "magic bullet," as that term can build unrealistic expectations.

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#### QUESTIONS SUBMITTED TO GEN. CHARLES WILHELM

#### QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

##### FORWARD OPERATING LOCATIONS

*Question.* General Wilhelm, the request includes \$38.6 million in military construction funds to support your new base, or forward operating location, in Manta, Ecuador. Can you tell us how many U.S. military will be assigned to it on a permanent and temporary duty status and for how long the base will be used by the U.S. military?

*Answer.* We have a 10-year access agreement with Ecuador for a Forward Operating Location on the Ecuadorian Air Force Base in Manta. We have no plans for a permanent U.S. Base. We will have 10–12 permanent military personnel on the ground. The number of temporary duty personnel will normally range from 100–250 depending on the counterdrug operations being conducted.

*Question.* General Wilhelm, last year in a similar hearing, I questioned what it would cost to build a fully operating military base in Ecuador. Can you now tell us what those costs would be?

*Answer.* We do not have any plans to build a U.S. military base in Ecuador. We have, however, concluded a ten year access agreement with Ecuador for a Forward Operating Location (FOL) on the Ecuadorian Air Force Base in Manta. We require

\$67.4 million in facility improvements to meet U.S. operational and safety standards at Manta. This amount includes \$5.6 million for planning and design and \$38.6 million for the runway, taxiway and ramp construction this year. An additional \$23.2 million is required in fiscal year 2001 for vertical construction including the rescue station, operations center, hangar, maintenance facility, and a lodging facility.

#### SUPPORT TO COLOMBIA

*Question.* General Wilhelm, this budget includes \$98 million in DOD funds to support the Colombian Plan. This is in addition to the milcon money for Manta. Can you tell us, is this the totality of DOD's funding to support the counterdrug program in Colombia, or are you using other funds to carry out this effort?

*Answer.* The \$98 million does not reflect the total Department of Defense (DOD) fiscal year 2000 funding requirement to support our counterdrug efforts in Colombia. DOD has additionally budgeted \$76 million in fiscal year 2000 to support the counterdrug program in Colombia.

*Question.* What is DOD's involvement today in the counter-drug efforts in Colombia?

*Answer.* Department of Defense (DOD) involvement in counterdrug efforts in Colombia falls within two broad categories. We deploy aircraft and crews to Forward Operating Locations and sites, frequently outside Colombia, to conduct detection, monitoring and tracking missions in support of Source Zone air interdiction efforts. We also deploy DOD personnel to conduct training missions in Colombia. [Deleted.] Today we have a total of 26 DOD personnel deployed to Colombia providing training support to Colombian counterdrug forces in Bogata, Tres Esquinas, and Mariquita. These personnel are members of Joint Planning and Assistance Teams, Mobile Training Teams, Technical Assistance Teams, and Riverine Training Teams. We also have a three-man Subject Matter Expert team that is providing technical advice and assistance to Colombian Intelligence Specialists at the recently established Colombian Joint Intelligence Center in Tres Esquinas. This is a snapshot. Our presence varies from day to day based on the missions that are being performed in support of the counterdrug struggle.

*Question.* What is SOUTHCOM's total counterdrug budget for fiscal year 2000 (in addition to the amounts you are requesting in this supplemental)?

*Answer.* Our total counterdrug budget for fiscal year 2000 is approximately \$357 million. This amount is separate from the Supplemental request.

#### MILITARY COUNTERDRUG EFFORTS

*Question.* General Wilhelm, some argue that this \$955 million will be ineffective in stopping production of cocaine in the Southern Hemisphere. They argue we would be better spending the funds educating Americans on the dangers of drug use and treating those who are already using drugs. How do you respond to that argument?

*Answer.* The National Drug Control Strategy states "demand and supply reduction efforts complement and support one another." Efforts to reduce the demand for illegal drugs in the U.S. must be supported by efforts to reduce illegal drug production as well as the supply that reaches the U.S. This supplemental will support United States Southern Command's efforts to achieve Goals 4 and 5 of the National Drug Control Strategy by significantly strengthening our Source and Transit Zone counterdrug programs.

The Supplemental will provide the means to build partner nation capabilities and enhance their efforts to eliminate cultivation, processing, manufacturing, and trafficking of illegal drugs in the Source Zone. At the same time, it will enable United States Southern Command to continue to support counterdrug operations in the Transit Zone. With expanded education for Americans at home, we will have effectively put a full court press on the illicit drug industry.

#### QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

##### MILITARY EFFECTIVENESS AGAINST GUERRILLAS

*Question.* General Wilhelm, can a military force—even one we've trained and which has helicopter mobility—really be effective against entrenched guerrillas fighting in remote jungle areas?

*Answer.* I must first emphasize that we recognize clearly the limits of our involvement in Colombia. Our roles are limited to providing training, technical advice and equipment support to Colombia's security forces exclusively for counterdrug operations. The strict prohibition against involvement by U.S. forces in field operations will continue in the future. That said, there is no question that given the right re-



sources and proper training, the Colombian military can be effective against the narcotraffickers which increasingly have symbiotic links to the Revolutionary Armed Forces of Colombia (FARC), National Liberation Army (ELN), and paramilitary organizations. Timely intelligence, aggressive planning and execution, superior mobility, and effective leadership can collectively unhinge the narcotrafficking operations and cede the initiative to Colombian authorities. Specifically, the Government of Colombia (GOC) must increase its offensive military capability and clearly demonstrate tactical and operational superiority on the battlefield. The GOC must also redress the needs of more than three and a half million rural and displaced Colombians by developing the infrastructure of rural areas, providing viable economic alternatives to illicit drug production, and simultaneously occupying, securing, and establishing sovereignty over contested areas of the countryside on a permanent basis. This is a fight that can be won.

#### PLAN COLOMBIA FUNDING ALLOCATIONS

*Question.* The proposed assistance to Plan Colombia seems to devote much more resources to counter-insurgency efforts in remote areas than to interdiction on roads and in the air. Wouldn't it make sense to allocate more assets to create an effective cordon around the drug-producing areas, cutting off funds for narco-traffickers while reducing supplies to the United States?

*Answer.* Plan Colombia comprehensively addresses the counterdrug (CD) problem in a coordinated, mutually supportive manner. Attempts to cordon drug-producing areas in Colombia by interdiction alone will not achieve a long-term solution to the illicit drug problem. As we have learned, the drug trafficking organizations adapt rapidly when we put pressure on key distribution nodes. Accordingly, increased emphasis to destroy the crops and labs must be accompanied by comprehensive measures to challenge the movement of drugs and precursor chemicals by land, air, sea, or over the vast river network. A balanced, flexible, broad-based response, like that proposed in Plan Colombia, is required; one that best uses available resources to apply pressure by interdiction, eradication, alternative crop development, and expanded government control in the growing and processing areas of Colombia.

#### PLAN COLOMBIA HELICOPTER ASSISTANCE

*Question.* Much of the proposed U.S. assistance would be in the form of helicopters to ferry counter-narcotics units to remote locations. Don't the narco-traffickers or associated forces have the weapons to shoot them down? Aren't they likely to obtain them if they don't already have them?

*Answer.* [Deleted.]

Through this combination of training, employment and countermeasure suites, coupled with common sense threat avoidance measures, Colombia's armed forces will be able to operate effectively when and if the FARC acquire surface to air missiles.

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#### QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

##### FARC CONTROL

*Question.* According to reports, the FARC now controls an area within Colombia the size of Switzerland. The government has removed itself from that area as a gesture of peace, and now has little hope of returning without FARC approval. In the meantime, the FARC earns by some accounts as much as \$3 million every day from drug traffickers in that region, and uses their territory as a staging ground for attacks on surrounding areas.

Why would the FARC ever negotiate to give up this area given the incredible benefits they now reap from it?

*Answer.* The FARC will not negotiate away the Despeje while operating from a position of strength. Only tactical and operational success on the battlefield by Colombian security forces, combined with Government of Colombia (GOC) comprehensive social and economic reform, will set the conditions for a negotiated end to the Despeje. To eliminate the Despeje at the negotiating table, the GOC must increase its offensive military capability and clearly demonstrate tactical and operational superiority on the battlefield. The GOC must also redress the needs of more than three and a half million rural and displaced Colombians by developing the infrastructure of rural areas, providing viable economic alternatives to illicit drug production, and simultaneously occupying and securing the contested area on a permanent basis.

*Question.* The FARC has often claimed that it supports eradication efforts, while at the same time earning millions from drugs.

Is there evidence that the FARC is cooperating with any eradication efforts?

Answer. I am unaware of any evidence that the FARC is cooperating with eradication efforts.

#### ERADICATION IN FARC AREAS

*Question.* What incentive can we give the FARC to cooperate with eradication within FARC-controlled territory?

Answer. The FARC has consistently demonstrated their unwillingness to cooperate with the Government of Colombia against the narcotraffickers. More than half of the FARC fronts receive support from, and provide protection to, Drug Trafficking Organizations (DTOs). Drug money provides a major portion of the FARC's war chest and is the FARC's primary source for sustaining forces, conducting combat operations, and purchasing weapons. Despite the symbiotic links of the FARC to DTOs, Plan Colombia contains the following incentives to reduce the increasing cultivation of coca throughout the country:

*Elements 1 and 6 of Plan Colombia.*—Proposes an alternative development strategy promoting agricultural and other profitable economic activity for rural farmers. This approach is dependent on the Government of Colombia (GOC) re-establishing the rule of law and providing security (Element 3 of Plan Colombia) in the affected agricultural areas.

*Element 1 of Plan Colombia.*—Proposes increased spending by the GOC to modernize the economic base and create jobs.

*Element 5 of Plan Colombia.*—Funds interdiction and counterdrug (CD) programs to effectively obstruct the flow of resources from the drug traffickers to the insurgency. FARC claims of support for interdiction efforts have been just that claims. As Plan Colombia transitions to execution the FARC will have abundant opportunities to demonstrate their sincerity.

#### COLOMBIAN DRUG TRADE

*Question.* In the past, Colombia's drug trade was controlled by a small number of very large, very powerful cartels. Now, the manufacture and distribution of cocaine and heroin in Colombia is far more decentralized.

How does the Supplemental Request for Colombia attempt to address the new challenge of going after a much more decentralized group of growers, manufacturers and distributors of illegal narcotics?

Answer. The difficulty of locating, tracking, and intercepting drug traffickers throughout the Andean Ridge is exacerbated by the proliferation of sophisticated Drug Trafficking Organizations (DTOs). The DTOs are smaller, more adaptable, and more mobile than traditional cartels, complicating intelligence collection efforts and making them more difficult to target. In addition, many DTOs have symbiotic links to the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN), and para-military organizations. More than half of the FARC fronts and roughly one-fourth of the ELN fronts receive support from, and provide protection to, DTOs. The key to attacking the decentralized illicit drug trade is to target specific nodes that, when removed, will have a negative impact on the industry as a whole. The supplemental spending bill supports this strategy by assisting the Colombians in establishing and enhancing basic military and police capabilities such as tactical air lift; ground, air, and riverine interdiction, and intelligence collection and dissemination. U.S. Southern Command, in conjunction with the Defense Intelligence Agency and the Joint Warfare Analysis Center, is currently conducting an analysis of the decentralized illicit drug industry to determine vulnerable critical nodes. Results of this analysis will form the basis of the U.S. Government's "way ahead" in advising Colombia on the most effective use of the new capabilities provided through the supplemental funding bill.

#### ALTERNATIVE PRODUCTION

*Question.* The country of Peru used to be the world's number one cocaine producer, but in recent years production has fallen quite a bit—down 26 percent in 1998 alone, down 56 percent overall between 1995 and 1998. Now, however, prices for coca leaves have skyrocketed and some are worried that the temptation for farmers will be too great.

Similarly, the Bolivian government has targeted coca production with serious eradication efforts in recent years, and the State Department now predicts that illegal coca production in that country may have fallen below 10,000 hectares in 1999, from almost four times that amount just a year before.

*Question.* What alternatives have been provided to Peruvian and Bolivian farmers to ensure that they will not now return to growing high priced coca leaves, and what will we do in Colombia to provide those alternative crops?

Answer. The United States Department of State (DoS) administers the Alternative Crop Development Program, and I defer to them to address the specific incentives provided to Peruvian, Bolivian and Colombian coca growers. However, I can assure you that this program is extremely important to our regional counterdrug effort. Alternative crop development programs have complemented aggressive eradication efforts in the successful reduction of coca cultivation in Peru and Bolivia over the past five years. Despite the increased price of coca leaf from new drug markets in Europe and elsewhere, Peru was able to reduce total area under coca cultivation by over 12,000 hectares during 1999. Much of this success is attributable to a successful alternative development program. These programs are also important because they reduce the number of violent confrontations among displaced coca farmers and provide families legitimate economic opportunities.

#### HUMAN RIGHTS ABUSES IN COLOMBIA

*Question.* Many of us are concerned about the potential for human rights abuses in Colombia. I understand that the situation is getting better, but at the same time a number of human rights groups have alerted us that there are still significant problems—particularly with continuing links between drug-financed paramilitary groups and members of the military. According to the Human Rights Watch World Report 2000, “cooperation between army units and paramilitaries remained commonplace” in late 1999. The Report claims that paramilitaries kill suspected guerrillas, delivering them to the army in return for weapons.

How much progress has been made in ensuring that the military is separate from the rogue paramilitaries throughout Colombia?

Answer. While Colombia’s political and military leaders openly acknowledge evidence of some security force cooperation with the paramilitaries, they attest that cooperation is neither prevalent, institutionalized, or tolerated. President Pastrana, Minister of Defense Ramirez, and Armed Forces Commander General Tapias have publicly pledged to combat the illegal self-defense groups and punish all Government of Colombia (GOC) security force members found guilty of collaborating with them. We continue to see evidence of this commitment. In February, Vice-President Bell formed a minister-level commission to coordinate the state’s efforts against the self-defense groups. The President will soon sign a decree authorizing summary dismissal of any military person implicated in paramilitary collaboration. In April 1999, two general officers were forcibly retired for alleged links to paramilitary groups and a third general officer was suspended from duty for alleged links to a paramilitary massacre and forcibly retired in November 1999. In August 1999 another general officer was relieved for failure to prevent a paramilitary massacre. Finally, from January through September 1999, in operations against paramilitary forces, Colombian security forces killed 37, captured 188 and netted numerous caches of illegal weapons. The U.S. Department of State has documented in its annual human rights report significant progress by the Colombian military in steadily reducing the number of reported violations by Government security forces. Specifically, the number of confirmed human rights abuses attributed to the Colombian Security Forces has declined from 54 percent in 1993 to 2 percent in 1999. Plan Colombia ensures that the Colombian military will have the required resources and government support to sustain their efforts to eliminate human rights violations.

#### FOURTH BRIGADE

*Question.* Can you comment specifically on allegations that the Medellin-based Fourth Brigade has improper dealings with the paramilitaries commanded by Carlos Castano, who has apparently admitted to financing his operations from the coca trade?

Answer. I do not have the facts to comment authoritatively on these allegations nor can I confirm their reliability. [Deleted] about Fourth Brigade’s relationship with illegal self-defense groups comes from the press, human rights organizations, and the Government of Colombia.

#### COCA PRODUCTION IN COLOMBIA

*Question.* Coca production in Colombia has doubled in the past decade, and recent estimates have indicated that production may be increasing at even higher rates due to the increased productivity of new crops and a lack of eradication capability.

One of the reasons eradication efforts are falling short may be the continuing delays in opening the Tres Esquinas airfield in Southern Colombia.

Do you have any idea when that airfield will be ready to open for eradication operations?

Answer. The airfield at Tres Esquinas is open and eradication operations are being conducted; however, the Government of Colombia's (GOC) eradication efforts are hampered by three factors:

- Lack of organic capability to effectively locate and attack fields under cultivation
- New strains of coca with increased potency that can be harvested multiple times in a growing season
- Inadequate security in support of eradication operations, particularly in the Putumayo and Caqueta regions.

The proposed supplemental will significantly enhance GOC eradication efforts by funding the training and equipping of the Counternarcotics Brigade. The mission of the Brigade will be to conduct offensive ground and air mobile counterdrug operations in conjunction with the Colombian National Police (CNP). These operations will be focused on the principal coca producing regions of Putumayo and Caqueta. To improve the effectiveness of aerial eradication operations from Tres Esquinas airfield, the GOC is expanding the aircraft parking ramp, increasing the number of helicopter pads, and extending the runway by 480 meters. These improvements will be incrementally completed by April 2001.

#### AIR INTERDICTION EFFORTS

*Question.* When the U.S. assisted in a concerted effort to stop the "air bridge" between Peru and Colombia, which provided much of the raw coca used in cocaine production, that air bridge was decimated. However, the delays in the Tres Esquinas airfield, the lack of progress outfitting planes for interdiction efforts, and a large gap that may allow planes to skirt current controls and simply re-route through Brazil may have so far rendered similar efforts in Colombia fruitless.

What is being done, in this plan and in general, to move forward on air interdiction efforts similar to those that were so successful in Peru?

Answer. We are not satisfied with the level of U.S. support to air interdiction operations throughout the Source Zone. Since 1998, three Department of Defense (DOD) Citation aircraft have flown [deleted]. We have to do better. The number one limitation to providing optimum air interdiction support to Colombia is a shortage of the right assets. Since January 1999, only one E-3 AWACS [deleted] has been available to USSOUTHCOM, due to competing higher priorities in other theaters. We need more than two times this number of missions. USCS provides P-3 Airborne Early Warning (AEW) aircraft for approximately [deleted] missions in the Source Zone per month, again inadequate for consistent and effective interdiction. The closing of Howard Air Force Base also affects our level of support to Colombia's interdiction program. Currently, only the Curacao Forward Operating Location (FOL) is capable of supporting the AWACS which geographically precludes full coverage of the Source Zone. Once additional operational and safety improvements are made at our FOL in Manta, we will be able to operate the AWACS out of it and effectively extend detection and monitoring coverage into the Source Zone. USSOUTHCOM has several other initiatives underway to provide more effective U.S. support to Source Zone interdiction efforts:

*Forward Operating Sites (FOS).*—We are surveying airfields in Colombia and Peru next month (April 2000) to identify possible forward operating sites. These sites will allow highly capable D&M aircraft to deploy for short expeditionary operations with minimum personnel and equipment footprints.

*USCS Deployments.*—Since August 1999, USCS has deployed P-3 AEW aircraft three times to Peru in support of air interdiction operations. [Deleted.]

*Focused Air Interdiction Program.*—In February of this year, we commenced a focused southern Colombia air interdiction program that will continue through June 2000. This program is designed to work specifically with Partner Nations. We will review lessons learned in June and develop a sustained program to capitalize on the coordinated efforts of DOD, the Interagency, and our Partner Nations.

*Colombia Aircraft Upgrades.*—The proposed supplemental funds air-to-air radar and upgrades the communications package for two of the Colombian Air Force's (COLAF) C-26 Merlin aircraft. These modified aircraft will provide the COLAF the capability to track and intercept aircraft moving cocaine from inland laboratories to the Colombian coasts for transshipment to the United States. The supplemental also improves COLAF tactical surveillance and intelligence capabilities by providing Forward-Looking Infrared Radar (FLIR) for low-altitude, long-duration reconnaissance aircraft.

*Ground Based Radars.*—TPS—43 radar systems at Iquitos, Peru and Leticia, Colombia transmit critical position and altitude information on suspected drug trafficking aircraft. The proposed supplemental improves collection from ground-based radars (GBR) by funding upgrades to current GBR's and fielding an additional one at Tres Esquinas. Additionally, the Relocatable Over the Horizon Radar (ROTHR) in Puerto Rico comes on line this spring and will complement the above systems in detecting and tracking suspicious aircraft.



## NONDEPARTMENTAL WITNESSES

### STATEMENT OF AMBASSADOR LUIS ALBERTO MORENO, COLOMBIAN AMBASSADOR TO THE UNITED STATES

Senator MCCONNELL. Our next witness is Ambassador Moreno, Luis Alberto Moreno, the Ambassador of Colombia to the United States.

We welcome you here, Mr. Ambassador. I hope we can—since we are kind of running late here, I hope we can keep your statement rather short. And we will put the entire statement in the record.

Ambassador MORENO. Thank you very much, Mr. Chairman and distinguished members of the committee. I am pleased to appear before you today to express my government's views on the administration's proposed program of emergency supplemental assistance to Colombia.

This morning I would like to urge your support of this proposal, to hear your views and to answer any questions you may have. I plan to emphasize the following key factors that merit your consideration: the proposed assistance is urgently needed. The increased assistance supports a well conceived comprehensive strategy. We are asking the United States to help provide us with tools to do the job of fighting drugs, not to intervene under internal conflict.

U.S. assistance will supplement the much larger commitment of resources by Colombia and other members of the international community.

This assistance would also support a strategy that is accurate, equally on commitments to reduce drug production and trafficking, to achieve peace, to protect human rights and to promote the rule of law in our country.

I am certain you have read reports in today's press regarding alleged links between the military and illegal arms groups in Colombia. My government is confronting this issue directly. In fact, much of the data from our human rights report cited in these articles comes from the Colombian's prosecutor's office. We are investigating these allegations of links between military personnel and illegal arms groups. And we will continue to take strong legal action against any individuals found to have such links.

Since President Pastrana entered office in late 1988, we have taken aggressive steps to protect human rights, including the dismissing of senior military officials with poor human rights records; selecting a chief of the armed forces with a strong commitment to fighting human rights abuses; and declaring and enforcing a strict human rights policy that does not tolerate any links between the military and the illegal arms groups.

President Pastrana was elected on a platform to achieve peace in Colombia. But upon entering office, he faced the challenges of restoring economic growth and confronting a booming drug trade.

President Pastrana has taken bold steps to address these inter-related problems.

First, we have embarked on a path towards peace. We hope to achieve peace by showing the guerrillas a non-violent way to enter Colombian society. At the same time, our negotiating position will be backed by the strength of our country's institutions, including the military.

Secondly, and equally important, we have moved with determination to restore the trustworthiness of our military leadership and the effectiveness and the morale of the troops.

Third, we have expanded Colombia's commitment to combating the drug trade. And President Pastrana has also attacked the economic ills that are afflicting Colombia.

Finally, to consolidate and preserve all of the expected result of our strategy, we must focus on strengthening Colombia's democratic institutions. We are working to improve the accountability and effectiveness of our courts, make local governments more responsive to citizen's needs, and to expand educational and economic opportunities throughout Colombian society.

In spite of the gravity of our problems, we are very optimistic. We see the problems clearly and have the will to find and implement necessary solutions. These solutions are embodied in Plan Colombia, a comprehensive, integrated strategy to address Colombia's inter-related problems.

Plan Colombia seeks to advance to peace process, improve the protection of human rights, strengthen the economy, enhance counter-drug programs, and promote democratization and social development.

The Plan also calls for a total expenditure of \$.75 billion over 3 years. The larger portion of this cost will be borne by Colombia—\$4 billion directly by its resources and an additional \$800 million in loans from the international financial institutions. The Clinton Administration's proposal of \$1.6 billion in assistance, and we are also seeking funds from the international community.

In this regard, I am pleased to announce that early this summer in Spain, there will be a donor's conference of European Union members. We are confident that we will also attract a level of the support that we require.

The assistance package proposed by the Clinton Administration is weighted heavily in favor of the kind of assistance the United States alone can provide. In large part, the assistance package is designed to give Colombia the tools we need to more effectively fight drug production and trafficking.

It will enable the Colombian government to bolster counter-drug activities in southern Colombia. And with U.S. assistance, we will establish two new counter-narcotics battalions in the Colombian military.

We are seeking aid from the United States to bolster our counter-drug programs, not to help us combat guerrillas. President Pastrana has repeatedly made it clear that Colombia is not seeking and will not accept any direct U.S. military intervention in our internal conflict.

The U.S. assistance we need to implement Plan Colombia is broader than counter-drug assistance alone. The aid package pro-



vides for humanitarian assistance to displace persons, funding for alternative economic development programs, and assistance to help the Colombian government improve human rights and other rule of law programs.

Before I conclude, I would like to explain why we believe this Committee should support the administration's proposals. The war on drugs is not a war in Colombia. It is a war that is being fought, and must be fought, throughout the world.

It is true that much of the cocaine and heroine consumed in the United States is produced in Colombia. No one regrets this more than the nearly 40 million law-abiding and peace-loving citizens of Colombia.

We have a responsibility to ourselves, to our children, and to our neighbors, such as the United States, to stop the scourge of illegal drugs. It can also be said that most of the cocaine and heroine we are talking about is purchased and consumed illegally here in the United States.

We know that this reality is no less regrettable for the United States than it is for Colombia to be a source for drugs. And we recognize and appreciate the costs and sacrifices made in the United States in the name of treatment, prevention, and law enforcement.

Our countries share the terrible burdens that illegal drugs place on our people. General McCaffrey stated recently that over 50,000 Americans die each year due to drug abuse. At the same time, successive generations of Colombian children are growing up in a country where profits from illegal drugs fuel daily violence, weaken government institutions, and finance terrorist activities that threaten human rights and the future of our democracy.

#### PREPARED STATEMENT

I urge you to support the administration's proposal. I appreciate to have the attention to all the views, and I am happy to answer any of your questions.

[The statement follows:]

#### PREPARED STATEMENT OF AMBASSADOR LUIS ALBERTO MORENO

##### *Introduction*

Chairman McConnell, Senator Leahy, distinguished Members of the Subcommittee, I am pleased to appear before you today to express my government's views on the Administration's proposed program of emergency supplemental assistance to Colombia. This morning I would like to urge your support of this proposal, to hear your views, and to answer any questions you may have. I plan to emphasize the following key factors that merit your consideration:

- The proposed assistance is urgently needed to address the problems and responsibilities our countries share due to drug trafficking and consumption of illegal drugs;
- The increased assistance supports a well-conceived, comprehensive strategy based on the strong cooperation of our governments;
- We are asking the United States to help provide us with tools to do the job of fighting drugs, not to intervene in our internal conflict;
- The U.S. assistance will supplement a much larger commitment of resources by Colombia and other members of the international community; and, most importantly:
- The assistance will support a strategy that is anchored equally on commitments to reduce drug production and trafficking, to achieve peace, to protect human rights, and to promote the rule of law in our country.

First, however, I would like to address a related issue. I am certain you have read reports in today's press regarding alleged links between the military and illegal

armed groups in Colombia. My government is confronting this issue directly. In fact, much of the data from a human rights report cited in these articles comes from the Colombian government's prosecutor's office. We are investigating these allegations of links between military personnel and illegal armed groups. And we will continue to take strong legal action against any individuals found to have such links.

Since President Pastrana entered office in late 1998 we have taken aggressive steps to protect human rights, including: (1) dismissing senior military officials with poor human rights records; (2) selecting a chief of the armed forces with a strong commitment to human rights; and (3) declaring and enforcing a strict human rights policy that does not tolerate any links between the military and illegal armed groups.

#### *Conditions Confronting Colombia Today*

President Pastrana was elected on a platform to achieve peace in Colombia. But upon entering office he faced the challenges of restoring economic growth and confronting a booming drug trade. President Pastrana has taken bold steps to address these inter-related problems.

First, we have embarked on a path toward peace. For the first time in forty years, we have a framework and agenda for the negotiations. We hope to achieve peace by showing the guerrillas a non-violent way to enter Colombian society. At the same time, our negotiating position will be backed by the strength of our country's institutions, including the military.

Second, and equally important, we have moved with determination to restore the trustworthiness of our military leadership and the effectiveness and morale of our troops. I have already discussed my government's strong commitment to human rights enforcement. This policy has had results. Allegations of human rights abuses against the military have decreased dramatically. Still, we recognize that we must continue to do more to protect human rights.

Third, we have expanded Colombia's commitment to combating the drug trade. We have continued eradication and interdiction efforts in close cooperation with the United States. We have begun to extradite drug traffickers to the United States. We will continue to do so. Important successes, however, such as the eradication of nearly 130,000 acres in 1999 and arrest of several major traffickers as part of Operation Millennium do not obscure the fact that there is no miracle cure. We need a sustained, comprehensive approach and we have a long way to go.

President Pastrana has also attacked the economic ills that afflict Colombia. With unemployment rising and investment flows threatened, our government has made difficult but necessary choices to stabilize the economy. We have reduced spending, instituted banking sector reforms, accelerated privatization programs, strengthened our pension programs, and adopted targeted stimulus programs to create jobs and secure the social safety net. These measures, coupled with a strategy to increase trade and investment, will provide needed opportunities for the poorest Colombians and those displaced by internal violence.

Finally, to consolidate and preserve all of the expected results of our strategy, we must focus on strengthening Colombia's democratic institutions. We are working to improve the accountability and effectiveness of our courts, make local governments more responsive to citizen's needs, and to expand educational and economic opportunities throughout Colombian society.

#### *The Need for U.S. Assistance and International Help*

In spite of the gravity of our problems, we are very optimistic. We see the problems clearly and have the will to find and implement necessary solutions. These solutions are embodied in Plan Colombia, a comprehensive, integrated strategy to address Colombia's interrelated problems. Plan Colombia seeks to advance the peace process, improve the protection of human rights, strengthen the economy, enhance counter-drug programs, and promote democratization and social development.

President Pastrana's Plan Colombia calls for a total expenditure of \$7.5 billion over 3 years. The larger part of this cost will be borne by Colombia—\$4 billion directly from Colombia's resources and an additional \$800 million in loans from international financial institutions. The Clinton Administration has proposed \$1.6 billion in assistance, and we are seeking additional funds from the international community. In this regard, I am pleased to announce that Spain will host a donor's conference for European Union members this June. We are confident that we will attract the level of support required.

#### *The Nature of U.S. Assistance Needed*

The assistance package proposed by the Clinton Administration is weighted heavily in favor of the kind of assistance the United States alone can provide. In large part, the assistance package is designed to give Colombia the tools we need to more

effectively fight drug production and trafficking. It will enable the Colombian Government to bolster counter-drug activities in southern Colombia. With U.S. assistance, we will establish two new counternarcotics battalions in the Colombian military. These special military units, together with an existing, counter-narcotics battalion, will move into southern Colombia to protect Colombian National Police (CNP) forces as they undertake counter-drug missions. Members of these counternarcotics battalions will receive extensive human rights education and training. The aid package provides additional funding to enhance the counter-drug efforts of the CNP.

We are seeking aid from the United States to bolster our counter-drug programs, not to help us combat guerrilla forces. Our success against drug production and trafficking will weaken these guerrilla forces, as they rely upon the drug trade for equipment and other support. But President Pastrana has repeatedly made clear that Colombia is not seeking and will not accept any direct U.S. military intervention in our internal conflict.

The U.S. assistance we need to implement Plan Colombia is broader than counter-drug assistance alone. The aid package also provides humanitarian assistance to displaced persons, funding for alternative economic developments programs, and assistance to help the Colombian Government improve human rights and other rule of law programs. The Colombian Government and other members of the international community will provide additional assistance in these areas. As a result, the profile of proposed U.S. assistance does not accurately reflect the overall profile of Plan Colombia or the relative budgetary emphasis given to each function under the Plan.

*Why the Congress Should Approve the Package*

Before I conclude, I would like to explain why we believe this Committee should support the Administration's proposal. The war on drugs is not a war in Colombia. It is a war that is being fought and must be fought throughout the world.

It is true that much of the cocaine and heroine consumed in the United States is produced in Colombia. No one regrets this more than the nearly 40 million law-abiding and peace-loving citizens of Colombia. We have a responsibility to ourselves, to our children, and to our neighbors such as the United States to stop the scourge of illegal drugs. It also must be said that most of the cocaine and heroine we are talking about is purchased and consumed illegally here in the United States. We know that this reality is no less regrettable for the United States than it is for Colombia to be the source of the drugs. And we recognize and appreciate the costs and sacrifices made in the United States in the name of treatment, prevention, and law enforcement.

It does illustrate that our countries share the terrible burdens that illegal drugs place on our people. General McCaffrey stated recently that over 50,000 Americans die each year due to drug abuse. At the same time, successive generations of Colombian children are growing up in a country where profits from illegal drugs fuel daily violence, weaken government institutions, and finance terrorist activities that threaten human rights and the future of our democracy.

I urge you to support the Administration's proposal.

I appreciate your attention to my views. I would be pleased to answer your questions.

Senator MCCONNELL. Thank you, Mr. Ambassador. Your president has courageously declared the war on narco-traffickers and certainly we all applaud that. Last year, in an effort to encourage the FARC to participate in a peace process, your president agreed to a demilitarized zone.

The effect of which was to concede control of a region the size of Switzerland to the guerrillas. Do you believe the guerrillas used this region as a base for drug production and trafficking, and would the push into southern Colombia after that decision, and if not, what is the likelihood that the DMZ simply becomes a safe haven for traffickers?

Ambassador MORENO. Let me begin by saying that as General Wilhelm said here, the cocaine that is reportedly grown in the demilitarized zone is no more than 12 percent of the total cocaine grown in Colombia. Secondly, this area, and it is important to note the size of our country.

Colombia is about the size of Texas and California combined. This area is a very remote area where there has been very limited government presence, and it is basically an area where the guerrillas have typically moved.

There is one thing President Pastrana offered during the campaign. It is a unilateral concession, to bring the insurgents to the table of negotiations. And it was a bold move and a risky move, but this was something that Colombian people voted upon. Since that happened, I am happy to say that the negotiations with the FARC insurgents have been moving along in a positive way.

We all know that making peace is more difficult than making war. But the fact of the matter is that there were two or three occasions that we identified labs in the demilitarized zone which were later taken by our national police. And we will continue to monitor any such events.

But the purpose of our government is to keep this zone inasmuch as the negotiations proceed, as they have been proceeding. This is, again, as I said initially, a unilateral concession. The government can take it away any minute it wants, and that is what is really important, Senator.

Senator MCCONNELL. Speaking of insurgencies, moving to a different one. Last week your government announced a safe haven policy for the ELN. How does that decision fit into an aggressive counter-narcotics strategy?

Ambassador MORENO. Well, the area that has been discussed with the ELN, first of all, there is not an agreement with ELN, and I am not prepared to answer any of the specifics on any of the negotiations. As you well know, any kind of peace negotiations, to be successful, must be treated in a secret fashion.

However, what occurred last week was basically a negotiation, or rather an agreement, between the population in the north of Colombia where initially there had been a discussion where a demilitarized zone or transition zone will take place.

And basically what was agreed here was that there would be inputs from the society here, and also that there would be international monitoring units as well as Colombian. So, it is basically having much more than what exists today in the south of Colombia, where the FARC has this zone.

Senator MCCONNELL. I am just going to take one more question, because we have other Senators here who want to propound questions to you, Mr. Ambassador. Plan Colombia calls for a total of \$7.5 billion, \$4 billion of which comes from your government.

What portion of the \$4 billion from your government are actually funds from the Inner-American Development Bank and the other international financial institutions to which the United States is a big contributor?

Ambassador MORENO. Basically, as I explained earlier in my comments, the \$4 billion is a direct appropriation over the 3 years, and there's \$800 million that comes from the international financial institutions. One of the possibilities we are looking right now is to precisely increase that to about \$900 million, which was something that Colombia negotiated, an International Monetary Fund (IMF) agreement, to invest in a social safety net.

Senator McCONNELL. Thank you, Mr. Ambassador. Senator Inouye.

Senator INOUE. Thank you very much. Mr. Ambassador, I can assure you that all of us are quite concerned with your plight, and we will do our best to be of assistance. But I was quite intrigued by a question asked by my Chairman, Senator Stevens. Is it true that high school graduates are deferred from entering into combat situations?

Ambassador MORENO. That is a very important question, sir, and let me try to explain it. We have a total army of about 120,000 men, of which about 40,000 are called conscripts.

These conscripts normally serve a period of no more than a year. In fact, at times, they are exempt if they have voted in, or participated in, an election. That means that there is a tremendous rotation.

Under President Pastrana's leadership, he has undertaken the commitment to take away these conscript soldiers and change them for professional soldiers. However, this cannot be done in a years time. So, the plan is that it will be 10,000 soldiers of the conscripts going out every year and 10,000 professional soldiers entering every year.

Secondly, we also changed the fact that soldiers under 18 could not be part of the Colombian armed forces and whoever were under 18 were dismissed from the Colombian armed forces. So, we are moving to have a professional army and there is a lot of work being done through fast track legislation, precisely to be able to fire and hire people inside our military; also, to have a lot of work in the anti-corruption area; and finally, all of the modernization.

These are some of the building blocks that we have been instituting, as well as putting human rights offices inside the military. There used to be, when President Pastrana entered government, about 100 human rights offices inside the military. They are now up to 181.

Senator INOUE. But if one has a high school diploma, he is deferred from combat activities?

Ambassador MORENO. That has been the case, and this is exactly what we are changing, sir. Yes.

Senator INOUE. With all the new equipment, sophisticated equipment, you would need men and women who have training or are trainable, with some degree of educational background, do you not think so?

Ambassador MORENO. Absolutely, Senator. And the case with these three counter-narcotics battalions is that they are varied units, that they are professional soldiers with at least 5 years experience, precisely to work in this area. And of course, when it comes to helicopters, it means that you need to train at least three different crews for each of the helicopters to serve in their different nations.

Senator INOUE. I have other questions, if I may submit them.

Senator McCONNELL. Thank you, Senator.

Senator Stevens.

Senator STEVENS. Mr. Chairman, I will have some other questions, also, to submit to the formal panel.

Mr. Ambassador, as a friend, and you are a good friend, personally and to our country, I was very impressed with your President Pastrana and the presentation you made to our committee. You made it, as I said at the time, a great many friends. The deeper we go into our plan to help you, the more some of us think that it is flawed.

Tell me about the time frame for these battalions. How soon do you expect those battalions to be ready to start this eradication of these areas?

Ambassador MORENO. Thank you, Mr. Chairman. And thank you again for the wonderful meeting you hosted for us early in January when President Pastrana was here. There's already a counter-narcotics battalion that has finished training, and it is ready to go. It is, today, located near the area of Tracienas in the south of Colombia. And there are an additional two more battalions on their way.

When President Pastrana entered office, he made a very tough decision, and that was that upon looking at the numbers of cocaine explosion, really, in the growth of cocaine, we went, basically, 5 years ago from about 30,000 hectares to about 120,000 today. And if you look at the numbers of cocaine, that is basically the reverse of what used to be the case between Peru and Colombia.

So, what President Pastrana did was to make the tough decision of involving our military. This is not an easy decision. It would not be an easy decision in any military, but we have no choice.

Today, of the total budget of our country, about one-third is spent on military spending. Forty percent of that is devoted for counter-narcotics alone. So, we are also using our air force to do an air interdiction. And we have already started working on this front to be able to down planes that are carrying cocaine.

And secondly, we deployed in August of last year, a very strong navy operation to do rivering to protect the rivers from where they come with the chemicals that are used to make cocaine itself. And also, to be able to patrol these rivers effectively when the cocaine paste is later taken out and flown out of the areas.

So, the answer is yes, we have one battalion already trained, and two are in the process of being trained now, Mr. Chairman. And we have two more boats. I'm sorry.

Senator STEVENS. Mr. Ambassador, as you look at this operation, the president told us that your military has gone through a substantial change also. And he selected a new general, right?

Ambassador MORENO. Yes, sir.

Senator STEVENS. Can you tell us anything about the modernization of your own military during this period?

Ambassador MORENO. Yes, sir. Some of the things I just mentioned a little while ago. First of all is the change of the conscripts to professional soldiers to have a totally professional military by the time President Pastrana's term is over. That means taking away 40,000 conscripts into professional soldiers, which implies a substantial budget increase.

Senator STEVENS. Yes. We know about that. The difference between conscripts and volunteers.

Ambassador MORENO. Yes. So, that's one. Secondly, in anti-corruption, there is a whole program of anti-corruption taking place inside the military.

Third, we have contracted a study with National Public Research Institute (NPRI) to do a lot of the modernization and changes in command and control that need to take place. And last, but not least, is the human rights training that every soldier in the Colombian military is undergoing. And in this we have trained close to 78,000 members of our military in doing this precise training. And also to, for instance, in the counter-narcotics battalions, they went through a very impressive program of human rights training as well.

Senator STEVENS. One last question. Senator McConnell mentioned something that many other senators have talked to me about, and that is the possibility of an area-wide plan that would put the pressure on the narcotic traffickers in your country.

The feeling is they will go back to Peru or go somewhere else, and we are going to see a kaleidoscope. What do they call it? I'm thinking of the thing down at the beach where you try to hit that——

STAFF. Wack-o-mo.

Senator STEVENS. Wack-o-mo. You hit there, it pops up there.

STAFF. Yes.

Senator STEVENS. You never can get them all down. But is there any plan for an area-wide agreement? Is your country trying to seek area-wide participation in this attempt to eradicate this scourge down there?

Ambassador MORENO. Well, we will definitely work very closely with our neighbors, and especially in the area of interdiction. It is critical to work with all of the countries. Especially we are working with Ecuador. And most of the high growing area that we have today is pushed to the south involves very much the monitoring on the Ecuadorian side.

It is not easy to quickly transplant the cocaine crops from one place to the next, because it takes about 18 months before any one crop begins. So, the monitoring is in place. We cannot prevent this kind of situation from occurring, but I agree with you that the regional concept is very important.

Senator STEVENS. Thank you.

[The information follows:]

PROPOSAL FOR THE INCREASE OF FINANCIAL AID FROM THE U.S. GOVERNMENT TO  
ECUADOR IN THE FIGHT AGAINST DRUGS

Ecuador, located between Colombia and Peru, suffers from somewhat different aspects of the drug problem. Due to its very low production, Ecuador has been considered as a "transit" country and not regarded as a priority. Nevertheless, the data does not support this approach.

Recent data suggests that unfortunately Ecuador is becoming active in money laundering, deviation of chemicals used in drug production and as a collection point for internal and external distribution.

The drug problem today reveals that crimes such as money laundering, drug trafficking are connected and simultaneous. Therefore, it may be misleading to brand some countries as producers and others as transit or consumers. To recognize the responsibility of each is important, but insufficient if the burden is not appropriately shared.

The drug problem has never been about frontiers or Nations. This illegal activity has always been international, dynamic and innovative in the use of technology, and it may move from one location to another. Therefore, we should not single out one country as the source of the problem, nor should we expect its solution to come from just one Nation, but rather from the combined efforts of the countries involved.

Ecuador's Law 108 reiterates the will and determination to meet the formidable challenges to fight drugs; the National Plan constitutes the main operative strategy to identify the actions to be implemented in order to reduce drug supply and demand. It has guidelines for each sector and as well as parameters for foreign aid and cooperation. It is also the basic reference for the National Council to Control Drugs, CONSEP.

In its drafting process this law required an active participation and consensus of all institutions involved in the fight against drugs. Thus, apart from being a document outlining principles and policies, the law constitutes an effective working tool for all public and private institutions engaged in the fight against drug trafficking.

It is essential to acknowledge the principle of shared responsibility as the most effective and fair element to face this transnational phenomenon.

For the 1999–2003 five year period, through its National Anti-Drugs Plan, Ecuador will develop programs aimed at: preventing and reducing drug consumption; controlling illegal drug production, processing and trafficking; promoting research and raising awareness of drug related issues; curbing money laundering, managing assets seized in drug operations.

The CONSEP, integrated by representatives of government and private institutions involved in the fight against drugs, has requested aid from the Inter-American Commission for Drug Abuse Control, to convene a Consultative Group and a Donors Conference to obtain funding for the National Anti-Narcotics Plan.

The support of the United States is crucial for the full implementation of the Plan, as part of the burden-sharing response of the international community. This support should be proportionate to the magnitude of the challenges faced by the region and its members.

#### A NEW APPROACH IN ECUADOR

The northern frontier, which runs for approximately 580 km through the Provinces of Esmeraldas, Carchi and Sucumbios, and mostly along the Putumayo River, has very particular characteristics that demand a specific strategy. The strategy should include activities for a sustained and sustainable development.

The region is open 24 hours for border crossing, with patrol points in the international bridge of Rumichaca and in the near future in San Miguel bridge. However, along the border there are many informal crossing points used for legitimate trade, but that may also be used by groups linked to drug operations and related crimes.

Drugs such as heroine, cocaine in its various forms, and marihuana enter the Ecuadorian territory through land, air and sea.

The jungle in the northeastern section of the country, is used by drug cartels, mainly foreign, to evade police control. The influence of the guerrillas from Colombia has limited police action in the area. It has also been detected that due to a more severe control of chemicals used in the production of drugs, the criminal organizations use chemicals not subject to control that undergo a process to obtain controlled substances.

#### THE ECUADORIAN OUTLOOK IN THE REDUCTION OF SUPPLY

The data collected by the Anti-Narcotics Division of the National Police, a recently created unit, shows that in recent years the volumes of drugs seized have increased, as well as the number of arrests related to drugs. However, it is difficult to assess if the drug available for export has decreased correspondingly.

We require a regional approach to this issue, supported by agreements, allowing coordination among the various countries involved in this fight.

The final stage of the international drug trafficking culminates with money laundering, which impacts not only the economy but also the entire society and destabilizes the democratic institutions.

In the area of money laundering, the CONSEP established the National Division for the Processing of Financial Information. Since 1995, 827 individuals have been investigated for financial transactions judged to be unusual and reported by banking institutions. The investigations on the reported irregularities are being conducted by the Public Prosecutor.

Given this background, Ecuador expects that the Government of the United States will consider an additional \$32,390,000 in aid to be used in the implementation of the projects attached to this document which are part of the National Plan and constitute a priority among the measures to be taken by the National Police and Armed Forces of Ecuador in their fight against drugs in their effort to eliminate supply to the United States and other countries. In keeping with the principles outlined at the beginning of my statement, referring to the burden sharing approach to this hemispheric problem.



I would like to conclude by noting that the Government of Ecuador fully cooperates with the Government of the United States in the fight against drug trafficking. The agreement signed by both Governments to establish the American Forward Operating Location in Manta was a crucial step in the hemispheric fight against drug trafficking. We are confident that this contribution of the Ecuadorian Government to the regional effort against this common threat will be dully recognized by both the U.S. Government and the U.S. Congress.

#### *Problems*

Ecuador's main drug related problems are:

Loosely-monitored airports, seaports, and road networks.

Low capacity to control money laundering.

Northeastern border area with Colombia is a matter of great concern. It is used by traffickers to move both drugs and chemicals. Colombian guerrilla is present near that country side of the border, encouraging and participating in these activities.

This situation threatens the stability and security of the region, and especially Ecuador's security due to its current economic crisis and its closeness to guerrilla and drug trafficking operation centers in Putumayo region.

The U.S. aide to Colombia will be more effective if at the same time it considers to reduce the risk that the problem be moved into Ecuadorian territory, which could be occupied by farmers to re-situate its coca crop fields and by producers to build up new laboratories.

Besides that, due to its economic problems, the efforts of the Government of Ecuador has been not sufficient to attend the basic needs of the Ecuadorian population in the Putumayo region, so there is an increasing risk of support to the traffickers' activities from the Ecuadorian population living in that area.

#### *Necessities*

Therefore, Ecuador needs aid to:

Develop its security institutional capabilities to interdict illegal drugs and control chemicals deviation.

Get equipment to interdiction operations.

Develop counter-narcotic training programs to its police and military forces, as well as custom agents.

Improve its intelligence network.

Strengthen airport and seaport enforcement, fixed and mobile roadblocks, and aerial reconnaissance.

Strengthen its judicial system and its financial investigation units to prosecute traffickers, seize drug assets and reduce money laundering.

Implement alternative development programs, especially in the Putumayo region.

Implement prevention and consumption reduction programs.

#### PROPOSAL TO INCREASE U.S. ASSISTANCE TO ECUADOR'S DRUG ENFORCEMENT AGENCIES

(IN ADDITION TO AID PACKAGE PRESENTED TO CONGRESS BY U.S. GOVERNMENT)

PROJECT	BRIEF DESCRIPTION	U.S. DOLLARS
REDUCTION OF DEMAND		
PREVENTION NETWORK .....	Implement government and non-government organizations in order to address drug consumption.	1,500,000
TREATMENT AND REHABILITATION OF DRUG ADDICTS. ....	Offer specialized therapeutical treatment to addicts, regardless of social status.	120,000
DRUG MONITORING .....	Collect data and statistics on reduction of supply and demand of drugs.	150,000
COMMUNITY AWARENESS .....	Information campaigns through the media to raise awareness; establish an Information Center.	120,000
SUBTOTAL .....	.....	1,890,000

PROPOSAL TO INCREASE U.S. ASSISTANCE TO ECUADOR'S DRUG ENFORCEMENT AGENCIES—  
Continued

[IN ADDITION TO AID PACKAGE PRESENTED TO CONGRESS BY U.S. GOVERNMENT]

PROJECT	BRIEF DESCRIPTION	U.S. DOLLARS
REDUCTION OF SUPPLY		
SUPPORT TO THE ANTI-NARCOTICS DIVISION OF THE NATIONAL POLICE.	Provide support to the Anti-Narcotics Division of the National Police, with a more efficient use of resources (financial, material and technological) aimed at fulfilling its duties and maintaining a standard of excellence.	6,000,000
ANTI-NARCOTICS TRAINING CENTER .....	Provide infrastructure, equipment to the Anti-Narcotics Division, Precincts. Provide communication equipment, IT and computers, air, land and sea mobility, weapons and ammunition. Develop a training and specialization program for the operative and administrative levels. Implement the departments of Training Counseling, Multimedia and IT systems. Integrate educational programs with Police Academies and rank and file of the Police.	1,000,000
COMMUNICATIONS AND IT .....	Provide and test hardware and software to connect to the information system of the Joint Intelligence and Coordination Center, JICC. Develop and implement training in IT for police personnel.	500,000
CONTROL DE PRESURSOROS QUIMICOS Y PRODUCTOS QUIMICOS ESPECIFICOS.	Implements a system to control and track the kind, quality and amount of precursores quimicos and their use. Develop guidelines and rules for autoridades y ejecutores.	500,000
CANINE TRAINING CENTER .....	Establish canine units in the North border, Provinces of Esmeraldas, Tulcán, Sucumbios, Controles Integrados, Puerto de Manta, Baeza y Loja. Refurbishing of canine units nationwide .....	1,000,000
REINFORCEMENT OF THE INTELLIGENCE AND COORDINATION CENTER.	Replacement and increase of drug detecting dogs. Implement the system of passive dogs. Include a budget to feed and care dogs. Technical training to officers and troop in working with drug detecting dogs. Consolidate the Intelligence and Coordination Center as the governing entity at the national level of the anti-narcotics intelligence. Implement an information network that would allow the management of strategic information in a timely fashion at the national level. Implement a process for the selection of personnel Carry out programs for updating and training of personnel.	1,000,000
REINFORCEMENT OF THE SPECIAL ANTI-DRUGS MOBIL GROUP—GEMA.	Reinforce interdiction operations in roads and highways. Renovation of premises and supply of equipment for the Special Anti-drugs Mobil Group. Establish special anti-drug mobil groups in each district. Training in interdiction operations in roads and highways.	1,000,000

PROPOSAL TO INCREASE U.S. ASSISTANCE TO ECUADOR'S DRUG ENFORCEMENT AGENCIES—  
Continued

[IN ADDITION TO AID PACKAGE PRESENTED TO CONGRESS BY U.S. GOVERNMENT]

PROJECT	BRIEF DESCRIPTION	U.S. DOLLARS
REINFORCEMENT FOR THE MONEY LAUNDERING PREVENTION UNITS.	Implement financial analysis units in Cuenca, Tulcan, Guayaquil and Loja. National and International link via electronic mail with private and public institutions in charge of money laundering.	500,000
REINFORCEMENT OF THE ANTI NARCOTICS POLICE AIR OPERATIONS.	Consolidate air surveillance operations ..... Planes, helicopters, radar equipment and heliports in Sucumbios, Tulcan and Esmeraldas. Training of air personnel.	6,000,000
REINFORCEMENT FOR LABORATORY .....	Implement two laboratories: Cuenca and Guayaquil Provision of chemical reactivities for field analysis of drugs and precursors seized in police operatives. Technological improvement of the chemical laboratory. Training of laboratory personnel and anti-drugs operative units.	2,000,000
Alternative Social and Economic Development.	Reinforcement of government actions to discourage participation of local population in any of the drug trafficking activities by improving social, economic, education and health conditions in the Putumayo region.	6,000,000
Security Measures .....	Security operations for the support of counter narcotics operations in the border region.	5,000,000
TOTAL .....	.....	32,390,000

Senator McCONNELL. OK. The limit we have—I am sorry to you witnesses, if you will just be patient. We have two stack votes. What I am going to recommend we do is recess the hearing and go catch one vote at the end, the next one at the beginning, and then we will come back. And it is my intention to finish up. So, please——

Ambassador MORENO. Thank you, Mr. Chairman.

Senator McCONNELL. Does anybody want to come back and ask further questions of the Ambassador from Colombia? If not, we will dismiss him.

Senator FEINSTEIN. Well, I had some questions, but I am happy to submit them.

Senator McCONNELL. OK. Submit them for the record.

Senator McCONNELL. Senator Domenici.

Senator DOMENICI. OK. I have one and I will submit it.

Senator McCONNELL. Fine.

And, Mr. Ambassador, thank you for being here. And we will get to the next witness as soon as I return.

Ambassador MORENO. Thank you, Mr. Chairman.

Senator McCONNELL. My apologies. Again, Senate business is getting in the way of this hearing. All right. We have the attorney general from Ecuador and the Bolivia minister of agriculture.

And we appreciate, very much, both of you gentlemen being with us. And why don't you go ahead with your statement in whichever order you determine?

**STATEMENT OF DR. RAMON JIMENEZ, ATTORNEY GENERAL FOR ECUADOR**

Attorney General JIMENEZ. Thank you, Mr. Chairman, distinguished members of the panel, committee. It is a pleasure, and an honor, to be here. I would like to start this short talk.

They have told me it is about 5 minutes. It is not enough time to talk about the problems that are our problems, economic problems, social problems, with Ecuador or of any country, but I would like to start this by recalling the words of the late Senator of the United States of America, Robert Kennedy, when he said something like this.

I'm translating directly from Spanish into English. "I feel the things as they are, and I ask why. I dream of the things that are not, and I ask why not."

If things were as we dream they are, probably we would not be here discussing the drug dealing problems of the world. Thank you, Mr. Chairman.

Ecuador is a country which has had, and which is having, very, very serious economical and social problems during the last 2 years. There is poverty. There is unemployment and under unemployment which goes up to 70 percent of the population, including unemployment; 14 percent of unemployment and—and the rest of unemployment.

There are many causes for that, and I am not going to repeat them. They are well known to everybody. During the last years, the tragedy called the Nino Current, et cetera, many, many problems in that sense.

There is a per capita income of about \$1,000 per year, and the gross domestic product goes up to \$13.6 million, which is less than the external debt of Ecuador. Inflation has been, during the last 2 years, about 64 percent and the government is doing a lot of efforts in order to control these things. And recently with the new dollarization, as we call it, dollar recession system of economic and monetary system.

In effect, still, that regarding the drug problems, Ecuador is only a transit country. Not only various data, enough data, that reflects that Ecuador at present has a big problem in laundering, processing and distribution to the consumption countries of the world. And by the way, speaking about the consumption countries of the world, I do not think that the consumer countries should be only blamed for the problems of drugs in the world.

They say, and I do not agree, that if there were no consumption, there would be no processing and there would be no trafficking, and there would be no plants, crops. I say that if there were no crops, if there were no traffic, there would be no consumption.

It is a cycle. And we have to consider it as a cycle. We cannot individualize. We cannot put aside the countries which produce, and we cannot put aside the countries which, apparently, are only a transit country. And we cannot put aside the countries which only consume or which mostly consume, like the United States of America and Europe.

I would say that this has to be a coordinated activity all over the world. Consumers, producers and transit countries.

The government of Ecuador, all the people of Ecuador, are doing a lot of effort in order to fight drug dealings. There is the so-called law 108, which has been in effect for about 10 years, and now it is being reformed to bring it up to date. Review problems that we are having, especially the great input into the laundering problems in Ecuador. This has been done by the National Council for the Control of Narcotic Drugs and Psychotropic Substances (CONSEP), Consejo Nacional, Desustancias Estupefaciente Eficotropica, the National Council for drug combat.

There is a prevention, rehabilitation and very, very strong control and interdiction activities. And this, in the control and interdiction activities, is where Ecuador needs the international assistance.

And we are very, very thankful for the international assistance that we get from the UNDCP, the United Nations International Drug Control Program, and from the Inter American Commission for the Control of the Abuse of Drugs (SICAD) of the Organization of American States. But we need the help of our neighbors, Colombia. We need the help of Peru.

We are finished, as you know already, about 3 years ago all the problems which we had were the frontier in Peru. And all the money that was supposed to be in the hands of the people to fight with Peru, we are now using it to build roads in Peru. To build roads between Peru and Ecuador, I mean, in joint programs.

Senator McCONNELL. All right.

Attorney General JIMENEZ. There is another frontier which is a problem where we have about 580 kilometers which is open 24 hours with Colombia around the Putumayo region, which you already have heard about it. Some more data, Mr. Chairman. Important data of about 1,000 tons of cocaine production, and all the cycle from Colombia, 50 percent goes through Ecuador. And where does it go? It goes to the United States of America. It goes to Europe. To poison the young people of America, of the Americas. North America, Central America, South America. But especially in the consumer countries.

In 4 years, about 1,000 persons in Ecuador, which is a lot, and corporations have been investigated and they have been sentenced, because of unusual banking transactions. And there we have the Unidad Para Procesamiento de Informacion Reservada (UPIR) or Commission of Processing of Confidential Information, which also belongs to the CONSEP, of which I am the president as attorney general, which is the special investigations commission for banking transactions.

I have 24 prosecutions a year regarding drug dealings, which is enhanced or which are enhanced of the prosecutor general.

Senator McCONNELL. Could I interrupt you a minute, Mr. Attorney General? The administration has only requested \$2 million in this supplemental that we're talking about today, for your country, on top of \$11 million already in the budget.

Attorney General JIMENEZ. Yes, Mr. Chairman.

Senator McCONNELL. Yet you just testified 50 percent of the cocaine is going through Ecuador. Do you share my view that it might be appropriate to deal with this issue in a more regional way than the current bill that we are having the testimony on?

Attorney General JIMENEZ. Definitely. I believe that it has to be taken as a context, as a general context. I believe in the dream of General Simon Bolivar—or they call him Simon Bolivar here in the States. The guy in Colombia is called the Grand Colombian, as you know, before 1830, before we got separated in different countries.

I am not saying that we have made effusion, a merge between the countries. No. Although mergers are up-to-date in Ecuador now, but banking mergers in order to avoid bankruptcies. But I think that this has to be taken as a whole strategy, as a coordinated strategy.

But everything we do in only one country, because it is the big producer, and I am for our, as we call it, the sister republic of Colombia. Everything we do, everything the international organizations do in order to increase the drug fights in Colombia will be dropping to the southern countries. Especially to Ecuador and Bolivia.

And why do I say especially to Ecuador and Bolivia? Because in Peru, there is a very strong government run by President Fujimori. And he went out of the international commission of human rights. He decided to do so. He is not part of the international commission of human rights anymore. He decided to do so.

We are part of the International Commission of Human Rights, and we, at the attorney general's office of Ecuador, have about 20, between 20 and 25, cases of human rights. And we work for human rights in all the aspects. Not only in the drug dealing, drug trafficking, drug fighting situation, but in all aspects.

Senator MCCONNELL. Mr. Attorney General, I apologize that we are running so late, but if you could wrap it up so we could hear from—

Attorney General JIMENEZ. Sure.

Senator MCCONNELL [continuing]. The minister in Bolivia, and then we will get a few questions then.

Attorney General JIMENEZ. Thank you, Mr. Chairman.

Senator MCCONNELL. Thank you so much. Mr. Minister.

#### STATEMENT OF OSWALDO ANTEZANA, MINISTER OF AGRICULTURE FOR BOLIVIA

Minister ANTEZANA. Let me begin by thanking you, Mr. Chairman, for conducting this timely hearing on the U.S. anti-narcotics policy in the Andean region and for allowing my country to express its views regarding this very important matter. Bolivia, a country that was, until very recently, the second largest producer of cocaine in the world, undertook, in August of 1997, upon the swearing in of President Gonzalo Sanchez De Lozada, the solemn commitment to eliminate illegal coca production in the country by the year 2002.

Since Bolivia began implementing its counter-narcotics strategy, the Dignity Plan, through education, interdiction operation and a broad array of law enforcement programs in combination with our alternative economic development projects, we have seen a reduction of more than 70 percent of illegal coca production. Progress was even faster than anticipated. From 33,800 hectares of illegal coca plantations in 1997 to 9,800 hectares today.

This translates into 250 metric tons of cocaine that will not be produced or exported.

Senator MCCONNELL. You said you think you can achieve complete elimination by what date?

Minister ANTEZANA. 2002. My country has clearly shown that once incapable of victory in the war against drugs is attainable. That our goals seen as utopian when first announced, is today within reach. At this vital juncture, enhanced cooperation and assistance from the international community in support of Bolivia's continued progress is key to the successful completion of these efforts.

We are entering into the most critical and complex phase of the Dignity Plan. After 29 months of record breaking levels of eradication, we are about to initiate an eradication operation in the Yungas, the second largest coca production area in Bolivia; an insulated region with a long standing tradition of coca use and a strong anti-government sentiment.

It is serving the Yungas culture and religious traditions in regards to coca use, it will be a daunting task demanding increased results.

Despite the fact that in 1999, eradication and interdiction efforts were conducted, we cannot discard possible flare-ups of social unrest in Chapare and Yungas. For example, already this year, there was killed a Bolivian soldier in Chapare. And in just in the past weeks, two more anti-narcotics officers were again downed in the line of duty.

Our vigorous eradication and interdiction efforts, along with incentives for coca growers to switch to legal crops are clearly working. We, indeed, have been able to dramatically reduce vigorous coca production. Now we must finish the job.

In his request for supplemental aid for the Andean countries, President Clinton proposed \$18 million in assistance for Bolivia for the years 2000 and 2001. We greatly appreciate the administration's recognition that our partnership with the United States requires additional resources. At the same time, even the General Accounting Office of the U.S. Government concluded in its February 18th report that the Andean government continued to lack the resources and capabilities necessary to perform effect counter-narcotic operations.

To complete, and make permanent, the gains of the Dignity Plan, Bolivia estimates a need of \$111.5 million for fiscal year—

Senator MCCONNELL. If I could interrupt on that point, Mr. Minister, just like I did the Attorney General. Is it your view that this package that we are currently having the hearing on, is not sufficiently regional in nature and would it be your view that it would be more successful if greater assistance were provided to Bolivia and to Ecuador?

Minister ANTEZANA. Ecuador? Yes. It is true. We can work together with—all the countries of the Andean region. Of course. Yes.

Senator MCCONNELL. In other words, the current amount for Bolivia is not adequate for you to finish the job?

Minister ANTEZANA. No. It's not sufficient.

Senator MCCONNELL. OK. Go right ahead. I'm sorry.

Minister ANTEZANA. Bolivia estimates a need of \$111.5 million for fiscal year 2000, and \$106.5 million for fiscal year 2001. As part of the regular budget, the United States has already provided \$48

million to Bolivia in fiscal year 2000, and proposed \$52 million for fiscal year 2001. This means that there is a shortfall of at least \$50 million each year. In the strongest terms possible, we respectfully request that Congress consider increasing the money set for Bolivia in the supplemental aid package for a total of \$50 million per year.

The bulk of these funds will be used in alternative development projects and balance of payments. Integrating coca farmers into the legal economy is the most urgent priority for Bolivia's counter-narcotics efforts. If the government is not able to give an answer to more than 38,000 families that will be displaced as a result of the counter-narcotics strategy, there is a danger of serious backsliding on the immense progress to date. Already the dramatic reduction of coca availability has quadrupled the price of the leaf in only one year.

The farmers of the Chapare region are just beginning to enjoy the promise of a sustainable legal economy. There are already 105,000 examples of legal substitute crops, but much remains to be done and achieved. The next 2 years are crucial.

The key to our sustained success in eradicating illegal coca crops is tangible progress and development, new sources of legal products.

If the assistance proposed for Bolivian, the package is not proportionate to the success in eradication that we have achieved, there will be enormous pressure on Bolivians to return to illicit coca production.

With current resources, we are not able to thwart such pressure. We are not asking for open-ended assistance, but we disparately need the amounts we requested for the next 2 years to complete our goal. Then Bolivia and the United States can raise our hands together as we celebrate complete victory against drug trafficking.

I would like to submit, for the record, a short detailing of the funding request for Bolivia for the next 2 years. I am now open to any questions you or any members of this committee might have on this issue.

Thank you very much, Mr. Chairman.

Senator McCONNELL. Thank you, Mr. Minister. We will put your additional material in the record.

[The information follows:]

#### DIGNITY PLAN SUPPLEMENTAL ASSISTANCE FUNDING REQUEST

##### FISCAL YEAR 2000 SUPPLEMENTAL FUNDING NEEDS

[In millions of dollars]

Program	U.S. regular funding	Supplemental requirement	Total assistance
Alternative development .....	14.0	53.0	67.0
Prevention and justice .....	2.8	.....	2.8
Eradication .....	4.5	8.5	13.0
Interdiction .....	24.0	2.0	26.0
Others .....	2.7	.....	2.7
Total .....	48.0	63.5	111.5



[In millions of dollars]

*Share within  
supplemental  
requirement*

## Alternative development:

## Projects:

Chapare-Yungas Social and Productive Infrastructure .....	7.0
Assistance Production Fund .....	4.0
Investment and Credit for Rural Enterprises .....	5.0
Assistance for Agrarian Production .....	8.0
Technical Assistance Fund .....	3.0
Subtotal .....	27.0

## Balance of payments:

Community Compensation .....	10.0
Alternative Development Activities USAID .....	10.7
Road Infrastructure .....	5.3
Subtotal .....	26.0

Total .....	53.0
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## Eradication:

Assistance for Eradication: Personnel and equipment for DIRECO .....	7.0
Investment: Equipment, infrastructure and topographic material for DIRECO .....	1.1
Institutional Strengthening Projects .....	0.2
Public Awareness Campaigns .....	0.2
Total .....	8.5

## Interdiction:

UMOPAR—Border Security .....	1.1
Canine Program .....	0.3
Communications Unit .....	0.6
Total .....	2.0

FISCAL YEAR 2001 SUPPLEMENTAL FUNDING NEEDS <sup>1</sup>

[In millions of dollars]

Program	U.S. regular funding	Supplemental requirement	Total assistance
Alternative development .....	14.0	50.0	64.0
Prevention and justice .....	2.8	.....	2.8
Eradication .....	4.5	7.5	12.0
Interdiction .....	24.0	1.0	25.0
Others .....	2.7	.....	2.7
Total .....	48.0	58.5	106.5

<sup>1</sup> INL requested \$52 million of regular funding for fiscal year 2001; if approved, then Bolivia's supplemental requirement would be \$54.5 million, instead of the \$58.5 million quoted in the chart.

[In millions of dollars]

*Share within  
supplemental  
requirement*

## Alternative development:

## Projects:

Chapare-Yungas Social and Productive Infrastructure .....	
Assistance Production Fund .....	
Investment and Credit for Rural Enterprises .....	
Assistance for Agrarian Production .....	

	<i>Share within supplemental requirement</i>
Technical Assistance Fund .....	
Subtotal .....	24.0
Balance of payments:	
Community Compensation .....	
Alternative Development Activities USAID .....	
Road Infrastructure .....	
Subtotal .....	26.0
Total .....	50.0
Eradication:	
Assistance for Eradication: Personnel and equipment for DIRECO .....	
Investment: Equipment, infrastructure and topographic material for DIRECO .....	
Institutional Strengthening Projects .....	
Public Awareness Campaigns .....	
Total .....	
Interdiction:	
UMOPAR—Border Security .....	
Canine Program .....	
Communications Unit .....	
Total .....	

Senator MCCONNELL. I have just a couple of questions. First, with regard to Ecuador, Mr. Attorney General.

Attorney General JIMENEZ. Mr. Chairman.

Senator MCCONNELL. Thanks. First, how successful is your judicial system in prosecuting and incarcerating if found guilty these drug traffickers that you find in your courts?

Attorney General JIMENEZ. Well, we are doing a lot of effort in bettering the judicial system of Ecuador. There are many, many problems in the judicial system. It is not perfect. Nothing is perfect in the world, except in heaven.

But institutions, non-government and non-profit organizations of the world are working very hard. For instance, the world bank in bettering the judicial system of Ecuador.

We have an agreement between the judicial power of Ecuador and the so-called pro justicia, pro justice organization which is sponsored by the world bank. And we are doing a great effort. I would say we are not completely successful, but we are working towards being successful.

Senator MCCONNELL. One other question. You, of course, mentioned the transit problem through your country, and I am curious as to how active efforts are to monitor airports, seaports and roads in Ecuador to deal with this transit problem.

Attorney General JIMENEZ. Well, we try to be as efficient as we can, but unfortunately we do not count on the necessary elements, material elements to do it. That is where we need more assistance.

One more word, Mr. Chairman, just one word. One of the big efforts of the government of Ecuador is the national anti-drug plan, 1999, 2003, which was approved last year and which has had the

endorsement of UNCDP, seek out from the Organization of American States and many other international organizations.

And one more effort, which has been very, very important is this I have here, the agreement of the National Congress, the agreement of the National Government of Ecuador with the United States Air Force for the Manta Air Base which is working very well.

And people are very happy to have the air base there, because there is more work today in the Manave Province where they needed a lot of work. So, there are efforts that are being made, but we need assistance. Thank you.

Senator MCCONNELL. Thank you. Just one final. Senator Leahy is going to handle the final witness who is going to be discussing details from today's front page Washington Post story, but I want to conclude my part of the hearing by asking the minister from Bolivia, even though I know agriculture is your portfolio and not justice. I'm also curious, if you know, how successful you have been in Bolivia in arresting and incarcerating drug traffickers.

Minister ANTEZANA. Well, we have good results. This is a matter that I do not know. I do not know except the number of people, because I have my responsibility in the area of world development and alternative development—

Senator MCCONNELL. Right.

Minister ANTEZANA [continuing]. In eradication. But in the last year, I think we catch around 40 tons of the cocaine in Bolivia, and many, many people were arrested. I do not know exactly the number.

Senator MCCONNELL. Let me just conclude by saying to both of you how much I appreciate your being here, and also I want to make an observation to the minister of agriculture from Bolivia, because I understand the problem of agricultural transition.

The most unpopular thing you can do in America, that is legal, is smoke a cigarette. I used to have 100,000 tobacco growers in my State. We have lost about 25 percent of them since President Clinton came to office, and it is dropping daily because of the effort to crack down on cigarette smoking in our country.

Regretfully, in the Appalachian Mountains, the most profitable thing you can do is grow marijuana. And so we have our ongoing efforts in my State to discourage this kind of illegal activity. The root cause of the problem, of course, is the profitability of the plant.

So, I want to particularly commend Bolivia for the extraordinary success that you have had in a really tough area. It is very, very difficult to, with rural people who are otherwise rather poor, to discourage this kind of activity when it is so lucrative. So, my hat is off. I salute you for the extraordinary success you have had in Bolivia. I hope you can keep it up, and I hope you can meet the eradication date of 2002.

So, with that, Senator Leahy is going to handle our last witness, and I am sure his stomach is growling intensely. But if he will hold on, Senator Leahy will be here momentarily I am told.

I want to thank you, Mr. Attorney General and you, Mr. Minister, for joining us today, and let me just say that I share your view that we ought to take a more regional approach to the request of the Clinton Administration.

And I am hopeful that our final product, which we send down to the President, will more accurately meet the needs that you have expressed here. And there, as if on cue, Senator Leahy arrives to handle our last witness. Thank you both very much.

Attorney General JIMENEZ. Thank you, Mr. Chairman.

Senator McCONNELL. You are up.

Senator LEAHY [presiding]. If I have any questions of these witnesses, I will put them in the record, but thank you all for being here.

Attorney General JIMENEZ. Thank you.

Senator LEAHY. Why don't we have the next witness come forward, please. Ms. Kirk, I am delighted to have you here. You and Human Rights Watch have been referred to on more than one occasion today, as I do not need to tell you. Why don't you go ahead.

**STATEMENT OF ROBIN KIRK, AMERICAS DIVISION, HUMAN RIGHTS WATCH**

Ms. KIRK. Well, thank you very much.

Senator LEAHY. I know you have waited a long time for this.

Ms. KIRK. It has been very interesting. First, I want to thank the subcommittee for inviting me, Chairman McConnell, Senator Leahy. It is a pleasure to come here and talk with you about the proposed aid plan to Colombia. I have a written statement that I have submitted for the record, but I would like to just comment briefly on a couple of things that have been said today during this hearing.

I think I would like to make it very clear that I agree that Colombia is a matter of serious concern, not only for the United States, but also for the international community. We believe that this policy needs to be scrutinized very carefully, and it needs to be scrutinized based on the facts. And that is what I would like to discuss today.

I would like to comment on a couple of things that were said earlier today in the testimony. Three basic points. Number one, this idea that human rights problems in Colombia, and specifically the relationship between the military and paramilitary groups, are simply the result of some bad apples. General Wilhelm used the phrase local collusion with paramilitary groups.

With a great deal of respect to the General, I would simply like to say that that is not supported by the facts. We released a report yesterday that shows that far from local collusion, what we were able to document is continuing ties between the military and paramilitary groups, and specifically, ties that go right through the whole structure of the army.

We were able to document ties between paramilitaries and the military in half of the 18 brigades that now function within the Colombian army. This is not history, this is reality. This is present day.

It is clear that President Pastrana has made a commitment to human rights. He has made that commitment to us in meetings. Ambassador Moreno has also made the same commitments. We understand that there is a will, at least in terms of what Colombian officials will say, to do more for human rights. But what we do not see are actions on the ground.

There are two things that have been cited as proof that the Colombian government has made progress in combating these ties between the military and paramilitary groups, and specifically military involvement in abuses. Ambassador Pickering mentioned the question of statistics.

That, in fact, the number of human rights violations that are directly attributable to the army, to the military in general, have decreased in recent years. That is absolutely correct.

We would agree that direct ties between the military and human rights violations have decreased, but that does take into account the whole question of open collaboration, collusion and support for paramilitary groups. There are no statistics that measure that. What there are are cases. The kinds of cases that we included in our report that show that this collusion, this collaboration, and indeed even an open creation of paramilitary groups, continues to occur in Colombia.

In our report, we looked into the behavior of three brigades, and I think it is important to note that those three brigades are based in Colombia's largest cities. We are not talking about brigades that are in rural areas. We are not talking about far away places. We are talking about the capital of Colombia, Bogota. We are talking about Medellin and we are talking about Cali.

This is far from something that is out there in the woods that cannot be controlled or cannot be supervised. This is happening in the heart of the Colombian army.

Secondly, both Ambassador Pickering and Ambassador Moreno cited our report and said that it was actually a good sign for the Colombian government and its progress on human rights, because much of our information was based on the work of Colombia's own investigators. Prosecutors who work for the Attorney General's Office.

But I would like to point out that many of those investigators have been threatened because of their work, and have been forced to leave Colombia. There is not an effort on the part of the Colombian government to protect them.

Secondly, I would like to comment on the question of conditions. We welcome statements that have been made by the Colombian government that they will support human rights, but I think it is key to match will with measurable benchmarks that the United States can use to see exactly what the facts are on the ground. We cannot simply be satisfied with expressions of good will. We have to be able to match that with real progress.

I have covered Colombia now since 1992, and every year we get expressions of good will. Every year we get intentions, but those intentions are not backed up by real progress on human rights. Let me just cite one example. I think it is especially appropriate for this hearing, because it has to do with the case of a Colombian senator.

This Colombian senator, Manuel Sepeda was murdered in 1994 in the capital of Colombia, in Bogota. And the investigation done by the Attorney General's Office showed that this murder had been carried out by the military, by military officers, in collusion with paramilitary groups.

Until Human Rights Watch protested the fact that these officers remained on active duty only 3 months ago, those officers continued on the payroll of the Colombian army and also continued in working in military intelligence. And it was only until we protested that, in fact, the investigation showed that these Colombian army officers had killed a Colombian senator. It was only then that these two individuals were discharged from the army. That is the kind of progress—

Senator LEAHY. What else happened?

Ms. KIRK. Well, now they are put at the disposition of a civilian court, but the fact is that they remained on active duty. They remained on the payroll until this became public.

Senator LEAHY. Are they before the civilian courts now?

Ms. KIRK. They are before the civilian courts, but let me just say that these two individuals are low ranking officers. They are at the sergeant level and what we have seen again and again is that the Colombian government will cite statistics of officers sent to civilian courts for trial and those officers are almost always privates or sergeants.

Senator LEAHY. Do you remember what the rank was of these two?

Ms. KIRK. They were both sergeants.

Senator LEAHY. And was anybody else either sent to military courts or suspended as a result?

Ms. KIRK. In this particular case, these officers told investigators that they were acting under the orders of a general, who at that time was the head of the ninth brigade, and that general actually died of a heart attack in 1996. So, the case stopped investigating him at that point. But it is clear that there was, it was not just the actions of these sergeants, it was clear that they were acting on orders from their commanding officer.

Senator LEAHY. I note that Human Rights Watch is well-respected and that your work has been widely quoted, by both Democrats and Republicans.

I understand that yesterday, on a Colombian radio broadcast General Tapias accused Human Rights Watch of conspiring with drug traffickers to defame the Army. Would you respond to that?

Ms. KIRK. Well, I think—

Senator LEAHY. Because you know I raised this question earlier.

Ms. KIRK. Yes. No. Thank you for raising it. I think it speaks for itself. Because they do not attack us on the facts. They try to suggest that we are acting for other motives other than simply documenting the truth, but they never question our facts. And I think that, I would like that to speak for itself.

Senator LEAHY. When you work in Colombia, what type of freedom do you have to operate? You are down there investigating gross human rights violations. I can think of other countries in Central and South America where people have been killed for doing similar work. Is this a concern for Human Rights Watch?

Ms. KIRK. Well, I think it is mainly a concern because of our Colombian colleagues, because we consider Colombia the most dangerous country in the world now for human rights defenders. Luckily, people like myself, who work for international organizations, have not lost anyone, but we have lost many of our Colombian col-

leagues. And in fact, Monday is the anniversary of the date of the murder of one of the human rights defenders that I worked most closely with in Colombia, Jesus Valle.

So, we are extremely concerned about the safety of our colleagues in Colombia, and their ability to do just the kind of work that is needed to document continuing human rights abuses in the country. We do face a serious problem, because these human rights workers continue to receive threats, and continue to feel that they jeopardize their lives, especially when they speak publicly. I feel very fortunate, myself, to be able to speak publicly here without being afraid when I walk out of the room. I am afraid that my Colombian colleagues, with all due respect to the Colombian ambassador, do not feel the same freedom.

Senator LEAHY. You heard Ambassador Pickering mention the work the Army is doing to purge itself of human rights violators. Some have noted the dismissal of 15 officers as a sign of progress. How would you respond to that, is that a real sign of progress?

Ms. KIRK. I think we were looking at that figure the other day, 15 officers, and the only way we could kind of account for each of the officers was to go back as far as 1990 to find exactly who they meant by being discharged. So, in other words, in the past 10 years, 15 officers have been discharged. Most of them simply discharged.

In other words, not prosecuted for the human rights abuses that they have been accused of doing. So, no, we do not see that as a sign of great progress. Certainly it is welcome when officers who commit human rights violations are discharged, but we also want to see them prosecuted.

Senator LEAHY. How does that contrast with the National Police?

Ms. KIRK. That is an important contrast, I think, because, for instance, since General Serrano took charge of the Colombian police in 1994, he has discharged an average of 1,000 officers every year. That is for human rights violations, but also because of corruption and other criminal activity.

But I think it is clear the lesson that we take from that is, number one, it is possible when there is political will to make great advances on human rights. And second, that is it possible in Colombia if the Colombian government and the commanders of the army and the navy and the air force decide to apply the same kinds of measures that General Serrano has done within the police.

Senator LEAHY. But I am told that prosecutors, investigators, human rights monitors and others have had to flee Colombia, even today, because of concern for their own safety. Is that your understanding?

Ms. KIRK. That is correct. And it is very disturbing to us. Just at the time when, especially the United States, wants to have this aid monitored and wants to be able to collect the human rights information that it needs, for instance, to apply the Leahy Amendment, to find that even the government's own investigators, the people in the Attorney General's Office that we depend on to forward these cases, are having to flee the country.

And in fact, much of the information that we collected for this report was taken from prosecutors who are out of Colombia and

who wanted, because they are committed to their jobs and committed to doing their duty, they wanted to see some accountability.

And unfortunately, their only recourse was to go to international organizations like Human Rights Watch and see if they could not, by talking to us about their cases, forward them within the Colombian judicial system, because most of these cases that are summarized in this report are stopped. Are essentially frozen, because the prosecutors who were shepherding them through the judicial system have had to flee the country.

Senator LEAHY. Is the Colombian Attorney General's Office the major source of your information?

Ms. KIRK. We match our interviews with Colombian prosecutors with our own interviews with eyewitnesses and other information that we have collected from victims of violations.

Senator LEAHY. I want to make sure I fully understand this. You have spoken about General Serrano. You spoke about the National Police and what they have done. Are you suggesting that if the will was there, the same could be done in the military?

Ms. KIRK. I think that is unquestionable. That the military can take measures today that would begin to produce real results in terms of human rights protections. One of them is simply purging officers that have a proven record of support for paramilitary groups.

One of the things that you will note from our report is that many of the officers who were in charge of these units that we have tied to paramilitary activity, not only remain on active service, but have been promoted. In essence, rewarded for their collusion with paramilitary groups.

That is something that I think would be very evident to General Tapias if he decided to appoint a review committee. That is one of the conditions that we are supporting. To have an outside review committee look at some of these cases and see who is it that really needs to be out of uniform.

Senator LEAHY. And so to anticipate questions, would it be naive to suggest that the Army take this on while fighting the guerrillas? Does it diminish their ability to fight? Does it make any difference in their ability to protect the nation?

Ms. KIRK. I think to the contrary. It would strengthen their fight against guerrillas, because it is clear that the Colombian military has a duty, an obligation, to protect the nation. Has a duty to fight threats against Colombian democracy. There is no question about that. But the only way they can protect democracy is by observing democracy, and observing the rule of law.

#### PREPARED STATEMENT

When the government itself, through its military, violates law, violates the rule of law by committing human rights violations, they lose credibility. And I think that they would be a stronger army, they would be more effective at defending Colombia if they, themselves, obeyed the law.

Senator LEAHY. Thank you, Ms. Kirk. We will put your full statement in the record.

[The statement follows:]



## PREPARED STATEMENT OF ROBIN KIRK

Chairman McConnell, Senator Leahy, Members of the Subcommittee: Thank you for inviting me to convey to the Subcommittee our concerns about the human rights implications of U.S. security assistance to Colombia.

I would like to thank the Subcommittee for taking the time to examine in detail the proposed aid package to the Andean countries and specifically Colombia.

No one disagrees that Colombia faces a difficult challenge. A decades-long war and entrenched drug trafficking have exacted a high toll. Human Rights Watch has fully documented the abusive behavior of Colombia's guerrillas, who kill, kidnap, and extort money from the population they claim to represent.

At the same time, however, forces from within the state itself threaten democracy. Paramilitary groups operating with the acquiescence or open support of the military account for most political violence in Colombia today. Yet Colombia's military leaders have yet to take the firm, clear steps necessary to purge human rights abusers from their ranks.

This is not history, but today's reality. Human Rights Watch has detailed, abundant, and compelling evidence of continuing ties between the Colombian Army and paramilitary groups responsible for gross human rights violations, which we have submitted to this Subcommittee. Our information implicates Colombian Army brigades operating in Colombia's three largest cities, including the capital, Bogotá.

Together, evidence collected so far by Human Rights Watch links half of Colombia's eighteen brigade-level army units to paramilitary activity. In other words, military support for paramilitaries remains national in scope and includes areas where units receiving or scheduled to receive U.S. military aid operate.

For that reason, it is crucial for the Congress to place strict conditions on all security assistance to Colombia to ensure that the Colombian Government severs links, at all levels, between the Colombian military and paramilitary groups and prosecutes in civilian courts those who violate human rights or support or work with paramilitaries.

I have submitted for the record additional recommendations for actions that Human Rights Watch believes the U.S. should require the Colombian Government to take before receiving security assistance.

The 28th of February marks the two-year anniversary of the murder of Jesús Valle, a courageous human rights defender gunned down in his Medellín office precisely because he worked to document links between paramilitaries and the Colombian Army. The gunmen paid to kill him are in prison. But the individuals who planned and paid for his murder remain at large.

Even the government's own investigators are under threat. Dozens of prosecutors who have worked on these cases have been forced to flee Colombia because of death threats. In 1998 and 1999, several investigators who worked for the Attorney General were murdered because of their work on human rights-related cases.

The United States has a positive message to send Colombia and should respond to President Pastrana's call for help. But I urge the members of this Subcommittee to recognize that continued collusion between Colombia's military and paramilitary groups will only undermine the effectiveness of the aid you send and sabotage efforts to rebuild democracy.

Thank you. I would be pleased to answer any questions.

Senator LEAHY. And if there are other questions, we will provide that for the record.

I am sorry you had to be here so long, but I hope you found this interesting. I had to go to the floor to get a couple of judges confirmed, and we did.

Nevertheless, I was able to follow the hearing. I think it has been worthwhile, especially as the whole Appropriations Committee will have to consider the Administration's request.

I have some real concerns. The Administration's plan has not been well thought out.

It is too open ended. It guarantees that there will be U.S. troops involved, at least indirectly, in Colombia.

CONCLUSION OF HEARING

Ms. Kirk, I appreciate you taking the time. I think you have helped us with our deliberations.

Ms. KIRK. Thank you very much.

[Whereupon, at 1:37 p.m., Thursday, February 24, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIA-  
TIONS FOR FISCAL YEAR 2001**

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**THURSDAY, MARCH 23, 2000**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:40 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell and Leahy.

**DEPARTMENT OF STATE**

**STATEMENT OF AMBASSADOR DONALD K. STEINBERG, SPECIAL HAITI  
COORDINATOR**

**OPENING STATEMENT OF SENATOR MITCH MC CONNELL**

Senator MCCONNELL. All right. We will commence the hearing. Mr. Ambassador, welcome.

Ambassador STEINBERG. Thank you.

Senator MCCONNELL. We have spent a fortune in Haiti; by my estimate, \$2.2 billion. Yet by any standard, there is little to show for it. Privatization has stalled. The economy and standard of living have cratered.

Procrastination and stonewalling are the hallmarks of investigations of political murders. Clean water, a decent education and basic health care are inaccessible to most of the population.

Law enforcement and justice are incompetent at best, and malicious at—at their worst. The political process is deadlocked. Frankly, the only indicators that are on the rise are unemployment and the drug trade.

One of the largest investments we made in Haiti is a good illustration of the weakness of our track record. We have spent more than \$66 million to train and patrol with the Haiti National Police.

A State Department document says, "In a country that has never had a professional and apolitical security service, the HNP, despite numerous problems and its relative inexperience, is considered a success story."

Let me describe how the Haiti—Haitian police officers who are assigned to one of the poorest areas of Port-au-Prince feel. They are inadequately armed, inexperienced, lack competent supervision and are incapable of basic law enforcement missions.

They do not have ammunition. They are uncertain of basic policing skills, because there is no coherence to their training program. They have been offered a hodge-podge of training. The Americans came in and told them to get out on the street and engage in community policing.

Six months later, the French showed up, threw up barb wire around their tiny compound and told them never to venture on the street. In January, the Canadians showed up with more new ideas.

They have yet to prove they can engage in effective crowd control; in fact, senior United States and Haitian officials acknowledge they run away from any sign of trouble with a crowd. Furthermore, there continues to be regular complaints about their use of excessive force during routine arrests.

This, Ambassador Steinberg, is not a success story by my standards and probably not yours either.

Adding to this bleak picture, the elections scheduled for March 19 have been postponed amid allegations of incompetence, abuse, harassment and violence. Registration facilities have been attacked and destroyed. The basic materials for producing registration cards, which USAID helped to pay for, have been slow to arrive out in the field.

While the process has been marred, the people have clearly been eager to participate. I gather record numbers have turned out to be registered, a small hopeful sign in light of the 5 percent turnout in the last elections.

Many observers argue that the delays and destruction are part of the Preval-Aristide strategy to stifle voter interest and postpone the parliamentary elections to a point that they would have to be combined with the presidential elections scheduled for December.

If the elections were held today, polling shows that it is likely an opposition party or a coalition of parties would gain control of the legislation, an outcome that Aristide and Preval hope to avoid if the elections are merged later in the year.

So let me be clear: I would strongly oppose any continuation of bilateral or multilateral aid to Haiti if the sitting government collaborates with Aristide to manipulate the election schedule to secure a political advantage.

Ambassador Steinberg, no doubt you can point to a project or two managed by AID that has achieved some result. Let me be the first to suggest AID has reason to be proud of a number of well-run activities.

The agriculture and coffee cooperative projects are excellent examples of programs having meaningful local economic impact.

But the \$6 million we spent we have spent well to improve agricultural productivity has to be considered in the context of a \$2 billion failure, which the administration seems to have walked away from.

Before we discuss conditions in Haiti and where we go from here, let me make one final observation. This is one of three hearings that I want to hold to evaluate the progress made over the last eight years in countries where the Administration has launched major new political and economic commitments. Haiti, Russia and Bosnia lead the pack.

Other nations have received more aid, but they have not been the focus of intense diplomacy and political effort that these three have been. It is the combined and considerable expenditure of political and economic capital that makes these cases interesting.

Our next hearing will be on Russia, although we are having a difficult time setting a date, since Secretary Talbott has not been especially inclined to appear. We have offered him any date of his choosing, but he seems reluctant to testify.

For those of you from the State Department here today, please renew my personal invitation to the principal architect of our Russia policy to appear before the subcommittee at his earliest convenience.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

Ambassador Steinberg, we have spent a fortune in Haiti. By my estimate we have spent \$2.2 billion, yet, by any standard there is little to show for it. Privatization has stalled, the economy and standard of living have cratered. Procrastination and stonewalling are the hallmarks of investigations of political murders. Clean water, a decent education and basic health care are inaccessible to most of the population. Law enforcement and justice are incompetent at best, and malicious at their worst. The political process is deadlocked. Frankly, the only indicators that are on the rise are unemployment and the drug trade.

One of the largest investments we have made in Haiti is a good illustration of the weakness of our track record. We have spent more than \$66 million to train and patrol with the Haitian National Police. A State Department document says "In a country that has never had a professional and apolitical security service the HNP despite numerous problems and its relative inexperience is considered a success story."

Let me describe how the Haitian police officers who are assigned to one of the poorest areas of Port-au-Prince feel. They are inadequately armed, inexperienced, lack competent supervision and are incapable of basic law enforcement missions. They do not have ammunition. They are uncertain of basic policing skills because there is no coherence to their training program. They have been offered a hodgepodge of training—the Americans came in and told them to get out on the street and engage in community policing. Six months later the French showed up, threw up barb wire around their tiny compound and told them never to venture on the street. In January, the Canadians showed up with more new ideas.

They have yet to prove they can engage in effective crowd control—in fact, senior U.S. and Haitian officials acknowledge they run away. There continue to be regular complaints about their use of excessive force during routine arrests.

This, Ambassador Steinberg is not "a success story" by my standards and probably yours. Adding to this bleak picture, the elections scheduled for March 19 have been postponed amid allegations of incompetence, abuse, harassment and violence. Registration facilities have been attacked and destroyed—the basic materials for producing registration cards which USAID helped pay for have been slow to arrive out in the field. While the process has been marred, the people have clearly been eager to participate—I gather record numbers have turned out to be registered—a small, hopeful sign in light of the 5 percent turnout in the last elections.

Many observers argue that the delays and destruction are part of a Preval-Aristede strategy to stifle this interest and postpone the parliamentary elections to a point that they would have to be combined with the Presidential election scheduled for December. If the elections were held today, polling shows it's likely an opposition party or coalition of parties would gain control of the legislature, an outcome Aristede and Preval hope to avoid if the elections are merged later in the year.

Let me be clear—I would strongly oppose any continuation of bilateral or multilateral aid to Haiti if the sitting government collaborates with Mr. Aristede to manipulate the election schedule to secure political advantage.

Ambassador Steinberg, no doubt you can point to a project or two managed by AID that has achieved some result. Let me be first to suggest, AID has reason to be proud of a number of well run activities. The agriculture sustainability and coffee cooperative projects are excellent examples of programs having meaningful local economic impact. But, the \$6 million we have spent well to improve agricultural pro-

ductivity has to be considered in the context of a \$2 billion failure which the Administration seems to have walked away from.

Before we pursue conditions in Haiti and where we go from here, let me make one final observation. This is one of three hearings I want to hold to evaluate the progress made over the past eight years in countries where the Administration has launched major, new political and economic commitment. Haiti, Russia and Bosnia lead that pack. Other nations may have received more aid, but they were not the focus of the intense diplomacy and political effort that these three have been. It is the combined and considerable expenditure of political and economic capital that makes these cases interesting.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator MCCONNELL. With that, Senator Leahy, do you have any comments you want to make?

Senator LEAHY. Mr. Chairman, I will be happy to join with you in letters asking Mr. Talbott to come up here.

I am glad that you are examining our policy towards Haiti. Parliamentary elections, which have been anticipated for a long time there, were supposed to be held this month. They have been postponed until April 9, and who knows if they are going to happen then.

I understand from the administration that between the cost of our military personnel and the aid we provided to try to build democracy and support economic development, we have spent some \$2.2 billion since 1992 in Haiti. That is about \$300 per person, far less than what we spend in some parts of the world.

By way of comparison, in Africa, with its enormous problems and where we also have national interests, we spend about \$1 a year per person.

I have been to Haiti. I have also met with Haitians here. I do not see where we have accomplished a great deal with our assistance. The poorest country in the hemisphere remains a place where the government is barely functioning. Political reform has gotten nowhere. Democracy exists only in theory. The judicial system is in disarray. The police have been politicized. The average person lives from hand to mouth.

Our policy toward Haiti has been simplistic and often plagued by partisanship. Our aid programs, with some exceptions—and it is important to note these exceptions—have been poorly conceived and poorly managed. But the Haitian leadership itself deserves most of the blame. The greatest obstacle to the island's development in the years since President Aristide's return has been Haitian officials, who are far more interested in playing politics and staying in power than addressing the basic needs of the impoverished people they are there to represent.

We could talk about the mistakes of the past or the money that has been spent, or misspent, since 20,000 U.S. troops launched "Operation Uphold Democracy," a mission that may best be remembered for its overly optimistic name.

But we have to think about where Haiti is and what its options are for the future. It is at a critical juncture. I believe that over the next few months, it is either going to slide deeper into poverty and violence, or begin to dig itself out of the quagmire.

The question we have to answer is: Do we cut our losses, close down our AID mission and go home, or throw good money after bad in the hope that things might get better?

The Haitian people themselves deserve better. They have suffered every possible indignity and deprivation. I have met them both in the city, but also out in the countryside. My wife has visited a number of their medical facilities and is appalled by the lack of basic services—services that anybody would expect in even the most rural parts of our country.

I would like to see the United States help, if we can spend our money wisely. But I worry about Haiti's political elite. They have made a lot of empty promises over the years.

But then you look at the people. Despite an electoral process fraught with irregularities, millions of Haitians have registered to vote. Over a million more are seeking to register.

Long lines outside voter registration offices show their desire for a better life and a willingness to again put their faith in the electoral process. I think they believe that is their best hope, and I do too.

There is one other bright star in this, Mr. Chairman, and that is Ambassador Steinberg.

I knew him when he was our Ambassador to Angola. I know him through his current role as Special Advisor to the Secretary of State for Humanitarian Demining. It is a cause I have a deep personal interest in, and which Don Steinberg has shown not just a professional interest in, but a moral interest in.

Mr. Chairman, you have also been a strong and valuable supporter of our cause of demining around the world.

I think if anybody is capable of injecting pragmatism and forthrightness into our policy in Haiti, he is the one that could do it.

I do not envy him his difficult task in coming before this subcommittee. But I do commend him for what he has done, just as I commend you, Mr. Chairman, for looking into this issue.

Thank you.

Senator McCONNELL. Thank you, Senator Leahy.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Chairman, this is an excellent time to be examining United States policy towards Haiti. Parliamentary elections, long awaited, were to be held this month. Once again, they have been postponed, this time until April 9, and who knows if they will happen then.

According to the administration, between the cost of our military personnel and the aid we have provided to try to build democracy and support economic development, the United States has spent over \$2.2 billion dollars in Haiti since 1992.

In a country of 7 million people, that is about \$300 per person. By way of comparison, our foreign aid to Africa amounts to about \$1 per person per year.

What has been accomplished in Haiti? Very little, as far as I can tell. The poorest country in the hemisphere remains a place where the government is barely functioning, political reform has gotten nowhere and democracy exists only in theory, the judicial system is in disarray, the police are politicized, and the average person lives from hand to mouth.

Our policy has been simplistic and plagued by partisanship. Our aid programs, with few exceptions, have been poorly conceived and poorly managed. But the Haitian leadership deserves most of the blame.

The greatest obstacle to the island's development, in the years since President Aristide's return, has been Haitian officials who are far more interested in playing politics and staying in power than addressing the basic needs of the Haitian people.

It would be easy to dwell on the mistakes of the past and the time and money that has been spent—or misspent—since 20,000 U.S. troops launched "Operation Uphold Democracy"—a mission that may be remembered most for its overly optimistic name.

But we need to use this opportunity to honestly assess where we are, and what our options are for the future. Haiti is at a critical juncture. Over the next few months it will either slide deeper into poverty and violence, or begin to dig itself out of the quagmire.

The question we must answer is whether we should cut our losses, close down our AID mission and go home, or throw good money after bad in the hope that we can do better from this day forward.

The Haitian people deserve better. They have suffered every possible indignity and deprivation. I would like to see the United States help, if we can spend our money wisely.

Despite years of empty promises and opportunism by Haiti's political elite, despite an electoral process that is fraught with irregularities, it is encouraging that millions of Haitians have registered to vote and over a million more are seeking to register. Long lines outside voter registration offices attest to their desire for a better life and a willingness to again put their faith in the electoral process. They know that it is their best hope.

I have known Ambassador Steinberg from when he was our Ambassador to Angola, and from his current role as Special Advisor to the Secretary of State for Humanitarian Demining—a cause that I have a deep, personal interest in. If anyone is capable of injecting pragmatism and forthrightness into our policy in Haiti, it is Don Steinberg and I commend Chairman McConnell for inviting him here to testify.

Don, this is your first time as a witness before this Subcommittee and I do not envy your task today, but we welcome you and are eager to be convinced that all is not as hopeless in Haiti as it seems.

#### SUMMARY STATEMENT OF HON. DONALD K. STEINBERG

Senator MCCONNELL. Mr. Ambassador, go right ahead.

Ambassador STEINBERG. Thank you, Mr. Chairman.

Senator MCCONNELL. We will put your full statement in the record. And if you could summarize it, that would be good.

Ambassador STEINBERG. Mr. Chairman, Senator Leahy, I welcome this opportunity to come before the committee and to discuss recent developments in Haiti, as well as our mutual efforts to promote positive change.

I have submitted a lengthy statement for the record, but I want to take, at your convenience, a few moments to discuss some elements of that testimony.

I have been in the job of Special Haiti Coordinator just since November, but I have already made six trips to Haiti in that period. It is clear to me that we have a huge challenge ahead of us in helping Haiti down the road to democracy, respect for human rights, and economic development.

I agree with you that so far that road has been bumpy at best. There are no quick fixes to helping a society overcome the legacy of literally two centuries of authoritarian regimes, rapacious military forces, and class divisions.

Clearly, the expectations in the wake of the restoration of the democratically elected government in 1994 have not been fully met. In my written testimony, you will see that I highlight a number of areas of disappointment and frustration, including halting progress on human rights, problems of drug trafficking, and the sorry state of the judiciary and prison systems.

In one of my recent visits, I went to the National Penitentiary, walked through that facility, and talked with prisoners, many of whom had been held for months and even years without ever having been charged with anything.

That visit filled me with rage and frustration, but equally important, a new commitment to help create rule of law and administration of justice in Haiti.



As both you and Senator Leahy have pointed out, the lack of a parliament and local government since their disbanding 14 months ago, has been an undercutting element to all of our efforts to promote democracy.

You both highlighted the positive development in Port-au-Prince now, something I like to call "election fever." Some 3.6 million people have gone to register to vote. That is about 80 percent of the population. That is a pretty impressive number, certainly by international comparison.

You walk through the streets of Port-au-Prince and the outlying cities, and there is an excitement. There are political debates going on. There are posters everywhere. Indeed, we have helped through election support to promote this election fever.

But we are very concerned. In fact, the government of Haiti is not allowing that fever to reach fruition. During my most recent visit, NSC Senior Director Valenzuela and publicly called for the government of Haiti to publish new dates for the election and to support those elections with financial, logistical and security support.

We warned that the failure to constitute a parliament will risk isolating Haiti from the community of democracies, and it will jeopardize further cooperation. We also condemned elements in Haiti who are using strong-arm tactics to derail these elections.

We are working with the international community, including the United Nations, the OAS, and the European Union, to mobilize international pressure to get these elections held.

Mr. Chairman, while acknowledging a number of problems and frustrations in Haiti, I think it is equally important to acknowledge some achievements that have been attained since 1995.

I think we can all share satisfaction in some strides that have been taken to alleviate poverty and hunger, to build some of the basic institutions of democracy, to increase access to education, and to improve health care.

The programs that Mrs. Leahy has visited, indeed, have done wondrous efforts to promote mother-child health care and family planning.

We are combating environmental degradation. We are helping incubate civil society. And we have helped demobilize the armed forces, which has been an overhanging threat to democracy throughout Haiti's history.

We all need to remember as well what the situation was like in the early 1990s when a brutal military regime was terrorizing its political opponents in Haiti; when tens of thousands of boat people were fleeing the terror and risking their lives; when starvation and suffering was rampant; and when the economy was in shambles due to capital flight and sanctions.

Despite all the problems of Haiti today—the problems that you have identified and the problems that we identify—Haiti has its best chance in its history to move down the road to democracy, national reconciliation and economic recovery.

And I believe we need to be on that road with the Haitians. Our national interests are too great: promoting democracy throughout the western hemisphere; addressing crushing poverty on our door-

step; interdicting cocaine trafficking; and preventing a new flood of illegal migrants.

If we can all resist the easy solace of frustration and fatigue, I think we can achieve these reasonable expectations. I look forward over the coming months and years to working with this Committee to achieve this.

Thank you.

Senator McCONNELL. Thank you, Mr. Ambassador.

[The statement follows:]

#### PREPARED STATEMENT OF AMBASSADOR DONALD K. STEINBERG

I welcome the opportunity to be with you this morning to discuss recent developments in Haiti and the Administration's efforts to address the challenges of promoting democracy, human rights, and economic recovery there. I just returned from my sixth visit to Haiti since November, and I look forward to an exchange of views with you on the road ahead.

#### PURSuing AMERICAN NATIONAL SECURITY INTERESTS

Since the early 1990's, Haiti has been a focal point of our efforts in the Western Hemisphere. Our objectives, based on strong national security interests, include: helping Haiti join the global march toward democracy through construction of basic institutions; alleviating crushing poverty, illiteracy, and malnutrition; stemming illegal migration; and interdicting drug trafficking.

Pursuing these objectives has been a huge challenge and the record has been decidedly mixed. Haiti is struggling to overcome political, economic and social legacies of nearly two centuries of authoritarian regimes and rapacious governments that fostered deep class and social divisions. It must also overcome the most severe poverty in the Western Hemisphere. Democratic institutions are fragile at best. Unemployment, crime, illiteracy and poverty pose constant threats to stability. At a level of 99 per 1,000 live births per year, Haiti's infant mortality rate is nearly triple the Caribbean average of 38 per year. Some 28 percent of Haitian children under five suffer from malnutrition.

Events in Haiti were spiraling out of control in the early 1990's as a result of the coup d'etat that expelled then-President Aristide from office and established the de facto regime. This brutal military regime in Port-au-Prince victimized opposition figures; tens of thousands of boat people risked their lives to flee the terror; starvation and suffering were rampant; and the economy was in shambles due to capital flight and foreign sanctions. When international political and economic pressure failed to dislodge the de facto regime, a multinational force, including some 20,000 U.S. troops, restored order and made possible the restoration of elected government.

There were also dire predictions that if American forces were used as part of an international effort to restore the democratically elected Government, we would face huge casualties and decades of military engagement. Fortunately, this was not the case. The vast majority of U.S. forces were out of Haiti within six months, and today there are no permanent U.S. forces there.

#### AREAS OF PROGRESS SINCE 1995

Haiti has not met all the expectations held by many in the heady days after the restoration of democratically elected government—and I will be quite frank in a moment about areas of disappointment—but we can share some satisfaction in strides to alleviate hunger, build basic institutions such as the national police, increase access to education, combat environmental degradation, incubate civil society, and demobilize the armed forces.

U.S. development assistance from 1995 to 1999 came to roughly \$746 million. For roughly 60 cents per American each year, we have been able to support a range of projects such as helping 225,000 farmers adopt sustainable agricultural practices; training some 6,000 teachers at primary and secondary levels; and supporting hundreds of grassroots organizations in the health, environmental and public advocacy sectors. Our population program reaches women in the most rural areas and has doubled the use of modern family planning practices to 26 percent in the areas in which it operates. Our food security program feeds daily some 500,000 of Haiti's schoolchildren, down from more than one million several years ago. Our health care program supports access to primary health care services for nearly half the population and promotes child immunization.

The U.S. Agency for International Development (USAID) plans to build on its core projects in 2000 and 2001, albeit at reduced funding levels, with added focus on longer term development programs. USAID will continue its "Secondary Cities" program, begun in fiscal year 1999, to reduce the flow of migration to densely populated Port-au-Prince by increasing opportunities in and improving services to urban areas outside of the capital. If successful elections take place, USAID also plans to resume assistance to the Parliament and local governments.

#### UNMET EXPECTATIONS

At same time, there are other areas where our best efforts have been frustrated and disappointed.

First, the consolidation of democratic institutions has been thwarted by the disbanding of Parliament and local governments in January 1999, and the failure to hold prompt, free and fair elections. Due in part to U.S. and international assistance and the steady work of the Provisional Electoral Council (CEP), credible parliamentary and local elections can be held in time to seat a Parliament on June 12 as mandated by the constitution. We have voiced strong opposition to further delays in the vote, and we have worked with the international community, including the United Nations, Organization for American States and the European Union, to underscore the urgency of prompt and credible elections. I will discuss this point further below.

Second, the "Administration of Justice" program in Haiti has trained scores of judges and prosecutors, contributed to the release of hundreds of pre-trial detainees, and provided free legal assistance to thousands of impoverished Haitians. Nonetheless, the judiciary remains essentially inoperative, plagued by huge case backlogs, a continued shortage of adequately trained judges and prosecutors, a lack of basic resources, minimal oversight by the Ministry of Justice, and pre-trial detention rate of roughly 80 percent. Numerous individuals are being detained despite valid release orders, or without charges filed against them. The poor state of the judiciary remains at the core of many of Haiti's problems, severely inhibiting investment, perpetuating corruption, denying average Haitians access to justice, and spurring vigilantism.

Third, in 1995, Haiti replaced its long-abusive military with a new civilian police force, mentored and trained primarily by the United Nations and the USAID-funded Department of Justice International Criminal Investigative Training Assistance Program (ICITAP). Although there is no longer a severe and systematic pattern of abuse, as under the Duvalier and de facto regimes, the Haitian National Police (HNP) remains an immature force grappling with problems of corruption, attrition, and incidents of narcotics trafficking and human rights abuse.

Fourth, combating drug trafficking through Haiti remains one of this Administration's highest priorities. We have increased our DEA presence in Port-au-Prince from one to eight officers in the past year and increased interdiction efforts to counter air drops, direct freighter shipments and money laundering. Still, some 13 percent of the cocaine entering the U.S. transits Haiti, and narco-traffickers operate with relative ease. Drug trafficking threatens to corrupt the basic institutions of Haiti, including the police, judiciary and government. The Administration determined on March 1 that Haiti failed to meet 1999 counter-drug certification criteria, but granted a vital national interest certification.

#### U.S. POLICY: THE ROAD AHEAD

As we look to the future, our roadmap is clear.

First, we seek prompt and credible legislative and local elections. Elections per se do not equal democracy, nor are they a panacea for all that ails Haiti, but after years of impasse and stagnation, free and fair elections can empower government to spur economic growth, attract new private investment, negotiate new cooperation from international partners, and attack festering social problems such as crime, insecurity, corruption and drug trafficking that threaten to become cancers at the heart of Haiti's institutions.

Haitians' thirst for democracy was shown by the over 3.6 million Haitians—about 80 percent of those eligible—who registered to vote in the past two months. More than 29,000 candidates from a wide array of parties registered to run for nearly 10,000 local, regional, and parliamentary offices. Preparations have been characterized by some irregularities and some incidents of violence, but not at a level to prevent credible elections. The CEP was delayed in opening registration sites in Port-au-Prince, but most locations were open, and accommodating large crowds, by early March.

We will continue to stress clearly and strongly the importance of holding these elections rapidly. We have expressed privately and publicly that it is time for the

Haitian government to publish new dates for elections and lend full support to ensure those dates are met. We warned that failure to constitute a Parliament risks isolating Haiti from the community of democracies and jeopardizes future cooperation.

We will also continue to underscore to all political leaders that they are responsible for actions of their party membership; that the legitimacy of presidential elections later this year depends on credible elections this spring; and that international aid flows require the presence of a fully functioning legislature.

Second, we seek to strengthen Haiti's basic democratic and security institutions to improve respect for the rule of law and the protection of basic human rights. Most notably, working with the UN and the so-called "Friends of Haiti" (U.S., Canada, France, Argentina, Chile, and Venezuela), we are putting in place a new UN mission called MICAHA to provide international technical assistance to the police, judiciary, and human rights sector. MICAHA is much smaller than its predecessor UN missions, and moves the focus of UN operations in Haiti from peacekeeping to institution building. Its human rights component will increase emphasis on developing an indigenous capacity for monitoring and promoting human rights. Among other efforts, the justice component will help Haitians modernize the Ministry of Justice, improve the quality of judges, and revise the archaic criminal code.

Bilaterally, we will continue to press the Haitian government to reduce the high rate of pre-trial detention; and enhance the effectiveness of our police training, including new efforts to promote retention of existing officers and recruitment of qualified new officers.

Third, we will remain engaged in promoting economic development to address abject poverty and festering socio-economic problems. In addition to USAID efforts cited above, we are encouraging others in the international community to share the burden of helping Haiti move forward. We meet with bilateral donors and international financial institutions to discuss how we can work together to support economic recovery and democracy. All have agreed to consider new engagement in Haiti if conditions can be established for effective use for scarce international resources. At the same time, we are working with the Haitian diaspora in the United States to encourage their increased involvement, recognizing their personal interest in success and prosperity in Haiti.

We will continue to press the Haitian government to restore fiscal discipline, and move ahead on the modernization of key state-owned enterprises and on other critical areas of economic reform.

Finally, we continue efforts to disrupt the flow of illegal drugs and prevent a resurgence in illegal migration. We will work on an interagency level in planning U.S. law enforcement activities, in such areas as tracking international traffickers, improving the drug interdiction capacity of Haitian police, attacking money laundering, and facilitating cooperation between Haiti and the Dominican Republic on cross-border narcotics issues.

As the U.S. has remained engaged in Haiti, the number of illegal migrants leaving Haiti by boat for the U.S. has declined. The U.S. Coast Guard interdicted 67,140 Haitian migrants at sea from 1992-94. In 1999, there were only some 1,039 such interdictions. We will work with Haitian authorities to identify and prosecute individuals involved in alien smuggling operations; and continue monitoring trends that may indicate the potential for renewed large scale migration to the U.S.

#### BUILDING ON PAST COOPERATION

We look forward to enhanced cooperation with this committee to promote U.S. interests in Haiti through strengthening democratic institutions; promoting respect for human rights, and transparent and responsive government; helping lay the groundwork for sustainable economic development; and disrupting the flow of illegal drugs and preventing a flood of illegal migrants.

Already we have made a foothold in supporting an increasingly confident civil society, free and active press, improved respect for human rights, vocal political opposition, decreased population growth, improved agricultural practices, and increased literacy and access to basic healthcare. We cannot turn our backs on a fledgling democracy nor on extreme poverty on our doorstep. If the U.S. and international community remain engaged, resisting the easy solace of fatigue and frustration, future generations may look back to the year 2000 as the period in which the roots of democracy, national reconciliation, and economic recovery finally took hold. This is good for Haitians and good for the United States as well. Thank you.

Senator MCCONNELL. Do you have an explanation for why no U.S. official has questioned or criticized the postponement of the elections?

Ambassador STEINBERG. Mr. Chairman, I do not think that is an accurate statement. Three days ago in Port-au-Prince, Arturo Valenzuela, the NSC Senior Director for Inter-American Affairs and I issued a public statement, which called on the government of Haiti to hold those elections as soon as possible and certainly in time to allow the seating of a national parliament by the constitutionally mandated date of June 12. I can make a copy of that statement available to you.

Also, our special envoy, Anthony Lake, on March 10 in Port-au-Prince made a public statement in that same regard.

In addition, on March 3 at the U.N. Security Council, I participated in a meeting where an American draft was adopted by the U.N. Security Council and read publicly by the president of the Council, the Bangladeshi permanent representative. This statement called on the government to hold elections as soon as possible and to cooperate with the CEP.

Senator MCCONNELL. Are you optimistic that advice you have been giving is going to be heeded?

Ambassador STEINBERG. We are doing everything possible to make sure that it occurs. We are, as I have said, working with the United Nations, with the OAS, and with the European Union.

The purpose of my two visits to Haiti in the last 10 days have been to meet with not only the president, which I did three times during those visits, but to encourage the Provisional Electoral Council, which I visited five times. I highlighted the need for those elections and warned that Haiti risks international isolation if those elections are not held and a constitutionally mandated seating of parliament by June 12 is not achieved. This will imperil bilateral cooperation.

Senator MCCONNELL. Speaking of the president, what role does he have in determining the date, and what commitment if any, has he made to lock in an April date?

Ambassador STEINBERG. This relates to the electoral law in Haiti. It is technically up to the Provisional Electoral Council to establish the date for an election, but then it is up to the president to actually publish that date in the National Monitor. Therefore, he has to agree to that publication. There are discussions going on.

Senator MCCONNELL. Is the Council very independent of the president?

Ambassador STEINBERG. The Council has displayed far more independence than anyone had suspected during the course of the last year. It is by far the most competent and independent council that Haiti has ever had. They have taken actions that have—

Senator MCCONNELL. Who appoints them? Who appoints them? How do they get there?

Ambassador STEINBERG. The president appointed them after consultation with a variety of internal political parties, including five parties that have made up a group called the Espace De Concertation.

A negotiation took place. The decision was to appoint, in part, representatives of political parties; and the representatives of a wide variety of political parties are represented on that council.

Senator MCCONNELL. In January and February, members of the opposition parties, OPL and Espace, suggested that any delay in the election would be grounds for compelling the president to resign.

What has been the opposition parties' reaction to the delay?

Ambassador STEINBERG. They have been very disturbed. During each of my visits to Haiti, I have met specifically with Espace and OPL, as well as other political parties, Mochrena, and others.

They were very disturbed by the delay. One of the problems they are facing is that they are in many cases not particularly well-funded. And delays in the election process are going to really hurt their opportunity to get their message out.

One thing we have done with some of our aid funding, at the suggestion of Members of Congress, is to provide indirect support for all political parties who have pledged to avoid use of violence. Right now we are funding political debates throughout Haiti.

We have agreed that we will provide election information centers. Six of these centers have now been established where the parties can come, debate the issues, and get their message out.

We are even buying advertisements over radio and television for opposition parties in Haiti to get their message out there.

Senator MCCONNELL. What are the key issues that voters are going to be caring about, do you think, in this election?

Ambassador STEINBERG. Voters in Haiti are very similar to voters anywhere else. They care about their pocketbook to a great extent.

They are deeply concerned over the fact that unemployment is some 60 percent and may indeed be rising. They are concerned over recent increases in inflation. They are concerned over a lack of new investment in the country.

I think those factors will come in play. I think they are also concerned about the sorry state of education where fewer than one in seven Haitian children can go to high school. They are concerned about high infant mortality rates. These are the basic issues that affect people all around the world.

We talk about our expectations with regard to the restoration of the democratically elected government, Mr. Senator, but what I have learned from my six trips there is that the Haitians' expectations were even higher.

They truly believed that the restoration of the democratically elected government would change everything. There was a belief, as is frequently the case, in a fresh start, where democracy, economic growth, and improved socio-economic conditions can be brought about simply.

And regrettably, I think we have all ignored the fact that this is going to be a huge challenge.

The Haitian people have to understand that you cannot put aside the socio-economic impact of two centuries, literally two centuries, of autocratic regimes that did not care a whit about their people, in the space of 4 or 5 years.

Senator MCCONNELL. What role is Aristide playing in the parliamentary elections?

Ambassador STEINBERG. Aristide is the head of the Fanmi Lavalas. He has some 9,000 candidates running in those elections. There are a total of 29,000 candidates from all parties who have registered for these elections.

I met with him 2 or 3 days ago, and he outlined to me his electoral strategy. I think he is also trying to create conditions on the ground that make it possible for his party to get a majority in the new parliament, to name a prime minister and to exercise control in that environment.

I think he is also interested in the elections for the presidency, which comes at the end of the year.

Senator MCCONNELL. He has a pretty good chance of winning, has he not?

Ambassador STEINBERG. It is probably inappropriate for an administration official to comment on likely election results either in Haiti or anywhere else for that matter.

Senator MCCONNELL. Senator Leahy.

Senator LEAHY. I know there must be some officials here from AID. We often get an overly rosy picture about their programs in Haiti, and I would urge AID to be more accurate in what they tell us.

I want to quote the congressional budget justification for Haiti. "U.S. engagement in Haiti is transitioning to a more normal and long-term development approach aimed at building the foundation for poverty alleviation, in the context of an evolving inclusive democracy."

Now, other than the fact that that is bureaucratic gobbledygook written by somebody whose fourth language must be English, I think somewhere in this baloney is a suggestion that things are going well.

Maybe they have Haiti mixed up with some other country, or maybe it is like so many things we see written in bureaucrat-ese; it is designed with the hope that, one, nobody will read it or, two, if they do, they will not understand it.

Haiti is in a state of crisis and paralysis. I absolutely agree with what you said about the centuries of autocratic and despotic rule in Haiti. The ruling elite have long ignored the people they claim to represent.

If you are here next year talking about Haiti, what do you think you will be able to say the United States has accomplished?

Ambassador STEINBERG. Mr. Senator, I have worked with the State Department for 25 years, and I am now completely fluent in gobbledygook and so I would like to help interpret—

Senator LEAHY. I know you speak several languages.

Ambassador STEINBERG. I would like to help interpret those comments.

I think what AID was getting at was that we went in, originally, it was an emergency situation where there was starvation, utter despair, and a lack of any authority. And the effort has been to move from that environment to a more normal development program, which is similar to things we do in other developing coun-

tries not facing a crisis situation. I think that was the only point that was trying to be made there.

The other related point is that we tend to focus a lot in our discussions on the political developments, democracy, the justice system, et cetera, but there is something else very exciting going on in Haiti.

There is a development of emerging civil society. There are rural farmers who are coming together. There are micro-enterprises that are being developed. There is a sense of movement at the local level to address problems of health care, housing, and education.

And so to answer your question in very short terms, I think we need to go to what AID has actually said that their goals are over the next 5 years.

The first is to raise income for the poor. They are doing that by supporting a quarter of a million farmers to improve their agricultural practices.

They are revitalizing the coffee sector. They are promoting development in the secondary cities, not Port-au-Prince, but outside. And they are supporting micro-enterprise.

Second, Haiti is a country that is 98.5 percent deforested. It is an absolute disaster in terms of every environmental criteria that we apply, and so AID is working to plant 7 million trees a year.

They are working with some 660 private groups around the country to help reverse the trend of environmental degradation. They are promoting wider use of non-charcoal fuels.

Senator LEAHY. If I can just interrupt there, sir. Reforesting is one of the most significant accomplishments that could be made. The degradation has gotten so bad, the people are unable to plant crops.

Ambassador STEINBERG. Absolutely.

Senator LEAHY. If this environmental disaster is not addressed you are not going to be able to do other things. Flying over the country, you can see the silt, the runoff, and everything else that has deteriorated as a result of deforestation.

Ambassador STEINBERG. Three other quick areas I would touch on: One is the health program, where we are working with some 22 NGOs to improve access to health care. We are working on family planning, HIV-AIDS prevention, immunization programs, et cetera.

In the education area, we have helped train some 6,000 teachers and some 1,000 school directors. We are supporting the new national education program.

We are feeding still a half million school children to make sure that they are capable of learning. And fortunately, that figure is actually down by more than half as the situation has returned to normal.

And finally, we are working in the area of democracy and especially with groups outside of the normal democratic governance area in that area. Indeed, we are working with some 200 groups of civil societies.

Those are the types of developments, Mr. Senator, that I hope we can build on in the future.

And when we have a chance to renew this contact a year from now, I hope to be able to cite some other successes.



Senator LEAHY. We have votes happening, so I am going to submit my other questions for the record. But I want to note, I am very concerned about the increase in extra-judicial killings by the Haitian National Police.

The chairman referred to the problem of the police in his opening statement. If you could take a look at the question I will submit for the record, maybe you and I could talk at some point about it—

Ambassador STEINBERG. Yes, sir.

Senator LEAHY. It is a more complex question than we have time to go into here, but I am very concerned about it. I visited with Ray Kelley when he and others were down there trying to reform the police. It would frighten me a great deal if they are going to fall back into what it was like before. No matter what progress is made in Haiti, if the police are committing extra-judicial killings, if they are corrupt, lasting reforms will be impossible.

Senator LEAHY. Thank you.

Mr. Chairman.

#### ADDITIONAL COMMITTEE QUESTION

Senator MCCONNELL. We did regretfully end up with these votes coming at an inopportune time, so what I am going to do as well, Mr. Ambassador, I have a question, which I am going to submit to you in writing—

Ambassador STEINBERG. Thank you.

Senator MCCONNELL [continuing]. Which we would like for you to supply for the record.

[The information follows:]

#### QUESTION SUBMITTED TO AMBASSADOR STEINBERG BY SENATOR MITCH MCCONNELL

*Question.* For several years, Congress has conditioned assistance on privatizing at least 3 of the 9 government owned enterprises. What is the status of privatization of the 9?

*Answer.* Privatization has proven highly controversial in Haiti, facing opposition both from within the government and from popular groups such as labor unions. Since the debut of the Modernization Program in 1996, only two firms have been sold. On October 14, 1997, then-Prime Minister Rosny Smarth signed a contract to sell 70 percent of the flour mill to a consortium of Continental Grain, Seaboard Marine, and Unifinance (a Haitian investment firm) for \$9 million. Legal transfer of the mill, delayed by an employee revolt, took place on May 22, 1998. The mill resumed operations in mid-November 1998 after being non-functional for nearly six years. It now employs roughly 300. The cement factory was privatized on May 7, 1999 to a European/Latin American consortium. At year-end it had not yet resumed operations but is expected to do so shortly.

Donor-funded preparations for privatization or modernization of the telephone company, the airport, and the seaport were completed in 1999, as was IDB-funded work on the electricity sector. We have urged the Preval government to privatize these institutions with a minimum of delay, but it is now virtually certain that no further privatizations will take place until after the presidential elections scheduled for November 2000.

Senator MCCONNELL. And we thank you very much for coming up today.

Ambassador STEINBERG. Thank you.

Senator MCCONNELL. We appreciate the opportunity to discuss this issue, and that will conclude the hearing.

Ambassador STEINBERG. I appreciate that, Mr. Senator.

## SUBCOMMITTEE RECESS

Senator McCONNELL. The subcommittee will stand in recess until 10:30 a.m., Tuesday, April 4, when we will receive testimony from Hon. Strobe Talbott, Deputy Secretary of State.

[Whereupon, at 11:17 a.m., Thursday, March 23, the subcommittee was recessed, to reconvene at 10:30 a.m., Tuesday, April 4.]

**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIATIONS  
FOR FISCAL YEAR 2001**

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**TUESDAY, APRIL 4, 2000**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:33 a.m., in room SR-303, Russell Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Stevens, and Leahy.

**DEPARTMENT OF STATE**

**OFFICE OF THE DEPUTY SECRETARY**

**STATEMENT OF HON. STROBE TALBOTT, DEPUTY SECRETARY OF  
STATE**

**ACCOMPANIED BY WILLIAM TAYLOR, AMBASSADOR, DEPARTMENT OF  
STATE**

**OPENING STATEMENT OF SENATOR MITCH MC CONNELL**

Senator McCONNELL. Good morning. The hearing will come to order.

We are pleased to welcome today Deputy Secretary of State Strobe Talbott. Secretary Talbott, I was recently provided a memorandum summarizing the results of a meeting with the Russian national security council held in December of 1999. The minister for defense and the director of the Federal Border Service provided a report to their colleagues on Chechnya. Let me quote from the text:

The mountain settlements of Chechens, which make up less than 20 percent of the population centers, do not represent any significant economic or other value, neither for this entity or for Russia as a whole, and must be entirely liquidated. At the same time, conditions which are absolutely unsuitable for people to reside in the future must be created there and the remnants of peaceful inhabitants must be relocated.

Intense precision bombing and rocket artillery blows will promote the imposed withdrawal and expulsion of the remnant of civilian population into areas controlled by federal troops. All natural structures, including religious and historical, of the mountainous region and ancient clan towers will be deemed the equivalent of objects for harboring bandit formations and will be subject to total destruction. In Russia's interests, this region must be rendered devoid of life.

While the Russian Government was implementing a strategy to bomb civilians out of their homes and destroy religious structures, President Clinton paid a farewell tribute in *Time Magazine* to his friend the "brave, visionary and forthright" Mr. Yeltsin, who had

“earned the right to be called the father of Russian democracy.” Thousands of Grozny citizens huddled in their basements without food, heat or water, slammed around the clock by Russian artillery, must have wondered what kind of democracy the President was talking about.

As reports of Russian troops engaging in torture, rape, looting, and summary executions became a staple of daily news accounts, the President seemed horribly out of touch with the agony being inflicted on these innocent civilians. Rather than condemn the savagery of the military’s attack on civilians, rather than call for a ceasefire and negotiations, the President said the question for Yeltsin’s successor was not just how to liberate Grozny without killing thousands of civilians, but whether this war becomes a model for how to deal with other problems.

Secretary Talbott, the Russians have bluntly answered the President’s question, but they did not say “liberate,” they said “liquidate,” and they meant civilians.

Now, adding insult to considerable injury, the Russians are denying the U.N. High Commissioner for Human Rights access to villages and camps. There is a familiar quality to the Russians’ performance—burning villages, expelling and torturing civilians, then denying the international community any access to investigate. It all sounds very familiar. Did we not just go through this with Milosevic?

I know the Russians claim they are only doing what NATO did in Kosovo, restoring order. But let us be clear. NATO waged a military campaign to allow civilians to return to their homes. The Russians have waged a campaign to destroy them.

Secretary Albright recently opined that the administration has clearly stated our concerns over Chechnya. Clear words are a weak substitute for clear action. We should actively press both bilaterally and multilaterally to achieve three goals: First, we should support immediate and unrestricted access for humanitarian relief workers, human rights investigators, and the media. President-elect Putin says he supports the dictatorship of law. Accepting the presence of these organizations will tell us whether the president intends to emphasize dictatorship or the accountability of laws. Based on the U.N. High Commissioner’s trip this week, he is coming up a bit short.

Second, we must promote and participate in credible political negotiations, not the charade we have settled for in Nagorno-Karabakh. Without compromising our commitment to Serbia’s claims to territorial integrity or sovereignty, we invited Kosovo’s leadership, including the KLA, to talks in Rambouillet. We can and should participate in a similar effort to end the carnage in Chechnya.

Finally, our interests in regional stability can only be enhanced if we also vigorously affirm our commitment to the independence of Russia’s neighbors. This can take any number of forms, including expanding international monitoring on the Georgian-Chechen border. We should also insist on prompt, full Russian compliance with their CFE Treaty obligations, thereby reducing the destabilizing regional deployment of conventional weapons.

As an aside, I note that the President claimed his mission to India and Pakistan failed because the Senate rejected the Comprehensive Test Ban Treaty. I might suggest if the administration had a more credible record of encouraging compliance with existing obligations, whether CFE or START, there might be more support for entering new commitments.

Secretary Talbott, when you appeared here in 1995 the military's war in Chechnya had caused immeasurable misery for the civilian population. I said then that our approach seemed to be cheerleading for Yeltsin rather than being the champion for democracy. Five years later, Grozny is a wasteland, leaving over 200,000 refugees without homes or futures, and we are not champions of democracy to hundreds of thousands of Chechens. We must appear to be chumps.

It is not enough to say that we have been clear in our objections to this scorched earth policy. We should act with clarity, principle, and purpose. If Russia rejects that agenda it rejects the core freedoms and virtues which define democracies. I see no wisdom in shoring up dictators, even if you do dress them up as democrats.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

Secretary Talbott, I recently was provided a memorandum summarizing the results of a meeting of the Russian National Security Council held in December 1999. The Minister for Defense and the Director of the Federal Border Service provided a report to their colleagues on Chechnya. Let me quote from the text: "The mountain settlements of Chechens, which make up less than 20 percent of the population centers, do not represent any significant economic or other value, neither for this entity or for Russia as a whole, and must be entirely liquidated . . . At the same time, conditions which are absolutely unsuitable for people to reside in the future must be created there and the remnants of peaceful inhabitants must be relocated . . . intense precision bombing and rocket artillery blows . . . will promote the imposed withdrawal and expulsion of the remnant of civilian population . . . into areas controlled by Federal troops . . . All natural structures (including religious and historical) of the mountainous region and ancient clan towers will be deemed the equivalent of objects for harboring bandit formations and will be subject to total destruction. In Russia's interest, this region must be rendered devoid of life . . .".

While the Russian government was implementing a strategy to bomb civilians out of their homes and destroy religious structures, President Clinton paid a farewell tribute in Time magazine to his friend, the "brave, visionary and forthright," Mr. Yeltsin, who had "earned the right to be called the Father of Russian Democracy."

Thousands of Grozny's civilians huddled in their basements without food, heat or water, slammed around the clock by Russian artillery, must have wondered what kind of democracy the President was talking about? What brave visionary would cut off humanitarian relief efforts and severely censor any news coverage of their suffering?

As reports of Russian troops engaging in torture, rape, looting and summary executions became a staple of daily news account, the President seemed horribly out of touch with the agony being inflicted on innocent civilians. Rather than condemn the military's attack on civilians, rather than call for a cease fire and negotiations, rather than demand immediate access for relief workers, the President said that the Russians were trying to "liberate Grozny." The question for Yeltsin's successor, he said, was not just "how to liberate Grozny without killing thousands of civilians, but whether this war becomes a model for how to deal with other problems."

Secretary Talbott, the Russians have bluntly answered the President's question, but they didn't say liberate, they said liquidate and they meant civilians.

Now, you and I can spend the next hour parsing syntax over the real intent behind U.S. policy pronouncements. Let's just stipulate that we disagree: you believe the Administration has been clear in objecting to the course Russia has pursued in Chechnya. I believe your message has been muddled, at best. At its worst, your failure to take decisive action invited contempt and a war against the Chechen people

which reminded many local witnesses of the round-ups and forced deportations, famine and devastation of the Stalin era.

Frankly, it reminds me of what Milosevic did to Kosova, only with more firepower and speed. What I can't understand is why we supported war crimes indictments for ethnic cleansing in Kosova, yet turn a blind eye to identical savagery against civilians in Chechnya?

Last week another attack on a Russian convoy took dozens of lives supporting the view that this war could drag on for some time. Without negotiations, I fear this conflict will spread. Already, bombers have crossed into Georgian air space and President Shevardnadze has been threatened not to offer safe haven to Chechens. As refugees straggle down from the mountains in the Spring, will their attempt to escape into Georgia ignite tensions? What message is our silence sending to our friends in the region who have been economic and political victims of Russia's backyard bullying for the past decade?

Secretary Albright recently opined that the Administration has clearly stated our concerns over Chechnya. Clear words are a weak substitute for clear action. We should actively press both bilaterally and multilaterally to achieve three goals:

First, we should support immediate and unrestricted access for humanitarian relief works, human rights investigator and the media. President-elect Putin says he supports the "dictatorship of law." Accepting the presence of these organizations will tell us whether the President intends to emphasize "dictatorship" or the accountability "laws".

Second, we must promote and participate in credible political negotiations—not the charade we have settled for in Nagorno-Karabakh. Without compromising our commitment to Serbia's claims of territorial integrity or sovereignty, we invited Kosova's leadership, including the KLA, to talks in Rambouillet. We can and should participate in a similar effort to end the carnage in Chechnya.

Finally, our interests in regional stability can only be enhanced if we also vigorously affirm our commitment to the independence of Russia's neighbor. This can take any number of forms including expanding international monitoring on the Georgian-Chechen border. We should also insist on immediate and full Russian compliance with their CFE Treaty obligations thereby reducing the destabilizing regional build up of conventional weapons. I noted the President's criticism that his mission to India and Pakistan failed because the Senate rejected the Comprehensive Test Ban Treaty. I might suggest if the Administration had a more credible record of encouraging compliance with existing obligations, whether CFE or START, there might be more support for entering new commitments.

Secretary Talbott, when you appeared here in 1995, the military's war in Chechnya had caused immeasurable misery for the civilian population. I said then that our approach seemed to be cheerleading for Yeltsin rather than being the champion for democracy. Five years later, Grozny is a wasteland leaving over 200,000 refugees without homes or futures. They must be bewildered about what our President means when he calls Russian leaders "visionary democrats." We aren't champions of democracy, to hundreds of thousands of Chechens, we must appear to be just chumps.

Secretary Talbott, it is not enough to say we have been clear on our reservations about Russia's scorched earth strategy, we must define an agenda and act with clarity, principle, and purpose. If Russia rejects that agenda, it rejects the core freedoms and virtues which define democracies. I see no wisdom in shoring up dictators, even if they are dressed up as democrats.

Senator McCONNELL. Senator Leahy.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman.

This is a very timely hearing. Chechnya is being discussed this week at the U.N. Human Rights Commission in Geneva. I very much appreciate Secretary Talbott's willingness to be here today.

It is a critical time in our relations with Russia. The Secretary understands that as well as anybody in Washington. We keep hearing Russian officials say the war in Chechnya is over. Yet last week alone 32 Russian soldiers were killed in an ambush by Chechen rebels. It is going to be a long time before Chechnya recovers.

The number of Chechens seeking safety in refugee camps is increasing, and the gruesome details about atrocities committed by both sides, but especially by the Russian forces, continue to come to light—atrocities showing a military either out of control or being directed to commit war crimes.

Some positive steps have been taken. Russian President Putin has assured the International Red Cross access to some of the detention centers in Chechnya. He agreed to a visit by U.N. Human Rights Commissioner Mary Robinson. But she was prevented from visiting the places she wanted to visit. President Putin continues to reject calls for a political settlement of the conflict. International organizations there face harassment and intimidation by Russian forces. Most have not even been allowed into Chechnya and the attitude of the Russian forces seems to be: We will do what we want to do and then we will let you in.

I am also told that substantial amounts of international relief aid is being diverted and that the State Department has discouraged nongovernmental organizations from working there, something I would like you to talk about.

On March 29, in a rare but welcomed move, a Russian military officer was formally charged with killing a Chechen civilian. But that is the exception, rather than the rule. There is little reason to be optimistic that the Russian Government will conduct credible investigations into allegations of many other violations by Russian troops.

While not on the same scale, Chechen rebels have also shown little regard for the civilian population. They have committed atrocities. They have established military posts in densely populated areas and, even when the local people have asked them to leave, they have refused. They should be accountable for their actions.

President Clinton and Secretary Albright have made clear their objections to the Russian Army's massive, indiscriminate use of force against civilian targets in Chechnya. They have called for investigations of human rights violations, and I agree with that.

But I think we ought to call the atrocities what they are—war crimes. There should be no ambiguity. If the United States is unwilling to call them war crimes, then I think we damage our credibility.

The administration recently cleared the way for a half billion dollar Export-Import Bank loan to a Russian oil company. World Bank loans have also been made. Why should we give that kind of aid to a country that obviously has enough money in the bank to wage a brutal military campaign in which innocent civilians have borne the brunt of the casualties and devastation?

On a positive note, the recent Russian presidential election marks a new period in U.S.-Russia relations. There were very few people at the height of the cold war willing to predict that we would see such a democratic transfer of power in our lifetime in Russia.

The Russian people deserve credit for continuing to believe in the democratic process even though many of them have seen their standard of living plummet since the end of Communism. They have seen many in positions of power steal their country's patrimony for short-term gain and despoil the natural resources for

this generation's benefit, leaving nothing for the next. We should not turn our backs on them simply because we abhor the policies of their government in Chechnya.

It is too early to know how our relationship will develop, what course the new president will chart for the Russian people. But I hope, Mr. Secretary, that you can shed some light on what the administration plans to do on Chechnya at the U.N. Human Rights Commission and its overall strategy in the region.

PREPARED STATEMENT

I also want to recognize the efforts of the other witnesses you have here today, Mr. Chairman. The work they do is extremely important. It is often done at enormous personal risk. It is easy for us to talk about this here, in this magnificent room, but you and I know that a lot of these humanitarian groups are out there literally putting their life on the line day after day.

Thank you.

Senator McCONNELL. Thank you, Senator Leahy.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Chairman, this is a very timely hearing, especially with Chechnya being discussed this week at the U.N. Human Rights Commission in Geneva. I also very much appreciate Secretary Talbott's willingness to be here today.

It is a critical time in our relations with Russia. Despite repeated claims by Russian officials that the war in Chechnya is over, it may be a long time before Chechnya can begin to recover.

At least 32 Russian soldiers were killed in an ambush by Chechen rebels last week, the number of Chechens seeking safety in refugee camps is increasing, and the gruesome details about atrocities committed by both sides, but particularly by Russian forces, continue to come to light.

Some positive steps have been taken. Russian President Putin has assured the International Red Cross access to some of the detention centers in Chechnya, and he agreed to a visit by U.N. Human Rights Commissioner Mary Robinson.

But she was prevented from visiting the places she wanted to visit, and President Putin continues to reject calls for a political settlement of the conflict. International organizations regularly face harassment and intimidation by Russian forces. Most have not even been allowed into Chechnya.

I have also been told that substantial amounts of international relief aid is being diverted and that the State Department has discouraged non-governmental organizations from working there.

On March 29th, in a rare but welcome move, a Russian military officer was formally charged with killing a Chechen civilian. Unfortunately, this is the exception rather than the rule. There is little reason to be optimistic that the Russian Government will conduct credible investigations into allegations of many other violations by Russian troops.

While not on the same scale, Chechen rebels have also shown little regard for the civilian population. They have committed atrocities, established military posts in densely populated areas, and refused to leave even when asked to by the local people. They should also be accountable for their actions.

President Clinton and Secretary Albright have made clear their objections to the Russian Army's massive, indiscriminate use of force against civilian targets in Chechnya, and called for investigations of human rights violations.

However, as far as I am aware, the Administration has yet to call the atrocities by Russian soldiers in Chechnya what they are—war crimes. There should be no ambiguity about that, and I am afraid that the failure to do so has damaged our credibility.

And, the Administration recently cleared the way for a \$500 million Export-Import Bank loan to a Russian oil company. World Bank loans have also been made.

We need to ask why we are providing this kind of aid when Russia seems to have enough money in the bank to wage a brutal military campaign in which innocent civilians have borne the brunt of the casualties and devastation.



The recent Russian presidential election marks a new period in U.S.-Russian relations. At the height of the Cold War, few imagined that we would see such a democratic transfer of power in our lifetime.

The Russian people deserve credit for continuing to believe in the democratic process, even while many of them have seen their standard of living plummet since the end of Communism.

We should not turn our backs on them simply because we abhor the policies of their government in Chechnya.

It is too early to know how our relationship will develop or what course President Putin will chart for the Russian people, but I am hopeful that Secretary Albott can shed light on what the Administration plans to do on Chechnya at the U.N. Human Rights Commission and its overall strategy in the region.

I also want to recognize the efforts our other witnesses have made to be here today. The work they do is extremely important and it is done at enormous personal risk. I look forward to their recommendations about what more the United States could do to respond to this humanitarian crisis.

Senator McCONNELL. We are pleased this morning to have the chairman of the full committee here. Senator Stevens, do you have any observation?

Senator STEVENS. I am here to listen to the Secretary when the time comes.

#### SUMMARY STATEMENT OF HON. STROBE TALBOTT

Senator McCONNELL. OK, Mr. Secretary, why do you not go ahead. I hope you can summarize your remarks in 10 or 15 minutes and then we will put your full statement in the record. Go right ahead.

Mr. TALBOTT. Thank you, Mr. Chairman. I will try to be brief.

If you have had a chance to look at the full statement that we are submitting to the record, I think you will be struck on how many points we essentially agree. I am going to touch upon one or two of those here.

By the way, let me say that Secretary Albright, in addition to sending her greetings, looks forward to meeting with you and your colleagues next week to talk about the full range of U.S. foreign policy issues. I welcome the chance—

Senator McCONNELL. Could you pull the mike over. It seems to me you have got neither one of them there.

Mr. TALBOTT. Is that any better, Mr. Chairman?

Senator McCONNELL. Yes, much better.

Mr. TALBOTT. OK?

Senator McCONNELL. Yes.

#### POLICY TOWARD RUSSIA

Mr. TALBOTT. I welcome the chance to meet with you and your colleagues once again to talk about policy toward Russia. I agree with you and Senator Leahy that the timing is good. It is good for two reasons. First, the recent elections underscores, as Senator Leahy said, the pluses or some of the pluses in a very mixed picture in Russia today.

The second reason that this hearing is timely is, of course, Chechnya. I have come to hearings in the past and been surprised, not always pleasantly, by seeing posters behind the Senators. In this case I think these posters are very appropriate and they dramatize the core fact that will no doubt recur during our discussion here this morning.

Let me, if I could, say a few words both about the democratic process in Russia, its result, a new President for Russia, and then amplify on a few points about Chechnya itself. The election that took place a week ago Sunday represents the completion of Russia's first democratic transfer of power at the executive level in its 1,000 year history. This is one of several positive trends going on in Russia, although we will, I hope, have a chance to talk a little bit about some of the difficulties that the very process of democratization still encounters. Indeed, that leads us directly into the question of Chechnya.

You and I, Mr. Chairman, along with both Senator Leahy and Mr. Stevens, have been meeting off and on over the past 7 years to talk about Russia. We have discussed the positive developments and the negative developments. I think it is now unmistakably the case that the war in Chechnya represents the most serious obstacle both to Russia's internal progress, including in the area of democratization, and also to its international integration in the decade since Russia emerged from the old Soviet Union.

Russia now has a new leader and I would like to offer a thought or two about him. He has emerged as the president-elect of that country through an election that is generally recognized to have been free and fair, but also far from flawless, particularly in regards to manipulation of the media. A free press, along with a civil society and rule of law, are just as important to emergence and consolidation of democracy as the holding of elections.

Still, Mr. Putin does have a democratic mandate. The question is what is he going to do with it? In fact, the question is often posed in almost existential terms, or at least psychoanalytical terms: Who is Mr. Putin? A lot of people are wondering whether the real Vladimir Putin is the KGB lieutenant colonel of the 1980's or whether the real Vladimir Putin is the former deputy to Saint Petersburg reformist mayor in the 1990's. There has even been a lot of serious conjecture about his black belt in the martial arts, and a lot of people have wondered what that tells us about how he is going to deal with oligarchs and parliamentarians of the Duma and regional governors, Chechen guerrillas, and even with foreign leaders.

Mr. Chairman, I would submit that the real bottom line on Vladimir Putin, the honest hard-headed bottom line, is that there is no bottom line. Not just that we cannot see it, but he may well have not gotten to the bottom line himself in terms of his own thinking and his own plans.

However, there are some very clear bottom lines to American policy, American strategy, American interests, values, and objectives. In the period ahead, we need to use our interaction with Mr. Putin, his government and with Russia as a whole to pursue and advance our objectives and interests and perhaps to have some influence over the environment, the atmosphere, and the considerations that will lead Mr. Putin to answer the so far unanswered questions about himself.

Now, Mr. Putin has affirmed his support for Russia's constitution. He has declared himself to be a proponent of a competitive market economy. He has promised quick action on tax reform and investment legislation. When Secretary Albright met with Mr.

Putin for 3 hours on February 2, he said that he sees Russia as part of Europe, part of the West, and that he intends to hasten the process of Russia's integration with the global economy and with the international community.

Chechnya is the number one obstacle, and will be probably for some time to come, to the attainment of that aspiration. Indeed, it is an obstacle to our ability to support Russia's attainment of that aspiration. As you pointed out in your own opening statement, and Senator Leahy echoed this as well, Chechnya has severely damaged Russia's international standing. That is why this very weak the parliamentary assembly of the Council of Europe is considering whether to suspend Russia's participation in that body. That is why at the United Nations Human Rights Convention in Geneva a number of countries are considering a possible resolution that would criticize Russia for human rights violations.

The U.S. Government has made clear what we think must happen next. Mr. Chairman, you mentioned three goals. I would expand them slightly to four goals. First, there must be a prompt, serious investigation of credible charges of atrocities. That means a process put in place to hold accountable those responsible for what are very credibly alleged to have been human rights outrages.

Second, there must be real, not Potemkin, but real international access to the region on the part of the Organization for Security and Cooperation in Europe, the Council of Europe, and the International Committee for the Red Cross; whose head, by the way, Mr. Kellenberger, is meeting within the next hour or so with Secretary Albright to report on a visit to the region.

Third, there must be genuine political dialogue with leaders in the region. I agree with the point you made about the importance of respect for the sovereignty and territorial integrity of neighboring states; Georgia in particular.

The fourth point is that Russia, if it is going to solve its problem and deal with this war, which you are right, Senator Leahy, continues even as we speak, it is going to have to put in place a process of economic reconstruction and political reconciliation throughout the Caucasus region as a whole.

#### PREPARED STATEMENT

If Russia does that, it can repair over time the damage both at home and abroad that this war has wrought. If it does not, then Russia risks further isolating itself. I would suggest that that is the most immediate, momentous challenge that Mr. Putin faces. It is also a challenge to U.S. policy.

Thank you.

Senator McCONNELL. Thank you, Mr. Secretary.

[The statement follows:]

#### PREPARED STATEMENT OF HON. STROBE TALBOTT

Chairman McConnell, Senator Leahy, thank you for the chance once again to appear before you and your colleagues. Secretary Albright looks forward to her appearance before you on Thursday next week to review U.S. foreign policy as a whole. I welcome the chance today to discuss the on-going task of forging U.S. policy toward Russia. On that crucial subject, along with our policy toward the other new independent states of the former Soviet Union, the interaction between the State Department and the Senate Appropriations Committee Subcommittee on Foreign

Operations has been especially frequent and intense. Our staffs have been in regular contact on a wide array of issues, including the details of the assistance programs that Ambassador Bill Taylor coordinates. That's why he is here with me today.

On a personal note, Mr. Chairman, let me say that I appreciate your willingness, over the years, to meet with me in various settings, not just in this chamber. It was almost exactly five years ago that you invited me to join you at the McConnell Center for Political Leadership in Louisville for a discussion with students and faculty on America's role in the world. On that occasion, and every other time we've met, we've agreed on the need for American engagement with Russia. The issue has always been the terms for that engagement. That, you've made clear in your opening statement, is our focus again today.

This hearing could not be timelier, given the recent Russian presidential election. President-elect Putin faces daunting challenges in achieving what many Russians have described as their greatest aspiration: to become a normal, modern, democratic and prosperous state.

Progress toward that goal was uneven and difficult even before the war in Chechnya—another topic of this hearing. That conflict—which is on-going even as we meet today—would be a severe test for Russia no matter who was in charge in the Kremlin. But because of Mr. Putin's personal identification with the war in Chechnya—because it was the defining issue in his own extraordinary rise—what happens there next is of watershed importance not only for Russia but also for its new leadership, and its new leader in particular. I will return to this subject—and its implications for Russia's integration into the international community—in a moment.

First, let me offer a few words on the March 26 presidential election. It marked the completion of Russia's first democratic transfer of power at the executive level in its 1,000-year history. Since the break-up of the Soviet Union, there have been three nation-wide parliamentary elections in Russia and now there have been two presidential elections; there have also been hundreds of regional and local contests. The ballot box is increasingly the instrument whereby Russians choose their leaders. Nearly 70 percent of eligible voters participated in this last election. Russia's citizens understand that expressing their fundamental rights is central to the nation's continued evolution. They like to vote; they want to vote; they are in the habit of voting.

Vladimir Putin won an outright victory with over 50 percent of the vote. Election monitors from the U.S. and Europe concluded that there were no major irregularities in the electoral process, but that is not to say that the election was free of controversy. Democracy is not just about free, fair and frequent elections; it's also about a free press. Today in Russia, far too much power resides in media outlets controlled by a select few, including the powers-that-be in the Kremlin itself. The emergence of a more diffuse, balanced and genuinely independent media remains a key challenge in deepening democracy's roots in Russia over time.

Now that he has acquired the title President-elect, Mr. Putin has a democratic mandate. What is not clear is what he will do with it. Where will he lead Russia? Who—and, what—is he?

We've all devoted a great deal of energy to those questions. My friend and colleague Under Secretary Tom Pickering, who served brilliantly as Ambassador to Moscow during a tumultuous period, noted last week that Putinology has become a cottage industry that smacks less of political science than pseudo-psychology. Everyone is asking: is the real Putin the KGB lieutenant colonel of the 1980s, or the deputy to St. Petersburg's reformist mayor in the 1990s? What does his black belt in martial arts tell us about how he will deal with the oligarchs, with the Duma, with the regional governors, with Chechen guerrillas—or, for that matter, with the President of the United States when they meet, no doubt more than once, in the months to come?

The short answer, of course, is that we don't know. Today, Mr. Chairman, the real bottom line on Mr. Putin—the honest, hard-headed bottom line—is that there is no bottom line. It's not just that we can't see it; he may not have gotten there himself. Just as the new Russia is a work in progress, so its new leader has only just picked up his tools and is trying to figure out which ones to rely on and what to do with them.

Moreover, insofar as he has a plan in his own mind, he's not going to unfold it to us, or to his own people, overnight. What he's shown us so far has a placeholder, watch-this-space, trust-me quality to it. It also has a something-for-everybody quality: something for liberals and conservatives at home; something for Russian nationalists and internationalists; something for statist and for freemarketeers; and, of

course, something for an attentive, curious—and in many cases, apprehensive—foreign audience.

Here's what we do know: Mr. Putin has affirmed his support for Russia's constitution and its guarantee of democratic government and basic freedoms for Russia's people; he's declared himself a proponent of a competitive market economy; he's promised quick action on tax reform and investment legislation; he told Secretary Albright when she spent three hours with him on February 2 that he sees Russia as part of Europe and the West, that he favors Russia's integration with the global economy, that he wants to continue the process of arms control and U.S.-Russian cooperation on non-proliferation.

Put in those terms, his stated aspiration for his country jibes with American interests and American policy. On that pair of subjects, Mr. Chairman—our interests and our policy—there is a clear bottom line. Since the end of the Cold War, first President Bush and then President Clinton have pursued two overarching goals: first, to increase the safety of the international environment and, second, to encourage the evolution of Russia itself in what we—and many Russians—would regard as the right direction, both for the sake of their future and ours. The first goal means reducing Cold War arsenals, stopping proliferation, and cooperating in building a stable and undivided Europe. The second goal means supporting Russia's effort to transform its political, economic and social institutions at home and to integrate fully with the principal international structures of the world community.

In both those areas, the record—while mixed and, by definition, incomplete—includes real progress. Furthermore, in both those areas, our Administration is determined to use the rest of this year to press forward. Our posture with regard to Russia as it completes its transition of leadership and continues its transformation as a society, polity and international actor is emphatically not, Mr. Chairman, one of wait-and-see; rather, it's one of active advocacy and advancement of our own bottom-line strategic objectives and interests.

Let me now review both the record and our work plan for the period ahead.

I'll start with security. By working with the Russians over the past eight years, we have helped to deactivate almost 5,000 nuclear warheads in the former Soviet Union, removed nuclear weapons from three countries, destroyed hundreds of missiles, bombers and ballistic missile submarines that once targeted our country, strengthened the security of nuclear weapons and materials at more than 50 sites, purchased more than 80 tons of highly enriched uranium enough to make more than 3,000 nuclear warheads.

The months ahead promise to be crucial for the enterprise of strategic arms control. Mr. Putin has repeatedly told us that he expects to win ratification of START II in the Duma. If that happens—and we've been waiting for it for a long time—we will be able to begin formal negotiations on START III and deeper reductions of offensive weaponry.

We are doing so, as you and your colleagues know, in the context of consulting with the Russians on an intimately related subject: strategic defense and our conviction that the Anti-Ballistic Missile Treaty of 1972, while part of the bedrock of the global security order, should be amended to take account of the way the world has changed in the past 28 years.

The American plan for a limited National Missile Defense has been a difficult issue between us and the Russians, as everyone here knows. The Russians have resisted the idea of any change to the ABM treaty. They have been frank, though unconvincing, in making the case that NMD threatens the long-term credibility of their own deterrent. We have been equally frank not only in pushing back against their technical arguments, but also in urging them to intensify their efforts to cooperate with us in addressing the root cause of the problem that gives rise to NMD: the proliferation of ballistic-missile and WMD technology to states that could threaten both the U.S. and Russia.

One of those states—though by no means the only one—is Iran. For a number of years, we've worked hard with the Russians, including at the level of the President and the Vice President, to prevent the transfer of lethal Russian know-how and technology to Iran. Russia has not yet shown that it can or will effectively implement its own export-control laws and regulations. The long episode of a revolving-door prime-ministership made it even more difficult to develop traction in our joint, government-to-government dialogue on this subject. That feature of Russian politics, presumably, is now in the past. We have been working directly with Mr. Putin in all his immediate past capacities—head of the national security council, prime minister and acting president. So there is some progress on which to build, and some momentum behind the work we'll be doing with Mr. Putin and his colleagues in the weeks and months ahead.

We have challenges in other areas of security, too, including the control of "loose nukes." That is why the overwhelming majority of our assistance dollars to Russia go to programs that lower the chance that weapons of mass destruction or sensitive missile technology will fall into the wrong hands. President Clinton's Expanded Threat Reduction Initiative will help Russia to tighten export controls, improve security over its existing weapons of mass destruction, facilitate the withdrawal of Russian troops and equipment from Georgia and Moldova, and provide opportunities for thousands of former Soviet weapons scientists to participate in peaceful commercial and research activities.

Throughout this decade, we have tried to work with Russia and our NATO Allies to build a Europe that is secure, stable, and free from the divisions that endangered our own security in the 20th century. Progress has not been easy and we have had our share of public disagreements with Russia, most notably during NATO's air campaign against Yugoslavia. However, despite these disagreements, we have built a solid track record of practical work together. Even at the height of our dispute over the war in the Balkans, the U.S. and Russia coordinated their diplomacy to induce Miloevi—to meet NATO's conditions for ending the bombing. Since then, Russian and American soldiers have served side-by-side to keep the peace in Kosovo; they are cooperating in Bosnia as well; our negotiators worked with 28 other countries to adapt the Treaty on Conventional Armed Forces in Europe, and to reach agreement on the withdrawal of Russian forces from Georgia and Moldova; and American and Russian scientists collaborated in ensuring that Y2K brought no nuclear mishaps.

Let me turn now to how the U.S. is using its resources to help Russians build a prosperous and democratic country that will be the U.S.'s partner in meeting the challenges of this century. In this regard, I want to stress that three-quarters of USAID's assistance for Russia is spent on programs that do not involve the Russian government. It is part of our effort to bolster grassroots support for change. U.S. assistance programs have brought more than 40,000 young Russians to the U.S. for training, they have helped 250,000 Russian small businessmen with financing or training, and they reached out to 300 independent TV stations in Russia's provinces.

In this respect, the programs on which Ambassador Taylor and others at the Department regularly consult with this subcommittee and its staff have themselves evolved to take account of changing realities in Russia. Power centers are developing outside of Moscow. Pluralism, decentralization and greater autonomy are among the key facts about contemporary Russia. Elected governors and mayors have created their own political bases; entrepreneurs have built up commercial empires. Russia today has 65,000 non-governmental organizations today; a decade ago it had only a handful.

We are working with Congress—and with this subcommittee—to obtain more funding for assistance programs that will further strengthen many of those NGO's, start-up political parties, independent media outlets and small businesses. There is considerable bipartisan support on Capitol Hill for beefing up exchange programs, such as the one that the Librarian of Congress, Jim Billington, a source of much wise counsel to the Administration and Congress alike, launched this past summer and also the one that Senator Richard Lugar has proposed to train Russians in business management, accounting and marketing. There is a new generation of regional leaders, many of whom are committed to reform. Through the vigorous activities of Ambassador Collins and his Embassy team, along with the creative use of our assistance funds, we should make sure that we are reaching out across Russia.

None of these programs would have been possible without bipartisan support from the Congress. Members of Congress play a direct role in engagement as well. After the Russian people elected a new, more pragmatic Duma last December, Senators Hagel and Lieberman led a bipartisan delegation from both houses to meet with the new Duma leadership. Congressman Cox just returned from observing presidential elections. Secretary Albright and the rest of us encourage you to continue such contacts. The Duma has an important role to play in passing legislative basis for Russia's continuing transition and ratifying arms control agreements, like START II.

In choosing to continue engagement, we will continue to promote Russia's international integration, to reduce nuclear danger, and to help the Russian people consolidate their democracy and market economy. America's relationship with Russia is based on our own national interests, not the personality of Russia's leader.

Still, it matters who is in charge in the Kremlin. So let me return to the question of—and to the many questions about—Mr. Putin. We have listened carefully, and respectfully, to what he has said. Now, as he moves toward his inauguration and consolidates his team, we will have a chance—and the Russian people will have a chance—to see what he does. He has some advantages: he already has an unprecedented degree of collaborative rapport with the Parliament, which, in turn is—also

to an unprecedented degree—more pragmatic, that is: less ideological, less in the grips of the holdovers from the old Soviet Communist structures and mindset.

This development could augur well for the Russian economy. Russia has in fact rebounded quite a bit since the crash and seeming financial meltdown of Aug 1998. That's in part because of rising oil prices and the export benefits of ruble devaluation. But it's also because of a reasonably tight fiscal policy that has beaten back—though by no means whipped—inflation. Mr. Putin has attached particular emphasis to the importance of foreign investment as a motor to drive Russian economic growth in the future. His success will depend on whether his government can build a relationship of mutual confidence with the international financial institutions, private capital markets and foreign investors.

To do that, however, Mr. Putin must build on a constructive relationship with the new Duma. Together, they may be able to put in place the institutions of a modern economy: laws that protect property, that ensure transparency and accountability, and that establish a rational, equitable and progressive tax code. In this area, we will judge Russian actions, and adjust the implementation of our own policies, on a case-by-case basis. For example, in discharging her obligation to protect the rights of American investors in Russia, Secretary Albright last week decided that positive developments in the case and clear assurances from the Russian Government to protect investor rights and address the underlying weaknesses in the legal framework allowed her to give a go-ahead to the Export-Import Bank for a loan to the Russian company Tyumen Oil.

Mr. Putin and others in his government have proclaimed their determination to improve the climate for foreign and domestic investment in Russia. They will succeed only insofar as they are able to make respect for the rule of law a hallmark of economic life and commercial activity.

In this regard, Mr. Putin has identified countering crime and corruption as one of his priorities, not least because that scourge is a major obstacle to foreign investment. He will succeed only if he works with the legislature to put in place legal, regulatory and enforcement structures that instill confidence in citizens, buyers, sellers, depositors and investors that the Russian economy is a leveling playing field with fair, universally applicable rules—that it is not, in other words, a giant back alley where anyone with a little money to save or invest is likely to get mugged.

Here the questions about Mr. Putin are more apparent than the answers. He has said he wants to see Russia governed by a “dictatorship of laws.” That's a phrase worth pausing over, perhaps with an arched eyebrow. Where is the accent? Is it on the D-word or the L-word? Are the two even compatible? Does it suggest that “order” will come at the expense of basic personal and civil liberties?

Those are questions that a lot of Russians are asking themselves today, Mr. Chairman.

Mr. Putin has also said he wants to re-establish Russian strength. How will he define strength? Will it be in anachronistic terms of brute strength and the capacity to intimidate neighbors? Or will it be in modern terms, relevant to the demands and opportunities of an era of globalization?

Those are questions that virtually all of Russia's neighbors are asking themselves today. They are doing so, especially, though by no means exclusively, because of the festering crisis in the North Caucasus. It is to that subject I would like now to return.

The Russian authorities faced—and still face—a very real threat in Chechnya. The violent secessionism and extremism of Chechen rebels, coupled with provocations in Dagestan and elsewhere were legitimate security concerns. We don't dispute Russia's right, or indeed its responsibility, to fight terrorism on its soil.

But none of that begins to justify the Russian government's decision to use massive force against civilians inside Chechnya. The numbers speak for themselves: 285,000 people displaced, thousands of innocent civilians dead or wounded, and thousands of homes and businesses destroyed since last September.

The brutal war has damaged both Russia's democratic transformation and its reputation in the eyes of the world. It represents a resurgence of one of the worst habits of Russia's past—including its Soviet past: the tendency to treat an entire category of people—indeed, of its own citizens—as an enemy. Grozny today is, literally, a smoking, charred ruin and a grotesque monument to the phenomenon of overkill. It will take decades and millions of dollars to rebuild Chechnya.

Two weeks ago I accompanied Secretary Albright from India to Geneva, where she delivered a straight-from-the-shoulder speech to the United Nations Commission on Human Rights. She made clear that credible allegations about atrocities by Russian forces raise fundamental questions about the Russian Government's commitment to human rights and international norms; they require prompt and transparent investigation. She pressed for Moscow to grant the International Committee of the Red

Cross unhindered access throughout Chechnya, including to all detainees and for the reestablishment of the OSCE Assistance Group in the region. President Clinton underscored these concerns when he spoke to Mr. Putin on the telephone a week ago yesterday.

President-elect Putin's decision to grant the International Committee of the Red Cross access to detainees was a welcome first step. So was the decision to invite United Nations Commissioner for Human Rights Mary Robinson to visit. Unfortunately, Ms. Robinson, who was in Chechnya over the weekend, was not allowed to visit all of the sites that she wanted. Mr. Putin has appointed Vladimir Kalamonov as special human rights representative for Chechnya, but to be credible and effective, Mr. Kalamonov needs a clear mandate and the resources to do his job.

Russian policy in Chechnya has ramifications that reach far beyond Chechnya itself. For example, the Russian Government's decision to clamp down on the media's ability to cover the conflict and its treatment of Radio Liberty's Andrei Babitskiy have raised questions about its commitment to freedom of the press in Russia as a whole.

The U.S. has also been concerned about spillover of the conflict into neighboring Georgia since last fall. That is one reason I have made a point of visiting Tblisi and meeting with President Shevardnadze myself in recent months. With active encouragement by our government, the OSCE has sent a border-monitoring mission to the border and Russia has taken steps to lessen tensions there with Georgia. Again, these are useful steps, but the situation bears close watching. On a related issue, we are using our on-going diplomacy with Moscow to urge Russia to comply as soon as possible with the CFE Treaty limits in the Caucasus.

Russia also has a responsibility to care for its 285,000 citizens displaced by the conflict. The U.S. has helped to ease the humanitarian crisis by providing \$10 million to the International Committee of the Red Cross and United Nations agencies to help persons displaced by the conflict.

That means taking action against real terrorists, but not using indiscriminate force that endangers innocents or re-intensifying the disastrous war in Chechnya. It means opening a political dialogue with the more pragmatic leaders in the North Caucasus, not antagonizing them or their populations. It means stepping up measures to prevent further bombings, but being careful not to make people from the Caucasus second-class citizens, or in any other way trample on hard-won human rights or civil liberties. It means working cooperatively with neighboring states to deal effectively with the underlying economic and security problems of the Caucasus, but not pressuring those neighbors in ways that will shake their fragile sense of their own stability and independence.

I would submit, Mr. Chairman, that no other development in the nine years since the collapse of the Soviet Union has raised such serious questions about Russia's commitment to international norms as the war in Chechnya. That view is widely shared around the world. This week the Parliamentary Assembly of the Council of Europe will consider whether to suspend Russia's participation. At the U.N. Human Rights Commission in Geneva, a number of countries are considering the introduction of a resolution criticizing Russia for human rights violations. Chechnya casts a shadow over the entire process of Russia's integration into the international community.

In short, Mr. Chairman, the war has already greatly damaged Russia's international standing. Whether Russia begins to repair that damage, at home and abroad, or whether it risks further isolating itself is the most immediate and momentous challenge Mr. Putin faces. In this respect, as in others, how he answers the many questions about him that we will touch upon today will be a major determinant in framing the agenda of U.S.-Russian relations in the months, and years, ahead.

In conclusion, Mr. Chairman, I would return to a theme that you and I have discussed over the years: how the very absence of clarity about Russia's future course, including in the minds of its own people and its own leaders, requires all the more clarity in U.S. policy and interests. And that, in turn, requires the maximum degree of bipartisan consultation on the terms of our engagement with Russia. It's in that spirit that I look forward to our discussion today.

#### WAR CRIMES

Senator McCONNELL. I want to start by asking you how you would define the concept of a war crime. What meets that threshold?



Mr. TALBOTT. I would respectfully suggest that terminology is not the most important issue here. Particularly when we are talking about matters of international law. Matters where the terminology can trigger processes over which we must maintain very careful control as regards to the United States' own involvement.

I think the appropriate words to describe what is credibly reported and alleged to have happened in Chechnya are the words that I have used: Human rights abuses, outrages, and atrocities. If in the course of our ongoing dialogue you feel it appropriate for us to give you a carefully considered opinion on other terms and concepts, we will certainly do so. But these are strong words that we are using. As you said and as Senator Leahy says, the key challenge is not just to find the right words, but to use our influence working with partners and allies and the rest of the international community to bring about action on the part of the Russian authorities.

Senator McCONNELL. Then you would not describe what we have seen in Chechnya as war crime?

Mr. TALBOTT. I think I would stand by what I have said. I believe we must be careful about the words we use and make sure we understand what they mean, including in terms of their implications and the resulting international legal and diplomatic follow-up.

Senator McCONNELL. Looking at the pictures of Grozny which you referred to behind us before and after the Russians attacked, one shows a thriving city. The shadows show large apartment buildings in the heart of the city; signs of bustling residential life. The second photo is stunning. It is not just rubble, it is totally incinerated. It resembles a lunar landscape.

Which gets me back—and I know you are not going to answer this, but I am going to try one more time: Does destroying 400,000 homes and expelling 200,000 people qualify as a war crime?

Mr. TALBOTT. It qualifies as a grotesque monument to the phenomenon of overkill. You quoted a document that, frankly, I look forward to seeing. I hope you will share it with us. It uses the word "liquidation." I cannot vouch for the document, but I certainly know enough about twentieth century Russian and Soviet history to know that that word has a very ugly pedigree. This is clearly liquidation.

The real point here is that Chechnya has brought out, brought back, one of the worst habits from the Russian and Soviet past, which is to treat an entire category of people, and in this case citizens of the Russian Federation, as enemies. This evidence and plenty of other evidence that has been credibly put forward makes a mockery out of the repeated assurance and claims that all due care has been taken to respect innocent civilian life.

The question now is whether the almost universal outrage is going to translate into a realization on the part of the Russian authorities that they have got to recognize this problem themselves and deal with it, both in the past tense, in an honest accounting of what has happened; in the present tense by shifting away from reliance on brute force to opening a dialogue wherever it is possible to do so; and in the future tense, doing something to rebuild this region.

Senator MCCONNELL. So it is clear the having an orderly, democratic election, a peaceful transfer of power, did not cure all the old habits?

Mr. TALBOTT. Yes, sir, that is clear. I think that was clear even before last August.

Senator MCCONNELL. The Washington Post reported in January 1995: "The 5-week war"—at that time—"has cost the country \$2 billion to \$5 billion and continues to drain the country's meager coffers at the rate of \$30 million a day. Rebuilding Chechnya's pulverized infrastructure and industry would cost much more."

That was back in 1995 and obviously this war has lasted much longer, inflicting, as we have been discussing, much more infrastructure damage. Do you have any idea of the cost of repairing all of this or the cost of conducting the war?

Mr. TALBOTT. The short answer is no on both counts. I think we would have to look long and hard at any accounting that we saw from the Russian authorities about what they spent, given the imprecisions, the tendentiousness of the figures, the fungibility of funds.

No doubt the cost, whatever number we came up with from the outside for what it is going to take to rebuild and repair, is almost certainly too low, not least because the damage spreads throughout the whole region. As I think you know and we have discussed at least on the telephone, I have made a point of visiting Georgia on several occasions in recent months, and this war has spread a sense of instability and vulnerability throughout the region. That too bears costs.

You have been a great supporter, Mr. Chairman, of assistance to Georgia. The lion's share or at least the largest single item in our assistance to Georgia has been to help them with border security. That is an extremely high priority item for the Georgians, not least because it reinforces their own sovereignty and territorial integrity. But there are opportunity costs there.

Senator MCCONNELL. Well, I guess the relevant question for us related to costs is do you believe that the Russian Government could have prosecuted the war absent international institutional subsidies and support?

Mr. TALBOTT. Yes, I do, sir.

#### G-8 MEETINGS

Senator MCCONNELL. In December when members of G-8 met, news accounts indicated that the Germans planned to decrease aid to Russia or ban Russia from participation in G-8 meetings until it changed course in Chechnya. Given the fact that Germany is Russia's largest creditor, this position would have to be taken seriously. Apparently at this same time Britain and France were considering similar options.

I am told the United States rebuffed these suggestions. If there was an emerging consensus of our allies to take tough action, can you explain why we either opposed or missed this opportunity?

Mr. TALBOTT. Well, I have been struck, having been directly involved in deliberations and consultations with our G-7—and I am saying here "G-7"—colleagues—Senator Stevens, thank you for coming by. I look forward to continuing our own conversations.

I have been struck by the high degree of harmony among us. The issue here is working together in the G-7, which still exists, by the way, particularly as we look ahead to the G-8 summit that will take place in Okinawa at the end of July, for effective action.

You are asking, if I understand you correctly, Mr. Chairman, about the issue of linkage. Russia is a very big, complicated place and also a very big, complicated phenomenon. Now, I do not for a minute want to suggest that Chechnya is merely one of 89 subjects of the Russian Federation. The horror that is taking place there looms much larger. It has implications for what is happening in Russia as a whole.

However—and this goes back to Senator Leahy's point—there are a lot of things going on across that vast country that need and deserve our support and which if we support are more likely to prevail over time in the struggle that is going on in Russia between the forces of the new and the forces of the old. We should keep that very much in mind as we look at suggestions for, as it were, punitive linkages, whether it is in the area of our bilateral assistance, which your committee and my colleagues worked on so closely together, or whether it is in the area of international financial institutions.

Okinawa is coming up. It is at the end of July. But there are more immediately a number of international bodies meeting, which I referred to in my opening statement, that have made very clear to the Russians that Chechnya casts a shadow over this whole range of relationships and transactions.

Senator MCCONNELL. Milosevic's troops bombed and burned villages to the ground, forcing civilians from their homes. Fueled by ethnic hostility and racism, his soldiers carried out summary executions, looting, rapes, and other unspeakable atrocities. The only difference I can discern between Belgrade's conduct in Bosnia and Kosovo and Russian forces in Chechnya is Milosevic's victims fled across international borders while most Chechnyan civilians fled internally to Ingushetia, primarily because the passage to Georgia was blocked by troops.

Milosevic and his cronies have been indicted by the Hague War Crimes Tribunal, as we all know. What distinguishes, qualitatively what distinguishes the Russian assault on civilians in Chechnya from Serbian aggression in Bosnia and Kosovo?

Mr. TALBOTT. There are differences, Mr. Chairman. Certainly differences of fact, or what you, I think, would call qualitative differences. I will touch on one or two of those, but I want to preface doing so by making clear that, while I do not believe that parallelism or analogies between Kosovo and Chechnya are terribly useful or helpful, my pointing out the differences does not constitute an excuse for Russian activities, behavior and outrages that we are discussing here today.

Now, that said, there is a fairly fundamental difference between Kosovo and Chechnya. This is the second war that Russia has waged within its own territory against a significant minority of its own population during the last 8 years. This most recent round began when Chechnya had become a kind of anarchist's paradise and unquestionably a hotbed of various kinds of extremism, secessionism, and terrorism. Of course, there were events in Dagestan,

the origins of which are still a bit obscure, that carried this conflict over the borders into a neighboring republic.

That is different from the way in which the Kosovo crisis and ultimately the conflict in the Balkans came about. In the Kosovo crisis you had a leader in Belgrade who decided to essentially define full citizenship of that country in ethnic terms and to repress the entire population of Kosovo over a 10-year period, and in a particularly brutal fashion over a 1-year period.

So I think this is a pretty good example of where, while we should keep history in mind and look for lessons in other experiences, we should not overdraw the parallels.

The key question is, by the way, there is another difference, too. The former Yugoslavia, which is to say Serbia, is not by any stretch of the imagination a democracy. Russia today is an electoral democracy. It has on a regular basis elected parliaments. It has now gone through a constitutional process and elections that produced a new president. Grassroots democracy is to be found, particularly in certain kinds of pockets of reform, all around Russia. Efforts of that kind are very much the beneficiaries of U.S. bilateral assistance and international assistance. So there are some quite significant differences between Kosovo and Chechnya or Russia and Serbia.

Nevertheless, the crisis in Chechnya is a threat to Russian democracy and it is a threat to the ability and willingness of the international community, and the United States, to support the central government.

Senator MCCONNELL. Can you tell me what our position has been at the meetings on Chechnya at the OSCE and the Commission for Human Rights? For example, are we leading efforts to produce an independent commission of inquiry? Will we vote in support of such a commission?

Mr. TALBOTT. I heard, Senator McConnell, just before coming up here this morning that Mary Robinson, the High Commissioner for Human Rights, who has just completed, as you referred to or I guess maybe it was Senator Leahy, an unsuccessful visit to the region and has publicly called for an independent commission of inquiry. That has been one of the themes in what we have been urging both directly with the Russians and in Geneva, where Secretary Albright gave the speech you referred to not long ago.

The exact form, the exact process, is something that we are still talking to our colleagues in the commission about. The objective here, though, is to make sure that the full weight and authority of that body, that is the U.N. Commission on Human Rights, be brought to bear with and on Russia to increase the chances that Russia will face up to its own international obligations here. It has obligations not only to its own people, but to the international community.

Senator MCCONNELL. Who is funding and supplying the Chechen guerrillas?

Mr. TALBOTT. Insofar as I have impressions, I think they should probably be saved for a different setting, and why do we not, through the right staff channels, get you back an authoritative and probably classified answer to that.

Senator MCCONNELL. I gather we view Maskadov as the legitimate leader of Chechnya.

Mr. TALBOTT. Maskadov?

Senator MCCONNELL. Yes. Does he have any real control over the guerrillas?

Mr. TALBOTT. Again, not so much for reasons of high policy or security, but more because of the complicated factual nature of that, I would like to get back to you with a more considered response.

I will give you a preliminary answer, which is that he is as close as the people of Chechnya have to an elected leader. But he by no means has had, including back before August when the fighting greatly intensified, a lot of control over Khatab and Masayev and the other so-called "war lords," who are, I might add, thoroughly bad actors and a source of real concern not just to the Russian authorities, but to others in the region.

In connection with my own work in South Asia as well as in the—the South Caucasus, which is to say Armenia, Azerbaijan and Georgia, which you and I have talked about in the past, I have heard a lot of concern about the terrorist and extremist forces that have been able to fester in Chechnya during this period.

It really, by the way, goes back at least 10 years to what in retrospect seems to have been a colossally short-sighted policy on the part of the Russian Government back when it was in the hands of certified reformers, namely Acting Prime Minister Gaidar, which was to essentially leave Chechnya alone, let it go its own way, but not give it any help to establish itself and to give its people any hope that they could have a decent, prosperous life.

That made it into a kind of attractive nuisance for characters, both indigenous and from around the region, who have collected there and then went on a rampage last year.

Senator MCCONNELL. Just a couple more questions, then I will pass the baton to Senator Leahy.

The leader of Ingushetia recently said that the Russians were guilty of imperial thinking and then proceeded to say: "They can destroy all Chechens. But what next? Who will run Chechnya?"

Mr. TALBOTT. It is a good question.

Senator MCCONNELL. What is the answer to the "What next" question?

Mr. TALBOTT. My answer—and there is no reason for thinking that this is the answer that you will get from Moscow—I think my answer is the one that you imply in the way you pose the question. The Chechen people have suffered terribly. They have suffered terribly at the hands of an inadequate leadership of their own, they have suffered terribly at the hands of extremists and terrorists in their midst, and they have suffered terribly at the hands of the Russian authorities.

They need to be, first of all, given safety. Second, they need a degree of political empowerment, which is to say there are moderate and reasonable people in their midst and the Russian authorities need to make much more of an effort to identify and engage with them. Then they need some hope for the future.

This has been a huge setback for the very concept of what it means to be a Russian citizen. There are lots and lots of minorities in Russia who are culturally or historically Islamic or whose roots are in the Caucasus or in Turkic-speaking parts of the Russian

Federation, who are asking themselves: What next for us? That is why the signal that Moscow chooses to send as it goes about the next phase of this is critically important, including for the long-term prospects of Russia making it as a modern, prosperous, democratic state.

Senator MCCONNELL. I want to wrap up by going across the border for a few minutes. Absent international accountability, the new Russian Government will be convinced there are no consequences for such brazen defiance of all international democratic norms. Diplomats in the region believe that such a message will encourage further meddling in Georgia and Armenia nearby.

Mr. TALBOTT. I am sorry, which message will encourage that?

Senator MCCONNELL. Well, that there are no consequences for this kind of action. And the suggestion is that it would encourage further meddling outside the country, but nearby. And focusing for a minute on Georgia and Armenia, what immediate steps are you prepared to take to discourage Russian interference and specifically to encourage Russian cooperation on troop withdrawal talks over the border in Georgia?

Mr. TALBOTT. Well, first, there are consequences for what Russia is doing inside of its own borders and there must be no mistaking that. I doubt that there is any misapprehension on that point in Moscow today. Russian diplomats, and no doubt others, are working overtime to cope with a growing wave of international not just indignation, but also international determination to induce Russia to fundamentally alter course in Chechnya itself.

Next, the border between Russia and the former Soviet republics to the south, particularly Georgia and Azerbaijan, is a bright red line in terms of the international community's view that the sovereignty and independence of those countries matters deeply to us.

Whenever any of us speaks about Chechnya, whether it is President Clinton in Istanbul when he got into a very frank public exchange with President Yeltsin, whether it is Secretary Albright when speaking in Geneva to the United Nations Human Rights Commission, or me today. We always make the point that we respect Russia's sovereignty and territorial integrity and we understand that Russia has both the right and responsibility to combat terrorism and extremism. And then we go on to take strong issue with the means that Russia has used, which are, among other things, counterproductive in terms of Russia's own interests.

But we also try whenever possible to mention the other states in the region, and particularly Georgia, which feels especially vulnerable.

Now what can we do about it? With a lot of support from you and from this committee, we have been able to work with the Georgians to beef up their ability to look to their own border security. We have worked with the OSCE to increase the number of OSCE monitors that are operating there. We have used our good offices in Moscow, Secretary Albright and I have both been personally involved in this, to make sure that the Russians understand both what we see as the danger of an overflow of the fighting into Georgia and also to work with the Georgians if there does appear to be any kind of activity in the northern part of Georgia that might,

worst case, serve as a pretext of some kind for Russian intervention there.

You mention getting implementation of Russia's obligation to withdraw its forces, not only from Georgia, but also from Moldova. There is a representative of the Moldovan embassy here at this hearing today. We have made that, ever since the agreement in Istanbul last year on the CFE Treaty, a priority issue in talking to the Russians, stressing the importance that Russia move ahead with implementation on those withdrawals, and we have tried to play an appropriate facilitating role among the parties, which is to say among the Russians, the Georgians, and the Moldovans. But we want to see that happen.

#### ARMENIA

Senator MCCONNELL. Finally, next door in Armenia. We have had four negotiators for Nagorno-Karabakh in 3 years, further eroding United States credibility and commitment to the independence of Russia's neighbors. As we approach the end of the Clinton years, do you have any expectation that the Russians will accept a deal between Armenia and Azerbaijan?

Mr. TALBOTT. Well, as you know, this is an issue and a problem that I have had an opportunity to work on a lot myself, and it is one that you are intimately familiar with. Russia certainly should accept and support an agreement that President Kucharian and President Aliyev might be able to work out between themselves on Nagorno-Karabakh.

I think I talked to you last fall, shortly after coming back from my own mission to the region, which coincided with the slaughter in the parliament and the assassination of Prime Minister Sargsian, a horrible event in purely human terms, but also had devastating and long-lasting implications for Armenian politics and therefore the diplomacy of the region.

We have been working recently and will continue to work for the duration of this administration to try to see if we can help the parties get that process back on track. I assure you we will work with the Russians, who along with the French are co-sponsors of the Minsk Group process in the OSCE, to get their full support.

Senator MCCONNELL. Let me rephrase the question. Do you think the Russians would like to see this settled or do you think they like it the way it is?

Mr. TALBOTT. I know what a rational and objective view of the situation ought to lead them to think. You used the word "Russians." That is a plural noun, and Russia is now a highly pluralistic phenomenon. There are different Russians with different views.

A realistic Russian would understand that continued war and instability and conflict, including on ethnic lines, in the South Caucasus can only have an exacerbating effect on stability in the North Caucasus, and they ought to want to see peace down there. I assume that it is on that premise that they will continue their involvement in the Minsk process.

Senator MCCONNELL. Senator Leahy.

Senator LEAHY. Thank you.

## RESOLUTION CRITICIZING RUSSIA

You mentioned in your statement that at the U.N. Human Rights Commission in Geneva there are a number of countries considering the introduction of a resolution criticizing Russia for human rights violations. Would the United States be one of those countries?

Mr. TALBOTT. Will we support a resolution per se?

Senator LEAHY. No. In your statement you said a number of countries are considering the introduction of a resolution criticizing Russia for human rights violations. Are we among those countries?

Mr. TALBOTT. We are not among those countries proposing a resolution at this time. The standard that we are bringing to bear, Senator Leahy, is we want to see an outcome in the Human Rights Commission that has maximum effect and also that vindicates what we feel ought to be the influence of that commission.

Senator LEAHY. Which means that we will wait until we see what the wording is to decide whether we will support it?

Mr. TALBOTT. No, more than that. We are not in a wait-and-see mode. Secretary Albright when she was in Geneva got into this in considerable detail with her colleagues there. We are reserving on which mechanism will make the most sense at the end of the day.

Senator LEAHY. I understand that nobody from the U.S. Embassy in Moscow has gone to the field to collect testimony from Chechen refugees. Is that correct?

Mr. TALBOTT. Let me check——

Senator LEAHY. I am thinking about how we addressed the situation in Kosovo. It was a lot different. We did——

Mr. TALBOTT. Pardon?

Senator LEAHY. In Kosovo we sent United States personnel to the region. Ambassador Bill Walker and others were involved in monitoring. In situations like this, we often send somebody from our mission to the area to see what is going on.

Our Moscow mission is an enormous one. I am just curious why we have not sent anybody there.

Mr. TALBOTT. Well, let me first get back to you on whether it is literally nobody. But I have talked to Jim Collins, whom I think you know and have worked with yourself, our Ambassador.

Senator LEAHY. I know Ambassador Collins well.

Mr. TALBOTT. There is one responsibility, overarching responsibility that he has and that we have, and that is for the safety, not only of American diplomatic and foreign affairs personnel, but also we bear responsibility for the safety of any American citizens. There are some representatives of some outstanding NGO groups here in the hearing today who very bravely have been or are willing to go down to the region. We owe them the most candid assessment of what danger they would be in, and that is what dictates——

Senator LEAHY. I understand that. But they are already there. They do not go with any of the added advantages, assuming they are advantages, of diplomatic immunity and such. I am not asking you to put our people in unnecessary danger. Lord knows we have had far more ambassadors killed than we have had generals or admirals in my adult life.



But I would be very interested in hearing Ambassador Collins' and the State Department's response if we have not sent anybody there when we have in other places, and when the NGO's are already there.

Mr. TALBOTT. Before the end of the day I will get back to you on that. I can tell you, having worked with Jim since virtually the beginning of the administration, he is a great believer and proponent in getting American embassy personnel all out and around Russia, including into very hardscrabble places.

Senator LEAHY. I have been with him to some of those.

Mr. TALBOTT. And he is not faint-hearted about these things, but he takes his responsibilities very seriously when it comes to security and safety.

Senator LEAHY. Following Ambassador Collins' recommendations, I have stayed in some of the most God-awful places I can imagine. But to his credit, I was in God-awful room No. 1 and he was in God-awful room No. 2, or vice versa.

Mr. TALBOTT. Exactly as it should be, Senator.

Senator LEAHY. Yes.

Mr. TALBOTT. And if I had been along I would have probably shared his room with him.

Senator LEAHY. He said the worst part about it, he could hear me snore through the walls.

But anyway, we are providing about \$10 million in humanitarian aid for the victims of the war in Chechnya.

Mr. TALBOTT. I think it is up to \$12 million if I am not mistaken.

Senator LEAHY. I would like to know how it is being distributed, how it is being monitored. I understand that some of it is being stolen.

I also mentioned World Bank and other loans that we have agreed to. Have we opposed any loan disbursements to Russia within the last year, either from the World Bank, the IMF, or anywhere else?

Mr. TALBOTT. The answer is yes, but let me come back to that in just a second. I first want to pick up on your expression of concern about reports of diversion of humanitarian or refugee assistance. Bill Taylor, our Ambassador responsible for the coordination of our programs, is here today and he will get you a more detailed response.

But we too are concerned about any reports of diversion of any funds. We feel a great sense of responsibility to make sure that the money this committee appropriates is properly and well spent. Whenever we get a report we follow up on it very quickly.

I think it is our judgment that there have not been significant diversions. That is a qualifier, obviously, and we should have as close as possible to a zero tolerance posture with regard to diversions. But we also want to get meaningful help to deserving people in real time, and we will continue to monitor this.

With respect to loans to Russia, may I just first clarify that you are talking here more in the area of international financial assistance as opposed to bilateral?

Senator LEAHY. Yes, loans from the international organizations where we have a fair amount of say.

Mr. TALBOTT. Sure, right, indeed we do. And Secretary of Treasury Summers has been very much part of the core team working on Russia policy since the beginning of this administration. So he brings a lot of relevant experience to bear in his current capacity. And the Treasury, of course, has the lead in working with the IFT's, especially the IMF and the World Bank.

Since the real, credible, and subsequently vindicated charges of various kinds of scandals with regard to IFI money last year, there has been no IMF money. There is another tranche under consideration, but it has not gone forward. Russia has not met the economic conditionality for that next tranche.

There has been, if I am not mistaken, a World Bank loan for the restructuring of the coal sector, and in that case it is because they did meet the economic conditionality.

Senator LEAHY. Back to the aid, you say it is up to now \$12 million for the Chechens. How is that aid distributed? Who do we give it to? NGO's?

Mr. TALBOTT. I can do one of two things—pardon?

Senator LEAHY. Does it go through NGO's?

Mr. TALBOTT. I can do one of two things. I can either get back to you or I can ask Ambassador Taylor to come to the table.

Senator LEAHY. Please get back to me on that, because I was actually supposed to be at another hearing at 11:00.

Mr. TALBOTT. OK.

Senator LEAHY. I would like to know, if it is going through NGO's, which NGO's. If it is not going through NGO's, why not?

Mr. TALBOTT. Ambassador Taylor is nodding, which means that primarily through—

Ambassador TAYLOR. Through NGO's—

Mr. TALBOTT. Through NGO's.

Ambassador TAYLOR. ICRC and UNHCR.

Senator LEAHY. I am sorry, I did not hear it.

Mr. TALBOTT. The U.N. Commission for Refugees and the International Red Cross, as well as a variety of NGO's.

Senator LEAHY. Perhaps, Ambassador, you could give me the list of who it is going through.

I look at this satellite photograph that was published in the New York Times. The nice thing about having it published this way is that you can refer to it in open hearings.

What the photograph shows is horrible. Physicians for Human Rights reports that of the over 1,000 people they interviewed, 40 percent said they had seen Russian troops kill Chechen civilians. There are reports of rape and torture in the Russian filtration camps. It is estimated that 1,000 people are being held there. Mary Robinson was not allowed to visit these camps. She is a woman of great credibility and courage who is willing to speak out.

I have strongly supported efforts to help promote democracy in Russia. I am glad the elections took place. On the other hand during the cold war we cast a blind eye on the actions of people who became our allies because they were anti-communist—regardless of how dictatorial they were or how badly they violated human rights. I would hope that we would not also cast a blind eye to Russia's atrocities in Chechnya.

With regard to war crimes, I have looked at the laws. I have reviewed the definition of war crimes. The atrocities in Chechnya are war crimes. They are war crimes that officers in the Russian Army know occurred. They know the people involved, and little or nothing is done.

If there is civilian control of the army, then I have to assume that Russian officials, up to and including the President of Russia is responsible for the atrocities that have been committed.

A war crime is a war crime is a war crime, and these are war crimes.

Thank you, Mr. Chairman.

Mr. TALBOTT. Mr. Chairman, may I respond? Are we OK on time?

Senator McCONNELL. Yes, go ahead and respond to what Senator Leahy had to say.

Mr. TALBOTT. Senator Leahy, I hope very much—I do not know if there is a representative of the Russia embassy here. I mentioned there is somebody from the Moldovan here. But I hope very much that there is and that a full transcript of this hearing gets to the Russia embassy and indeed gets back to Moscow.

For reasons that I hope you found understandable, I did not want to get into the terminological issue. But I think the fact that two distinguished Members of the U.S. Senate who, between the two of you, represent bipartisan support for the principle of engagement with Russia—Senator McConnell, I remember our conversation on this at the McConnell Center for Leadership in Louisville, where we agreed that the issue is not whether you engage with Russia, but the terms of engagement. The fact that the two of you would insist upon the designation of these atrocities as war crimes carries its own weight, even if it is the weight of the legislative branch and the executive branch is reserving its position on this. That matters.

The second point I would make has to do with Mr. Putin himself. No matter who was the leader of Russia today, Chechnya would be a vast problem and obstacle for Russia, for all the reasons that we have discussed. But it is particularly so for him because of his own personal identification with this war and the extent to which it was a defining issue and probably the defining issue in his extraordinary rise.

I would at the same time, though, hope and ask for both of you to support this proposition: that we keep in mind that a great deal is going on in Russia that we should continue to support. Our assistance programs, bilateral assistance programs for Russia, basically fall into two categories. There is security assistance, the lion's share of which of course is funded by the Department of Defense, with some help from the Department of Energy, which is basically about ensuring the ability of Russia to comply with international obligations to dispose of and reduce safely, levels of the kinds of weapons that we used to literally lose sleep about when they were aimed at us.

But the other category of assistance is support for economic reform. Helping Russia in its transition to a market economy, and helping the process of democratization. Going back to the end of

the Bush administration, since 1992 we have spent a total on bilateral assistance of a little less than \$9 billion.

Now, we owe it to you to justify in both policy terms and also in terms of accountability every penny of that. But I do think we should keep in mind how that compares to some other figures, like the \$4.5 trillion that it cost the United States to prosecute the cold war and what we spend on our defense budget. If I am not mistaken, the \$9 billion that we have spent over the last 8 years is one twenty-sixth of the DOD budget for the current fiscal year.

So we should keep that very much in mind. This is still a bargain at the price. What we have to do is to make sure that the recipients of our assistance are indeed part of the solution and not part of the problem in Russia.

Senator McCONNELL. Thank you very much, Mr. Secretary. We appreciate your being here.

## NONDEPARTMENTAL WITNESSES

### STATEMENT OF DOUGLAS FORD, SENIOR RESEARCHER, PHYSICIANS FOR HUMAN RIGHTS

Senator McCONNELL. We are going to have to wrap up the hearing.

A panel: Douglas Ford from Physicians for Human Rights and Nathalie Ernoult from Action Against Hunger. I would appreciate it if each of you could summarize your remarks in 5 minutes each so that we have a few moments for questions, because we are kind of moving toward the end of our time here. That would be appreciated.

Mr. FORD. Can you all hear me? I guess.

Thank you, Chairman McConnell. It is a privilege to be here. The U.N. Human Rights Commission is still in session, as several people have just noted, and there is still time to take action there, action to get an independent international investigation, a U.N. commission of inquiry that could save thousands of lives in Chechnya.

Briefly, I would like to provide the committee with some of Physicians for Human Rights' most important findings which my colleagues and I gathered during our 3-week investigation in Ingushetia in February and March, the republic on Chechnya's western border. Our team conducted a random survey of 1,140 individuals drawn from the large refugee population in Ingushetia from Chechnya, at the time numbering about 186,000 people.

The purpose was to evaluate the prevalence and breadth of abuses in Chechnya and to supplement it with some more in-depth testimonies. The findings were extraordinary and deeply troubling. More than 40 percent of the 1,140 surveyed witnessed the killing of a civilian by Russia's federal forces. More than 59 percent of those surveyed witnessed abuses of people not in their immediate family by Russia's federal forces, with only one abuse reported by fighters on the Chechen side. More than 16 percent of the people surveyed witnessed abuses of their own family members by Russia's forces, with only 4 abuses reported by forces on the Chechen side.

Ninety-seven percent were forcibly displaced by Chechnya by Russia's federal forces. And they were even given the choice of saying that the reason for their displacement was the war or was both forces, and almost nobody chose that option.

Thirty-two percent of those interviewed reported destruction of medical facilities by Russia's federal forces and nobody reported such destruction by fighters on the Chechen side.

Let me detail a couple of examples. Testimonies and medical examinations from eight newly released prisoners from Chernokozovo filtration camp revealed the brutal torture common in these camps, filtration camps where Russian officials try to filter out Chechen fighters.

With one young man, 3 days after his release Dr. Ramin Ahmadi, the physician working with me, found a hematoma on his third and fourth rib, severe muscle swelling on his neck, ribs, and feet, and a broken nose, all symptoms consistent with blunt trauma. Dr. Ahmadi said all the former prisoners he interviewed showed signs of severe wasting from a starvation diet in the camp.

Testimonies also reveal how federal forces intentionally devastated the town of Kata-Yurt from the 4th to the 8th of February, at least 3 of those days after all the fighters from the Chechen side had left the town, according to nine separate and consistent witness accounts. One woman described the following scene on the 8th of February: "Soldiers made a mound of people—it did not look like dead people—on the ground. It was gruesome. I saw women lying like rubbish in piles. Relatives were happy when they found the dead bodies of their family members because there were so many bodies littering the town."

I appreciate Secretary Talbott's comments about our work and the Senators' recognition of the war crimes committed there. But I must say that I am disappointed in the administration's and Secretary Talbott's failure to support an international independent investigation, especially after Secretary Talbott just noted that Mary Robinson has called for a U.N. commission of inquiry.

Russia has thwarted virtually all international investigations, by the OSCE and not by Mary Robinson. The stalling must stop. A U.N. commission of inquiry should be formed and proceed to collect detailed human rights data. This commission can be formed regardless of Russia's opposition, especially with the support of this administration and the other members of the commission that would need to vote for it.

To take the example of the East Timor case, a commission of inquiry was set up there and has met with some mixed review. But to report what Indonesian human rights leaders say, they say that there would not have been such a credible investigation of the Indonesian Government and their forces' participation in abuses there if there had not—if the investigation that the Indonesian Government is carrying out had not been done in parallel with the U.N. commission of inquiry, if the commission of inquiry from the United Nations had not existed.

We would also like to see the Clinton administration oppose World Bank loans and other international assistance until such times as these attacks on civilians have ceased and investigations begin. As I believe it was Senator Leahy asked, we would also like to see them send some of their own staff to collect data directly from the refugees in Ingushetia.

Thank you.

Senator McCONNELL. Thank you.

[The statement follows:]

#### PREPARED STATEMENT OF DOUGLAS FORD

Thank you for holding this important hearing, Chairman McConnell, and for inviting me to testify. My name is Doug Ford, and I am a senior researcher for Physicians for Human Rights (PHR). Physicians for Human Rights is an organization of health professionals, scientists, and concerned citizens that uses the knowledge and skills of the medical and forensic sciences to investigate and prevent violations of international human rights and humanitarian law.

The timing of this hearing is unusually important, coming as it does just one day before the United Nations High Commissioner for Human Rights, Mary Robinson, addresses the United Nations Commission on Human Rights in Geneva. It is vitally important that the United States take action in Geneva that the Clinton Administration has avoided to date: namely, that the U.S. sponsor and promote a resolution at the Commission to create an official commission of inquiry into war crimes committed by Russian forces and rebel forces in Chechnya. This official commission of inquiry is a necessary precursor to establishing an international tribunal to prosecute those responsible, which Physicians for Human Rights strongly supports. A strong statement of support from this Committee for such an initiative would be very helpful in encouraging a more robust posture on the human rights situation in Chechnya than we have seen to date from the executive branch.

I would like to start by providing you with information gathered by Physicians for Human Rights last month from displaced Chechens in Ingushetia. Physicians for Human Rights carried out a detailed human rights survey of 1,140 randomly selected individuals. Our random survey provides a measure of the breadth and pervasiveness of the violence suffered by Chechens at the hands of Russian forces. Using such a survey based on epidemiological models to collect human rights data allowed my organization to add to reports of individual abuses and massacres being collected by other human rights organizations, notably Human Rights Watch.

It is important to note that PHR investigators did not seek out and identify witnesses to abuses: the survey was randomly drawn from the 186,100 displaced persons in Ingushetia at that time. Thus the very high percentage of those who witnessed abuses, including killings, beatings, torture, wounding, disappearances, or separation and sexual violations by Russian forces is especially compelling and extremely troubling. More than 40 percent of those surveyed witnessed a killing. More than 16 percent of the 1,140 people surveyed witnessed abuses of their own family members by Russia's federal forces (RFF), and more than 59 percent of the 1,140 surveyed witnessed abuses of persons not within their family. The survey also made plain that the vast majority—97 percent of those interviewed—were forcibly displaced from Chechnya by RFF, and that indiscriminate and disproportionate bombardment as well as targeted executions were the cause. In only five cases did respondents attribute abuses to fighters from the Chechen side. Although PHR's random survey only captured a few instances in which an individual witnessed an abuse perpetrated by Chechen combatants, we are concerned about reports from other groups, such as Human Rights Watch, that Chechen combatants are committing violations. Chechen combatants have reportedly beaten and tortured civilians who attempt to save their villages from Russian attack by attempting to negotiate with Russian forces, and have also endangered the lives of civilians by taking tactical positions in areas heavily populated by civilians.

Our survey also included questions about observed violations of medical neutrality, another war crime: some 362 of the 1,140 interviewed reported destruction of medical facilities by Russian forces. In addition, testimonies received by the PHR team show that RFF troops have violated medical neutrality by shooting patients, arresting doctors and patients, and bombing hospitals and clinics. PHR has been told by witnesses about the detention of several physicians. In Tsotsin-Yurt, RFF arrested a surgeon and a 63-year-old patient wounded by shrapnel. In another case, Dr. Hasan Bayiev, a plastic surgeon, was detained briefly by RFF and released on February 2. Before his eighteen-hour detention, Bayiev performed one hundred surgical procedures in two days. Sixty of these were amputations on fighters and civilians wounded while retreating from Grozny. Bayiev and a nurse both report that 120 patients were taken from the hospital and detained by the RFF. Upon returning from detention, Bayiev reported seeing the bodies of seven patients, six Chechen fighters, and one 70-year-old Russian woman; all shot to death in their hospital beds, allegedly by RFF troops.

Doctors interviewed by Physicians for Human Rights also reported the targeting of hospitals by Russian bombing sorties. Dr. Bayiev operated in the basement of the bombed-out Alkhan-Kala hospital before leaving Grozny. Dr. Zainab Estamirova, the head physician at Grozny Ambulatory Clinic #5, reported that the clinic was bombed and she had seen the charred remains of the hospital. One physician reported that Grozny City Hospital #4 where she worked was destroyed by RFF in the first days of February after the retreat of the Chechen rebels. She also reported that Chechen fighters had used the hospital as a dormitory, in violation of international law.

In addition to collecting this demographic data regarding Russian forces' abuses against civilians, Physicians for Human Rights also collected significant testimony and medical data on torture at the Chernokozovo filtration camp. Dr. Ramin Ahmadi, Program Director at Yale University's School of Medicine conducted interviews and examinations for Physicians for Human Rights. In six of the cases we in-

vestigated, the subject was seen by another person interviewed by Physicians for Human Rights who also had been detained in Chernokozovo, specifically corroborating these accounts. Chernokozovo camp officers reportedly tortured two of these men with electric shock and two with gas. One young man, whom Dr. Ahmadi examined three days after his release from Chernokozovo had a broken nose, bruises on the third and fourth ribs on the right side, tenderness of the right kidney, severe muscle swelling and spasms in his neck, and pain on the soles of his feet, symptoms consistent with blunt trauma.

In two of the cases of torture victims interviewed by Physicians for Human Rights, the victims had fled their villages but returned after responding to Russia's publicity inviting displaced persons to go back to areas controlled by the Russian federal forces because they would be safe. These two individuals were picked up upon their return, abused in detention, and released only after family and friends paid bribes to Russian officials equivalent to hundreds of American dollars.

Notwithstanding frequent firm pronouncements on Russia's conduct in Chechnya, we at Physicians for Human Rights are nonetheless deeply disappointed in the Clinton Administration's stance with regard to this human rights disaster. One need look no further than Secretary Albright's March 23 speech before the United Nations Human Rights Commission in Geneva to see where the problems lie. The opening days of the Human Rights Commission were a unique and important opportunity for the Clinton Administration to speak plainly about American revulsion for Russian war crimes in Chechnya, and to support international mechanisms to investigate those crimes and hold their perpetrators to account. To our disappointment, Secretary Albright did not use the occasion to either condemn war crimes by name, nor to associate the Clinton Administration with a resolution calling upon the Secretary General to establish an independent commission of inquiry. Moreover, Secretary Albright urged the Russian government to conduct a prompt and transparent investigation of all credible charges, she appeared to give Russia more credit than it deserves in the area of investigating its own human rights abuses. Secretary Albright stated: "We are encouraged by the Russian Government's decision to name a human rights ombudsman, accept international experts on his investigative team, and invite High Commissioner Robinson to visit Chechnya."

I believe that welcoming Russia's decision to appoint its own investigator when Russian authorities have consistently blocked outside, independent investigators from Chechnya sent an inappropriate signal to Moscow. The appointment of the Presidential Representative for Human Rights in Chechnya, Vladimir Kalamonov, whose only mandate is to forward human rights cases to the military procuracy, is neither an adequate response to international demands for Russian accountability nor an acceptable substitute for an independent international investigation by the United Nations.

The way that the Presidential Representative's office addressed the massacre at Aldi illuminates the deficiencies of an abusive government investigating its own forces' conduct. Along with colleagues from Human Rights Watch, I investigated the case of the February 5 massacre of at least 62 civilians in the Aldi district of Grozny during PHR's human rights mission to Ingushetia in March. In my own investigation, I collected extensive eye-witness testimony. There is no question that Russian forces engaged in unspeakable behavior in Aldi, summarily executing large numbers of unarmed people, burning homes, extorting money from civilians whom they later executed, and firing on civilian structures. I have attached the witness testimony of these massacres as an appendix to this document.

Clearly, evidence of that horrific rampage by Russian Federal Forces was easily available. However, we are informed that when Yuri Dyomin, the military procurator of the Russian Federation, met with Kenneth Roth, executive director of Human Rights Watch on March 10, he stated that he had "never heard of" the massacre at Aldi and another at Staropromyslovskii, documented by Human Rights Watch, where at least 50 civilians were summarily executed. Thereafter, Human Rights Watch reports that Mr. Dyomin opened an investigation but thereafter closed it within a week, dismissing the allegations of human rights organizations and stating that he "regretted the time he wasted" running inquiries "based on disinformation."

Clearly, no internal investigation by the Russian authorities is a substitute for a full-fledged inquiry by a United Nations entity. In our view, and that of the other major human rights organizations, including Human Rights Watch and Amnesty International, nothing less than a formal U.N.-sponsored commission of inquiry is warranted to investigate Russian abuses in Chechnya. We believe that Russian forces' consistent and pervasive commitment of war crimes, including violations of medical neutrality, summary executions, forcible expulsion, and torture warrant a



response from the international community that is proportionate to the crimes committed.

Failure to establish some formal means of accountability will be costly indeed. First, it is costly for Chechen civilians. We believe that quickly establishing a formal Commission of Inquiry would constrain Russian abuses, persuade them to end indiscriminate attacks on civilians and permit international investigators access to detention sites. Failure to create structures of accountability sends the Russian authorities the clear signal that their behavior in Chechnya has been tolerated and that further abuses will be tolerated as well.

Second, failure to establish international accountability for Chechnya is very costly to the international movement to establish accountability for war crimes, genocide, and crimes against humanity. A human rights double standard is clearly visible: The United States collected extensive human rights documentation on Milosevic's abuses against civilians in Kosovo, and has been the leading proponent and supporter of a war crimes tribunal to try those responsible, including President Milosevic himself. Indeed, the United States and its allies engaged in extensive military operations against the Federal Republic of Yugoslavia in defense of Milosevic's Kosovar Albanian victims. In the case of Chechnya, where crimes against the civilian population are markedly similar, the Administration has not deployed its own human rights monitors, has refused to use the words "war crimes" to describe what is occurring, and has been silent with respect to a formal commission of inquiry by the United Nations.

The U.N. Human Rights Commission in Geneva is still in session and there is yet time to rectify this inconsistency. The Commission has been paralyzed for the last week, waiting for Mary Robinson to go and return from Chechnya. It is our understanding that Ms. Robinson's investigation was thwarted at every turn by Russian authorities. She was permitted access neither to the detention sites nor the sites of massacres that PHR and others documented that she requested to visit. Nor, to our knowledge, has the OSCE mission waiting in Moscow been given permission to enter Chechnya.

This stalling on the part of the Russian authorities and deference to it by the United States and its European allies is costing untold Chechen lives. It is past time for the United States to lead an effort in Geneva for something more robust. Physicians for Human Rights respectfully calls upon our government to take the following steps in response to the deliberate destruction of Chechnya:

1. Sponsor a resolution at the current session of the United Nations Commission on Human Rights requesting that Secretary General Annan convene a Commission of Inquiry to investigate war crimes committed in Chechnya. The Commission of Inquiry, directed by U.N. High Commissioner for Human Rights Mary Robinson, should establish accountability for the destruction of Chechnya, including investigation of abuses by Chechen fighters. The State Department should contact its European allies now about sponsoring a resolution, or prepare to offer such a resolution itself.

2. Publicly identify and condemn Russian violations in Chechnya for what they are: war crimes. President Clinton, Secretary Albright and other top U.S. officials should unequivocally condemn Russian practices in Chechnya as war crimes, and demand accountability for them. Expressions of enthusiasm and support for President-elect of the Russian Federation Vladimir Putin are unconscionable in light of his association with the campaign to destroy Chechnya, and should cease.

3. Immediately deploy staff from the U.S. diplomatic mission in the Russian Federation to Ingushetia to collect testimonies from the displaced Chechen population to document war crimes. To date, the Clinton Administration refuses to send its staff to Ingushetia because of security considerations. However, numerous researchers from United States and European non-governmental human rights organizations including Physicians for Human Rights, Human Rights Watch, and Amnesty International, have been safely deployed in Ingushetia, some for months, and all have been able to safely collect detailed testimony. The State Department should reevaluate its prohibition preventing officers from collecting human rights data. More information from such official sources is urgently needed.

4. Enlist the U.S. Department of State, in cooperation with U.S. intelligence community, to begin a vigorous data collection effort to document war crimes. All available intelligence information sources should be collected and evaluated, including relevant United States knowledge of military and security command control, satellite photographs, and radio and telephone intercepts to identify the perpetrators of war crimes and their commanders.

5. Invigorate the Organization for Security and Cooperation in Europe's (OSCE) Monitoring Mission. The Russian authorities permitted the OSCE to monitor abuses in Chechnya during the 1996 war and at the Istanbul OSCE Summit pledged to con-

tinue this initiative. Yet Russia has not yet permitted the OSCE's six monitors currently in Moscow to visit the region. The United States should publicly demand that Russia permit the monitoring mission to go forward, and take steps to expand it substantially.

6. Advocate at the highest levels for the release of imprisoned and tortured Chechen civilians now detained in Russian filtration camps. Meanwhile, so long as prisoners remain in these facilities, it is vitally important that there be international access to them. President Putin has reportedly given personal authorization to the International Committee of the Red Cross (ICRC) to have unimpeded access to places of detention. The international community should monitor this to ensure that President Putin realizes this commitment and that unrestricted access for the ICRC is ensured.

7. Engage President Putin to address the humanitarian emergency, reminding Russia of its obligation to provide food, shelter, and medical care to the displaced. Additionally, the United States and its allies should supply significant humanitarian aid to non-governmental humanitarian groups, including the Red Cross and UNHCR, currently serving the displaced population.

8. Urge Russia to grant access to Chechnya to both human rights monitors and representatives of humanitarian organizations.

9. Demand Russian forces cease their assaults on civilians, providing safe passage for all Chechen refugees attempting to cross the border.

10. Announce the United States' intention to oppose upcoming World Bank loans to Russia. Physicians for Human Rights is deeply distressed by the continuing unrestricted provision of World Bank funding for Russia, including \$100 million released just two days before the Russian elections. An additional \$250 million in World Bank loans are pending, and it is our understanding that the International Monetary Fund will release some \$640 million currently on hold. The international community possesses significant leverage with the government of Russia, would it but use it. The United States should strongly oppose all World Bank, IMF, and other international financial assistance to Russia until such time as the Russian Federation has taken meaningful steps to limit the civilian toll in Chechnya, including investigating war crimes and prosecuting those who committed them.

Senator MCCONNELL. Ms. Ernoul, will you go ahead, please. If you could summarize your comments in 5 minutes or so, I would appreciate it.

**STATEMENT OF NATHALIE ERNOULT, PROGRAM MANAGER, NORTH CAUCASUS, ACTION AGAINST HUNGER**

Ms. ERNOULT. Thank you very much, Mr. Chairman.

Senator MCCONNELL. Pull the mike a little closer to you, will you.

Ms. ERNOULT. Is it OK like that?

Senator MCCONNELL. Yes.

Ms. ERNOULT. Thanks.

Just basically, I just returned from a field trip in Ingushetia and Chechnya, where Action Against Hunger is working for the moment. I would like to say just a couple of things in summary of humanitarian assistance happening in Ingushetia and Chechnya.

For Ingushetia, I think that some of the needs are covered, but basically, in general I would emphasize on the fact that humanitarian assistance happening in Ingushetia does not cover the minimum standard of the population. We are for the moment talking about 200,000 refugees actually in Ingushetia.

Most of the aid and the assistance was channeled through the United Nations and specifically the U.N. High Commission, UNHR office, and most of it is indeed channeled through the Russian authorities, and we believe that some of the refugees actually in Ingushetia do not receive or at least for the past month did not receive the basic requirements and the basic aid they were supposed

to receive because the Russians are dictating more or less where humanitarian assistance should happen.

It is based on that fact that Action Against Hunger started independent assessment and independent distribution and monitoring of its own food distribution within Ingushetia.

In Chechnya, I had a chance to go up to Gudarmes and meet with the administration, the Kochman administration, which is the Russian administration, as well as the temporary Chechen administration. As well I had a chance to visit two villages at the border near by Ingushetia.

Again, I would say that, apart from the fact—and you know all the stories about the general humanitarian situation happening in Grozny, in all the towns of Chechnya. And I would say and I would mention that humanitarian assistance is almost not happening now in Chechnya. Very few agencies are working one of which is Action Against Hunger. We started distribution of food aid in two towns of Assinovsk and Sernovodsk to above 30,000.

Nevertheless, apart from a single convoy of the United Nations into Grozny, nothing is happening, when thousands of people had to flee their villages and where the fighting is still ongoing in Chechnya.

We believe, as a summary—and this is the position of Action Against Hunger—we believe that for humanitarian agencies access should be granted. We as an agency have for the time being access into Chechnya even if we have to face some security or some problems at checkpoints because of sometimes the lack of recognition of the army of the orders from their offices.

Access is paramount. It is very important now in Chechnya. That is the main point now.

The second point I would say is that agencies and nongovernmental agencies have to work into Chechnya to have direct access to information, first-hand information, in order to get a better idea of the needs of these populations and to be able to implement it directly and avoid a politicized humanitarian assistance.

On top of it, I would say that very few nongovernmental agencies are supported now in Chechnya, as far as most of the funding is channeled through the United Nations.

For Action Against Hunger, we are currently receiving direct support from the French Government and the European Union. Chechnya is one of the few crises where the U.S. Government does not fund directly nongovernmental agencies doing impartial and neutral assistance, providing neutral and impartial assistance within Chechnya.

So I would call for access in Chechnya and support to nongovernmental agencies to provide aid and relieve the suffering of the people of Chechnya.

Thank you very much.

Senator McCONNELL. Thank you.

[The statement follows:]

PREPARED STATEMENT OF NATHALIE ERNOULT

Mr. Chairman, Members of the Committee, It is an honor to be here today, and I appreciate the attention the Committee is devoting to the continuing conflict in Chechnya.

My name is Nathalie Ernoult, and I have recently returned from a field trip to Chechnya and Ingushetia, where our organization has been conducting humanitarian assistance programs focussing on the most vulnerable people since the beginning of this year. Action Against Hunger has a long prior history in the North Caucasus: from 1995 to 1997, we were active in the Republics of Chechnya, Ingushetia, and North Ossetia. Already at that time, relief operations were hampered by severe security problems. Our colleagues in the field suffered numerous violent assaults; in July 1996, two of them were kidnapped in Chechnya and detained for close to a month. The extension of the kidnapping problem to neighboring regions finally forced us reluctantly to withdraw our mission, in spite of the serious needs of the population, in September 1997.

In December of last year, in the face of the mounting crisis and of the massive influx of Internal Refugees (also referred to as IDPs) into Ingushetia, our Moscow office mounted a needs and security assessment to the region. The conclusion of this assessment was that the ongoing hostilities had modified the security picture, and that security conditions in Ingushetia were, for the time being, such that the mounting of a new relief operation would be possible under strict conditions (proper authorizations, a strong support from the Ingush authorities, limited and unpredictable presence in the field of international staff, local armed protection). Given the massive needs and the serious lack, at that time, of international relief agencies, Action Against Hunger decided to open a mission based in Nazran, the capital of Ingushetia. Beginning in January, given that the United Nations was meeting difficulties and delays in setting up a systematic food aid program for all the IDPs, we began providing food aid distributions in the towns of Sleptovskaia and Karabulak, in an attempt to target vulnerable individuals living in spontaneous settlements and camps. Action Against Hunger thus directly distributed more than 280 metric tons of essential hygiene and food items, purchased in a neighboring region, to approximately 22,000 people having sought refuge in Ingushetia.

Late February, as the humanitarian situation in Ingushetia stabilized, Action Against Hunger decided to narrow its focus in Ingushetia to highly vulnerable groups such as pregnant & lactating women and under-five children, and to push into Chechnya where the few remaining "spared" towns are overcrowded not only by people fleeing the fighting but also by people that have been driven to return to "liberated" Chechnya by the Federal authorities. After positive contacts with the authorities, Action Against Hunger began in March to provide humanitarian assistance within the territory of Chechnya. We have already conducted a large-scale distribution for over 16,000 people in the town of Assinovsk, including 2,000 people having just fled from the destruction of the village of Komsomolskoe; a second distribution, on a similar scale, is due to begin as we speak in the town of Sernovodsk. These distributions, which will be repeated on a monthly basis, have been made possible by the recently open attitude of the Russian authorities in Chechnya, who have provided us with the necessary authorizations to access the zone. Serious problems, however, still remain with the checkpoints, which often refuse to recognize the authorizations provided by their superiors, and frequently deny our staff access, delay them, or otherwise harass or threaten them, thereby hindering our relief efforts. Finally, access to Grozny is still being denied to international organizations, on the grounds of security considerations that we believe to be mainly specious.

The situation of the population within Chechnya is nothing short of dramatic. Over one hundred thousand people, driven from their homes by intense, indiscriminate bombardments, have sought refuge in other towns, often only to have to flee again in front of renewed assaults. Many of the towns in the lowlands, where we have access, have been massively destroyed—some up to 30 percent—and thousands of families are without shelter; the situation in the mountain areas is said to be even worse, due to months of blockade, but the ongoing hostilities there do not yet permit access. The hospitals are crammed with wounded that are forced to move out within days to make way for new cases; doctors operate without even the bare minimum in terms of anaesthetics, medicines, medical equipment, or sanitary conditions; medical personnel are harassed and have on several occasions been arrested by the Federal forces for simply carrying out their medical duties and caring for the wounded, wounded that the Russians consider as criminals.

Humanitarian aid for the displaced, in particular food aid, is practically non-existent: with the exception of Action Against Hunger's distributions, and a single convoy sent by the United Nations to Grozny through the Russian Ministry for Emergency Situations (EMERCOM), the IDPs receive practically nothing. In a few selected towns, IDPs identified by the Russian authorities according to extremely narrow and discriminatory criteria are indeed entitled to Federal food aid; but the agencies responsible for this limited aid have virtually no budget to implement their man-

date, and we have direct eyewitness evidence that a substantial part of their bread and food items is systematically looted at the checkpoints by Federal troops.

For Action Against Hunger, the key issue for humanitarian assistance inside Chechnya remains the question of access and independence of intervention. In this context, we can only note that the agencies of the United Nations are unable to guarantee the neutrality and impartiality of their relief operations. U.N. agencies such as the U.N. High Commission for Refugees, the World Food Program, and UNICEF, while present and active in Ingushetia and Daghestan, are forced to work through Russian counterparts, some of which, such as the EMERCOM, are of a militarized nature; their staff are escorted throughout the region by Federal troops similar to units involved in the conflict; and, to a substantial degree, Russia dictates to them where, how and when they can work.

In such a situation, only independent non-governmental organizations, such as Action Against Hunger are, in our view, able to operate with the minimum of flexibility and impartiality needed to guarantee direct access and efficient relief to those most in need. In a more or less stable context, such as Ingushetia, the agencies of the United Nations, with their far more massive means, are indeed able to provide wide-ranging and effective services to the IDPs, though we still feel that minimal international standards, especially in the fields of shelter, water & sanitation, and medical care, are not being met. However, in a context as unstable, chaotic and unpredictable as Chechnya, their ability to maneuver is highly restricted. Current U.N. plans for the possible provision of assistance within Chechnya mainly involve donating commodities to the Federal EMERCOM, and attempting to supervise their use; past experience with such a system leads us to believe it is wholly inadequate. Action Against Hunger, on the contrary, has been able to directly implement distributions, using only its own staff, after an impartial needs assessment. In a context in which humanitarian aid has been so massively politicized and conditioned, we believe that such an impartial and independent approach is vital.

However, the ability of independent humanitarian organizations to carry out such operations is highly dependent on donor support: firstly, to press for increased access for humanitarian non-governmental organization, and, secondly, to provide adequate financial support to enable those organizations to carry out their activities. On this issue, we regret that the Government of the United States has so far declined, through its various agencies such as the State Department's Bureau of Population, Refugees and Migration, and USAID's Office of Foreign Disaster Assistance, to directly finance non-governmental humanitarian organizations. Instead the U.S. Government has mainly relied on the agencies of the United Nations to channel its aid.

In this context, we welcome the recent decision of the U.S. Government to financially assist the International Committee of the Red Cross as a positive step. But more needs to be done. Non-governmental humanitarian organizations such as ours have an opportunity, right now, to help relieve some of the terrible suffering of the people of Chechnya. We feel that we can do so professionally, with adequate security measures, and above all, impartially; and in fact we have already begun. Our presence in the field also enables us to draw, and to pass on to the international community, a clearer picture of the widespread violations of human rights and humanitarian law that have occurred and continue to occur on a daily basis. Over the course of this crisis, the Government of the United States has repeatedly expressed its concern over the methods used by the Federal forces to prosecute their campaign, and over the enormous resulting human suffering. We ask the United States to demonstrate this concern further in two ways:

1. Use all possible means to press the Russian authorities to allow free, unimpeded, and impartial humanitarian access to the whole territory of Chechnya, including the city of Grozny;
2. Provide funds directly to non-governmental humanitarian organizations to ensure impartial humanitarian aid delivery to the people most in need.

Thank you again for the opportunity to speak before you today.

Senator McCONNELL. Mr. Ford, on February 26 PHR issued a statement discussing a survey of Chechen civilians, almost half of whom, as you indicated, had seen civilians killed by Russian forces. What led to your initial inquiry?

Mr. FORD. You mean to doing the survey?

Senator McCONNELL. Yes.

Mr. FORD. We had done a similar survey in Kosovo and had found that this is a way, in an environment that is constantly

changing and with constant cross-accusations and assertions of the scope of the problem, that it gives us and we assume the other policymakers and people with influence information about how widespread and pervasive are the abuses.

Senator MCCONNELL. Where did you conduct the interviews?

Mr. FORD. We were based in Nazran, which is the major city in Ingushetia, and we were given or received a random sample of names out of the computerized data base that was funded by UNHCR of the approximately 186,000 displaced persons from Chechnya in Ingushetia. They were scattered basically throughout the province or, shall we say, the flat lands of the province or the republic, some of them in formal camps, some of them just in private homes, some of them in factories that were still working even though the kids were running around the machinery. So it was in Ingushetia.

Senator MCCONNELL. How recently were the interviews conducted and how recent before the interviews were the events which were described?

Mr. FORD. We conducted the survey framing the questions as what had—when we interviewed a family member, usually the head of the household, or we would approach the family and ask them to give us the person who was the head of the household or could give us the best information about what had happened to their family. We framed the questions as: Since August of 1999, what have you seen?

So the information varies across that time frame. Most of the people that we interviewed had left Chechnya between late September and mid-November, so the assumption would be many of the abuses were from the fall of 1999. But the time frame of when the displaced had arrived in Ingushetia was from August until February 2000, so the abuses ranged across that time.

Specifically, the testimonies about Chernokozovo, the filtration camp, and about Kata-Yurt came from people who had arrived in Ingushetia in mid to late February.

Senator MCCONNELL. Do you think the worst is over?

Mr. FORD. Excuse me?

Senator MCCONNELL. Do you think the worst is over?

Mr. FORD. I would not want to speculate on how Russia or the Chechen fighters would wage the war. But we all read the papers and the war is clearly going on, and all the reports are that there is current abuses and that there needs to be something done to change the way the war is being waged and to generate accountability for what has happened.

Senator MCCONNELL. I want to go back to the war crime issue. Can you explain in terms the public can comprehend exactly what constitutes a war crime? Let me go ahead. Set aside the legalities of the Geneva Convention and the Genocide Convention and describe how abuses meet that threshold. For example, do you require a pattern of abuses, the type of abuse, a racial or ethnic motivation, a civilian target?

How do you define a war crime?

Mr. FORD. To be honest with you, I am not fully prepared with our internal briefing on a war crime. But if I can hazard a couple of comments that I think are within the realm of our under-

standing. First of all, a war crime, if you were to truly judge it on international standards, should go before a tribunal and there should be a verdict. Obviously, we do not even have a tribunal, so we do not even have a verdict.

So that legality aside, the conventions, the Geneva Convention, the Genocide Convention, and other human rights and international humanitarian law treaties, are what we refer to to define war crimes. Those treaties call for armed groups to not murder, kill civilians who are not engaged in the conflict, to permit doctors and health professionals to operate, to take care of the injured regardless of which side they are on.

The documentation we have seen violates provisions such as that. So I would say that is why we call them war crimes, in reference to those instruments.

Senator McCONNELL. Can you discuss the role the United States has played in support of an independent commission of inquiry and access for your organization and others who have sought to investigate the abuses in Chechnya?

Mr. FORD. Well, I would not know or want to comment on all the back room negotiations of the U.S. Government in Geneva. But certainly their comments there and Secretary Talbott when he himself acknowledged just a moment ago that Mary Robinson has called for a U.N. commission of inquiry and, despite at least two different questions on it, refused to support it, that would show to me that there is not full support for an independent international investigation, and I would call that inadequate.

Senator McCONNELL. Do you see similar patterns of crimes in Bosnia, Kosovo, and Chechnya?

Mr. FORD. There are certainly similarities. Secretary Talbott's perspective on the history and background is certainly valid, but that does not change the abuse, the facts, the killings of civilians. In that sense there are similarities.

In some ways what is striking is that our survey in Chechnya shows a higher level of abuse among civilians than our survey did in the camps in Macedonia and Albania of Serb abuses of Kosovars.

Senator McCONNELL. Your February report states:

Russian federal forces are brutally and arbitrarily detaining civilians, mostly men, but women as well, as checkpoints and community round-ups, torturing them in so-called "filtration camps." In the last day or two, the troops are burning and disposing of bodies of civilians.

How systematic do you think the Russian federal forces has been in destroying evidence and how difficult will it be to investigate if we are able to establish a truly independent commission of inquiry?

Mr. FORD. Once again, to speculate on what all the Russian forces are doing is certainly a difficult thing to do, especially when you talk about systematic. We received individual reports of disposal of bodies, of destruction of evidence. It clearly looks that like some parts, some units of the forces, are doing that. But I would not give that as a reason, for instance, for not calling for a commission of inquiry. I think there is plenty of evidence. You just go to the camps in Ingushetia to get, to document serious human rights abuses and war crimes.

Senator MCCONNELL. What about on the other side? How would you characterize the abuses, if any, conducted by the Chechen guerrillas?

Mr. FORD. The abuses that we documented certainly are very serious, but it is not apparently, at least according to our own information, which is based on scientific methods, nearly as widespread. So because the major violator, at least according to our information and several other human rights groups media outlets, is the Russian federal forces and that seems to be the place where we have the greatest leverage, that is why we are focusing on that.

But that is in no way to dismiss the flagrant violations that occasionally have occurred and apparently did occur prior to this war by certain officials and commanders inside Chechnya.

Senator MCCONNELL. I am going to have to wrap this up, but I want to ask one question of you, Ms. Ernoult. Really it is two questions collapsed into one. The first is: Does your organization receive any support from us, the United States? And second: How cooperative have the Russians been and how have you worked out the clearance, if any, to provide relief?

Ms. ERNOULT. Thank you very much. Specifically, Action Against Hunger is not receiving any support from the U.S. Government right now. We are keeping some of your offices informed about the ongoing situation, humanitarian situation, in Chechnya and Ingushetia through our field reports, but that is all for now.

As far as I know, I do not think the United States Government is now funding directly any nongovernmental agency in Ingushetia and in Chechnya.

To answer about the clearance, for now we had some various discussions at different levels with the Russian authorities, talking about the Kochman administration, and to get some authorization of movement within Chechnya. We got it on paper for now. We tried this paper. It is partly working, but still some problems remain at some checkpoints with some of the security.

So it is a matter for us to negotiate each time and to discuss and explain again and again and again what we are doing and where we are going and how our organization is working. It hampered a little bit humanitarian assistance now, but we believe it is possible to continue passing on the message and insist on the Russian administration about access for humanitarian agencies.

Senator MCCONNELL. Well, I want to thank you both for the important contribution you have made here today to our review of this tragic situation, and congratulate you also for the fine work you are doing. Thank you very much.

Ms. ERNOULT. Thank you very much.

#### SUBCOMMITTEE RECESS

Senator MCCONNELL. The subcommittee will stand in recess until 11:00 a.m., Thursday April 6, when we will receive testimony from Hon. Lawrence H. Summers, Secretary of the Treasury.

[Whereupon, at 12:01 p.m., Tuesday, April 4, the subcommittee was recessed, to reconvene at 11 a.m., Thursday, April 6.]



**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIATIONS  
FOR FISCAL YEAR 2001**

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**THURSDAY, APRIL 6, 2000**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 11:10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Gregg, and Leahy.

**DEPARTMENT OF THE TREASURY**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. LAWRENCE H. SUMMERS, SECRETARY**

**OPENING STATEMENT OF SENATOR MITCH MC CONNELL**

Senator McCONNELL. Thank you, Secretary Summers for coming. I apologize for the delay. We had two votes that took us to this point.

For the past several years, Senator Leahy and I have focused our hearings almost exclusively on personnel and lending management problems which continue to afflict the international institutions. I take the view that if they cannot get their own house in order, the policies and programs designed for borrowers are never going to succeed.

To assure we cover all necessary ground, Senator Leahy and I have agreed to divide up questioning for today's proceedings. He will focus on the personnel issues, and I will concentrate on corruption and management problems. However, let me be clear on one point: Senator Leahy does not stand alone in his expectation that these serious issues must be addressed promptly and thoroughly.

Since 1992, Senator Leahy has carefully reviewed cases and the personnel system at the World Bank and IMF. I completely concur with his views that sexual harassment and gender discrimination are real blights on the reputations of these institutions. Unfortunately, his efforts to deal constructively with these problems have not always been welcomed. A number of women who have approached the committee for assistance have been threatened and experienced retaliation and abuse. In our staff meetings with senior officials at the Fund and IMF, the response to our concerns has ranged from openly hostile to disinterested to bizarre. An American

woman who serves on our Executive Director's team at the IMF actually tried to rationalize the acute problem of gender hiring and promotion bias by suggesting that women prefer not to have the senior level, better paying jobs because they are too time consuming and involved a lot of travel.

Secretary Summers, may I suggest that it is time for the IMF and the Bank to join the 21st century. Women are an important addition and here to stay in the professional work force.

Shifting to corruption, as you will recall, last year I raised concern about flagrant abuses which compromised the World Bank's program in Indonesia. The Bank's Country Director ignored internal reports detailing program kickbacks, skimming, and fraud because he was unwilling to upset the Suharto family and their cronies whom he believed were responsible for Indonesia's economic boom. A change of government and country directors presented an opportunity to set a new course for management and lending policies.

I asked GAO to conduct a review of the Bank's management with an emphasis on anti-corruption policies and programs in several of the largest borrowing countries, including Indonesia, Russia, and Brazil. While the Bank limited their access to documents and set up a special committee to supervise their work, the GAO still did an excellent job, and I am pleased to make that report available today.

In brief, the GAO concluded the Bank has launched an ambitious effort to identify problems, but significant challenges lie ahead. We are a long way from real solutions.

Let me tick off some of the conclusions which concerned me the most.

First, although the Bank has established an investigations unit which answers to a new fraud and oversight committee, many local problems in borrowing countries never reach the investigators. In one country where the Bank itself identified corruption as a serious problem, 30 allegations of abuse reported to their local officials had not been referred on to the investigations unit or the committee.

Second, both the investigations unit and the committee answer to one of the Bank's Managing Directors. GAO concluded that the independence of investigations could be compromised by the fact that a Managing Director controls the unit's budgets and makes final decisions on whether an investigation is in fact pursued, including those that may involve employees who answer to the Director.

Third, new initiatives introduced in 1998 to improve financial and procurement procedures only apply to 14 percent of the Bank's 1,500 projects. In recent audits, 17 of 25 borrowers showed a lack of understanding or noncompliance with procurement rules. GAO's review of 12 randomly selected projects identified 5 projects where the borrowing countries' implementing agencies had little or no experience in managing projects.

Fourth, when making project recommendations for board approval, the staff's risk analysis fails to adequately address corruption or undue political influence as key factors. Eight of 12 projects reviewed did not identify corruption or political manipulation as a

critical risk, even though other Bank reports indicated both were serious issues in the countries included in the project sampling.

Finally, GAO determined that solving problems is made more difficult because audits are often late and of poor quality and the Bank does not evaluate the quality of audits.

To remedy these problems, GAO recommends the Bank integrate the investigative function and establish its organizational independence, include more complete corruption data in risk assessments and country strategies, develop a system for allocating anti-corruption assistance, improve borrowing countries' capabilities to monitor, implement, and supervise fraud-free projects, and improve auditing and project supervision. Given the fact that the IMF has been caught by surprise in both Russia and Ukraine about the abuse of loans, it might seem prudent for the Fund to consider some of these same recommendations.

#### PREPARED STATEMENT

I know that Treasury and the Bank have been provided with the GAO report, so I look forward to discussing it with you shortly.  
[The statement follows:]

#### PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

For the past several years, Senator Leahy and I have focused our hearings almost exclusively on personnel and lending management problems which continue to afflict the international institutions. I take the view that if they can't get their own house in order, the policies and programs designed for borrowers will never succeed.

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I know that Treasury and the Bank have been provided with the GAO report so I look forward to discussing it with you shortly.

#### SUMMARY STATEMENT OF HON. LAWRENCE H. SUMMERS

Senator MCCONNELL. I think Senator Leahy will be here momentarily, but why do you not just go ahead, Mr. Secretary, with your opening comments.

Secretary SUMMERS. Mr. Chairman, thank you very much for this opportunity to testify about the administration's fiscal year 2001 budget request for Treasury's international programs.

Let me at the outset thank this committee for its effective leadership and strong support last year.

Today I would like to address three issues: first, the strong case for continued United States support for the multilateral development banks and for debt reduction; second, the central elements of our request for funding for Treasury international programs; and third, issues of ongoing reform in the multilateral development banks.

I will try to address briefly the comments that you made in your opening statement, Mr. Chairman.

The case for U.S. support for multilateral development banks and debt reduction programs rests on their importance for successful economic development in the developing world and the role of these programs in promoting such development. They promote core United States interests in three ways.

By advancing core values and humanitarian goals at a time when more than a billion people live on less than \$1 a day.

By promoting our direct commercial interests, ranging from \$4.8 billion in procurement in 1998 to support for market-oriented re-

forms like tariff reductions in Mexico and India that enormously benefit U.S. producers.

And third, and I think perhaps ultimately most important, Mr. Chairman, they promote our national security. From the experience of Germany in the 1930's to Bosnia and Africa more recently, history teaches us that conflicts are much more likely in situations of deprivation and distress as populations turn their frustration to nationalist leaders.

Multilateral development banks are particularly effective tools of U.S. assistance. Each dollar that we contribute, because of borrowing and because of multilateral leverage, brings about some \$45 in investments in tomorrow's markets and democracies. Through our support for the MDB's, we associate ourselves with \$50 billion to \$60 billion of lending each year at a cost that is less than one-tenth of 1 percent of the total U.S. budget.

To be sure, these institutions have to, and will, change with the development of private capital markets. But it is important to be recognized that they have been part of profound progress in the developing world. The Green Revolution, developed and disseminated through research supported by the World Bank, has lifted literally hundreds of millions of people out of poverty in Asia and elsewhere. The fight against river blindness has resulted in 30 million people being protected from that infection. Life expectancy in the last 20 years has increased by nearly 8 years in the developing world, an amount equivalent to solving cancer three times over, and the development banks have been an important part of all of that.

Let me turn now to our request. Let me highlight, Mr. Chairman, in response to the concerns that have been expressed by Congress and in response to our own judgments about what is appropriate in a changing world and a world of growing private capital markets, that the ongoing level of U.S. commitments to these institutions in international negotiations has been very substantially reduced from the neighborhood of \$2 billion in 1992 to \$1.2 billion in fiscal year 2001.

For fiscal year 2001, we are requesting a total of \$1.6 billion for Treasury international programs. There are three components to this request.

The first and largest element is a \$1.4 billion payment to the multilateral development banks. Of that \$1.4 billion, \$1.2 billion is for scheduled U.S. commitments and \$167 million is for clearing a portion of U.S. arrears. Mr. Chairman, for a number of years prior to last year, we had been making progress in reducing those arrearages from the nearly \$900 million to the low \$300 millions. Unfortunately, last year, despite all of our best efforts, we had a shortfall and the arrears rose to \$450 million. My hope would be that we could reduce a third of that outstanding \$450 million figure this year.

Second, our request includes \$262 million for debt restructuring. Last year Congress acted on a bipartisan basis to enable the enhanced HIPC initiative to begin. The steps agreed to last year will help us to cover roughly one-third of the direct cost to the United States of implementing HIPC. But much work remains to be done, notably with respect to the multilateral HIPC Trust Fund to which we have yet to make a contribution. I would stress that every dol-

lar of our total request will leverage nearly \$20 in international debt relief.

I might just say that if we are not successful with respect to the fiscal year 2000 supplemental request, the Latin American poorest countries will be most especially affected. To put it bluntly, if we do not play our part in this area, debt relief for Bolivia will not happen.

Third, our budget also includes a request of \$7 million for international technical assistance to spread knowledge as part of our efforts to support countries engaged in fundamental reforms.

Let me say that over time, Mr. Chairman, the administration and Congress have helped to make the international financial institutions increasingly effective advocates of policies that reflect core American values: transparency, accountability, respect for markets, investments in people. My written statement goes on at some length about the specific changes that have resulted and the changes that are in prospect. Let me briefly address your concerns about personnel, your concerns about corruption, and then the broader policy direction of the institutions.

With respect to personnel policies, we fully share the concerns that you expressed and that Senator Leahy has expressed, that these institutions must be models of best practice. We will continue to work aggressively within them to assure adequate and appropriate grievance procedures and to address any specific abuses that are brought to our attention. I will make this a crucial point in my dialogue with senior management of these two institutions.

With respect to corruption, let me highlight one development, if I could, because it relates to a remark you made in your statement, Mr. Chairman. You suggested that after the Russian and Ukrainian experiences it would be good for the IMF to put in place a set of safeguards. That is a view that we share and, going back to last fall's meetings and my London speech, we have worked very hard to achieve. I am pleased to be able to report that the IMF Board last week approved a quite comprehensive set of measures that will require external audits of central banks receiving IMF funding, will require much more detailed reporting than has been the case in the past, and—as a result of our pressure—some of the cases of particular concern, notably Russia and Ukraine, will have rather elaborate forensic audits in order to understand what has happened in the past. This is a critical priority for us.

With respect to the World Bank, I think we are again very much in agreement. I will submit for the record a copy of the letter that Mr. Schuerch sent to the GAO responding in some detail to their report. Let me say that we share both the GAO's judgment that the Bank has undertaken an ambitious and systematic effort and has made significant progress, and also the GAO's judgment that challenges remain, that this will require a long-term investment in increasing managerial capacity. This will be a crucial priority for us.

With respect to the broader question of bank policy, the approach that we have taken, Mr. Chairman, is to believe that bank finance must support rather than supplant private sector finance and must be used only in the ways in which it will be most effective. That means, in the context of increasing selectivity in lending, a greater focus on areas where private markets are unlikely to be able to

enter. It means a greater focus on types of projects for which private market financing is not likely to be available. For example, issues of global public goods, of which perhaps the most prominent example is the development of vaccine technologies that literally have the capacity to save millions of lives.

The President is, as you know, proposing a greater allotment of World Bank and IDA funding to vaccine research. An important priority for us in the administration is to take an action that probably can have more direct human consequence than anything else we will be able to do this year by passing an appropriate tax credit that will provide a market incentive for the development of appropriate vaccines.

#### PREPARED STATEMENT

Mr. Chairman, we have been having these discussions for a number of years. I think we can all take some satisfaction both in the fact that the world development effort has progressed significantly over the last several years, that major crises have been met and development is proceeding again, and that the institutions, while still constantly in need of improvement, are less costly to the United States, and are substantially more transparent and accountable than they were a few years ago. We look forward to continuing to work with you to promote these valuable objectives.

[The statement and letter follow:]

#### PREPARED STATEMENT OF HON. LAWRENCE H. SUMMERS

Chairman McConnell, Ranking Member Leahy, Members of the Committee, I appreciate the opportunity to testify today about the Administration's fiscal year 2001 budget request for Treasury's international programs.

Let me say at the outset that this Committee's effective leadership and strong support last year resulted in securing appropriations sufficient to meet a large portion of U.S. scheduled commitments to the Multilateral Development Banks (MDBs), as well as the bilateral element of the enhanced Heavily Indebted Poor Countries Initiative (HIPC), and in the authorization of U.S. participation in resource replenishments for five of the multilateral development banks and use of IMF internal resources, including earnings on investments of profits of sales of IMF gold, for HIPC. Literally hundreds of millions of people, in some of the poorest countries on earth, owe you their thanks for your support in these efforts.

Today I would like to address three issues:

- First, the strong case for continued United States support for MDBs and debt reduction programs.
- Second, the central elements of our request for funding for Treasury international programs.
- Third, our ongoing reform agenda for the MDBs.

#### I. THE CASE FOR STRONG SUPPORT FOR THE MDBS AND DEBT REDUCTION PROGRAMS

The case for U.S. support for the MDBs and debt reduction programs rests on the importance of successful economic development in the developing world and the role of the MDBs and debt reduction in promoting such development.

These institutions promote our core interests in three ways.

- First, the MDBs advance our core values and humanitarian goals. Countries that are helped to succeed economically are much more likely to become democratic, and their people are more likely to avoid debilitating disease, to learn useful skills and to find dignified work.
- Second, they promote our economic and commercial interests. Already the developing world accounts for more than 40 percent of U.S. exports and that will increase. The MDBs support policy changes, such as reduced tariffs in Mexico and opening up the Indian economy, which enormously benefit U.S. producers. There are also more direct benefits for U.S. companies: in 1998 alone, U.S.

firms received \$4.8 billion from contracts arising from MDB investment and adjustment programs.

- Third, they promote our national security. From the experience of Germany in the 1930s to Bosnia and Africa in more recent times, history teaches us that conflicts are more likely in situations of economic distress, as populations turn their frustration to nationalist leaders because of a lack of economic opportunity. Our ability to create a successful economic development strategy around the world reduces the likelihood of conflicts that we might otherwise be drawn into.

The MDBs provide a strong and uniquely effective means to promote these core American interests. To be sure, the world has changed in profound ways: most importantly, with the spread of market ideologies and a more truly global private capital market. The development institutions must change and adapt as well. But their special benefit, their special efficiency; their special ability to lever funds—because they are both financed multilaterally and able to borrow from the private markets—all make them especially important tools today.

Each dollar that we contribute to the MDBs leverages \$45 to build tomorrow's markets and democracies. Each year these institutions carry out lending around the world in the range of \$50–60 billion, at a cost to American taxpayers that is one tenth of one percent of the total U.S. budget.

It bears emphasis that as private capital markets have grown and global realities have changed, we have successfully reduced our annual contributions to the MDBs by nearly 40 percent, or \$700 million, in real terms since 1995. Treasury has subjected every MDB request for additional resources to the closest possible scrutiny, and has structured each new US funding commitment to obtain maximum impact from the resources available.

At the same time, strong U.S. leadership and advocacy on a wide range of bipartisan issues have produced major operational and policy improvements across the MDBs. The result is a multilateral system that addresses, directly and cost effectively, priority U.S. policy objectives on issues of global importance. This system is also able to address regional and country-specific challenges where substantial U.S. interests are at stake.

By any standard, these institutions provide exceptional value for money. And through their policies and programs they can and have had a tangible impact on millions of lives.

- Infant mortality in low and middle-income countries has dropped from 107 per 1,000 births in 1970 to 59 per 1,000 in 1998. And life expectancy in these same countries has increased from 58 in 1980 to 65 in 1998 or more than three times the increase we would achieve in the United States by eliminating cancer.
- In South Asia, access to safe water increased from 52 percent of the population in the early 1980's to 77 percent a decade later.
- The fraction of SubSaharan Africa's children that can read has risen from 38 percent to 59 percent since 1980.
- The Green Revolution, developed and disseminated through research supported by the World Bank in conjunction with other international organizations, has literally lifted hundreds of millions out of poverty. It has been estimated that it has helped to lift 230 million people out of poverty in Asia alone.
- The African Development Bank and World Bank provided important financial support in the fight against river blindness (onchocerciasis), the transmission of which has been halted in eleven African countries. As a result of eradication efforts over the past twenty years, over 30 million people are now protected from infection and 185,000 who were already infected have been spared blindness.
- Most recently, the HIPC Initiative, created in 1996 and further enhanced last year at the Cologne Summit, has helped some of the poorest nations in the world free up precious resources for reducing poverty that would otherwise have been spent on servicing debt. For example, thanks to the earlier version of HIPC, Uganda was able to save \$45 million on debt service in 1999 alone. The reduction in its debt under HIPC has helped Uganda to double enrollment in primary education in just two years.

## II. THE FISCAL YEAR 2001 REQUEST

For fiscal year 2001 we are requesting a total of \$1.6 billion for Treasury international programs.

There are 3 components of the Treasury request:

- The first, and largest element is a \$1.4 billion payment to the multilateral development banks, of which \$1.2 billion is for scheduled U.S. commitments—the



majority for concessional lending by these institutions to the poorest countries—and \$167 million is for clearing a portion of U.S. arrears.

—Second, a request of \$262 million for debt restructuring programs, comprising \$150 million for the HIPC Trust Fund; \$75 million for HIPC bilateral debt reduction; and \$37 million for debt relief for tropical forest countries.

—Third, a request of \$7 million for international technical assistance programs. Let me say a little about each of these.

#### *1. Funding for the MDBs*

With respect to the MDBs, let me emphasize again that as a consequence of our international negotiations, US commitments to these institutions have been very substantially reduced in recent years. The going rate of annual US commitments has been reduced from \$1.9 billion in 1996 to \$1.2 billion in fiscal year 2001.

As I will highlight in a few moments, even as we have reduced our financial contribution to these institutions we have worked to change them in ways that are important to the United States. We believe that there are important further changes that the MDBs will need to make if they are to be as effective as possible in a new 21st century global economy. But our capacity to maintain our leadership of these institutions and influence their future direction depends crucially on our capacity to meet our commitments to them. In this context, the level of U.S. arrears is an especially important concern.

Mr. Chairman, at the end of fiscal year 1997, our arrears to the MDBs totaled \$862 million, threatening to undermine our leadership in these institutions and the multilateral system more broadly. Several years of bipartisan collaboration in the Congress helped us cut these arrears to \$335.3 million by end-fiscal year 1999. However, a shortfall in funding last year reversed this progress, and arrears rose to \$451.1 million.

My hope is that this year we can reduce that number by more than one third. Our request for \$167.1 million for fiscal year 2001 would still leave \$284 million in arrears to clear in future years, but it is an important down payment.

The details of our request for the MDBs are as follows:

- For the International Development Association (IDA): \$835.6 million, of which \$803.4 million is for our second of three payments under the IDA-12 replenishment and \$32.1 million is to clear U.S. arrears.
- For the Multilateral Investment Guaranty Agency (MIGA): \$16 million, of which \$10 million is for our second of three payments under MIGA's general capital increase and \$6 million is to clear U.S. arrears.
- For the IDB's InterAmerican Investment Corporation (IIC): \$34 million, of which \$25 million is for our second of five payments to this private sector-oriented facility's general capital increase and \$9 million is to clear U.S. arrears.
- For the IDB's Multilateral Investment Fund: \$25.9 million to clear a portion of U.S. arrears to this Fund, which focuses on stimulating domestic investment and private capital flows to the region.
- For the Asian Development Fund (ADF): \$125 million, of which \$100 million is for our fourth and final payment under the ADF's seventh replenishment and \$25 million is to clear a portion of U.S. arrears.
- For the African Development Fund: \$100 million, for our second of three payments under the Fund's eighth replenishment.
- For the African Development Bank (AfDB): \$6.1 million, of which \$5.1 million is for our second of eight payments under the AfDB's modest capital increase and \$1 million is to clear U.S. arrears.
- And for the European Bank for Reconstruction and Development (EBRD): \$35.8 million for our fourth of eight payments under the EBRD's general capital increase.

In addition, we are requesting \$175.6 million for the Global Environment Facility (GEF). Of this amount \$107.5 million is for our third of four payments under the second replenishment. The remaining \$68.1 million is to clear a portion of U.S. arrears. Today U.S. arrears to GEF total \$204.2 million, the single largest amount we owe to any of the MDBs. With full funding of this request, our arrears to GEF would be cut by one-third. This is progress that we need to make if we are to preserve our credibility as seriously supporting environmental protection in a multilateral context.

#### *2. Debt Relief*

The enhanced HIPC initiative is the core of our request for debt restructuring programs this year. In 1999, under U.S. leadership, the international community undertook to provide deeper, broader, and faster debt relief within HIPC. The en-

hanced initiative is built around a basic commitment to a more systematic and effective effort against poverty by the benefiting countries themselves and by the IFIs.

The centerpiece of this new framework is the Poverty Reduction Strategy, prepared by the borrower country in consultation with representatives of civil society, the World Bank and other donors, which lays out a framework of policy reforms to ensure that the one-time benefits of HIPC debt relief are translated into demonstrable progress toward poverty reduction and economic growth. In particular, these agreed strategies focus on monitorable performance standards for macroeconomic criteria and a greater allocation of public expenditures for priority social needs.

Last year, Congress acted on a bipartisan basis to enable the Enhanced HIPC Initiative to begin. The steps agreed to last year will help us to cover roughly one-third of the direct costs to the United States of implementing the enhanced HIPC. But much work remains to do our share, notably with respect to the multilateral HIPC Trust Fund, to which we have yet to make a contribution. Overall, every dollar of our total request will leverage well over \$20 in international debt relief.

That is why we are requesting a supplemental budget and authorization request for fiscal year 2000 and appropriation request for fiscal year 2001.

First, and most urgent, is the fiscal year 2000 supplemental request. This contains three elements:

- Appropriation of \$210 million for the HIPC Trust Fund.
- Authorization of \$600 million for the HIPC Trust Fund over three years.
- Authorization for the IMF to use remaining earnings on investments of profits from its sales of gold.

Mr. Chairman, these supplemental fiscal year 2000 appropriations are urgently needed if this crucial initiative is to move forward. The Latin American HIPCs will be especially affected if we fail to do our part to ensure that the HIPC Trust Fund is adequately funded this year. To put it bluntly: if we do not play our part in this area, debt relief for Bolivia will not happen.

There should be no doubt that any delay in funding for this effort will have real consequences.

For example:

- Earlier this year, Bolivia became the second country to qualify for enhanced HIPC and is expected to receive about \$850 million in debt relief in present value terms. Bolivia, however, will not see a reduction in its debt payments this year unless the current financing gap in the IDB's portion of Bolivia's HIPC package is addressed. This gap is directly related to the failure of the United States to contribute to the HIPC Trust Fund. If the gap is not filled, Bolivia will not receive debt relief this year that might have been invested in more rapid growth and poverty reduction.
- Without United States support, debt relief for Sub-Saharan Africa is also at risk. Due to contributions to the HIPC Trust Fund from the European Union and other creditors, most of which is specifically earmarked for Africa, it appears that there is funding for the first few African countries. However, because donors have based their pledges to the HIPC Trust Fund on an American contribution, and because there are over 25 African countries in the HIPC program, we will not be able to deliver a comprehensive debt relief program without additional appropriations.

For fiscal year 2001, in order to play our full part in this initiative going forward, we are requesting:

- \$75 million for bilateral debt reduction costs.
- \$150 million for multilateral debt reduction under the HIPC Trust Fund to assist regional development banks and other multilateral institutions meet their costs of debt reduction.
- \$375 million in advance appropriations for fiscal year 2002 and 2003 to cover costs of multilateral and bilateral debt reduction.

For fiscal year 2001 we are also requesting \$37 million for debt relief for countries that have tropical forests, as permitted under the Tropical Forest Conservation Act of 1998. The program provides local currency resources to non-government organizations (NGOs) and private voluntary organizations (PVOs) for tropical forest conservation or restoration projects. These resources would be generated through debt buybacks and debt reduction that would entail a budget cost.

For example, Bangladesh, which is the first likely beneficiary of this fiscal year's \$13 million appropriation for tropical forest debt reduction, will now be able to reduce a portion of its concessional debts owed to the United States, while generating funds to conserve or restore its tropical forests. While the debt reduction component of the legislation is modest, the amounts generated for tropical forest conservation programs would be meaningful. The roughly \$6 million that we have already set aside for Bangladesh's participation will leverage even more resources to conserve

or restore its more than 3 million acres of tropical forests, roughly half of which are in the southwestern Sunderbans region. This area is home to the world's last genetically viable population of Bengal tigers, a total of only 400.

### 3. *Technical assistance*

Our request also includes \$7 million for Treasury technical assistance programs, which are important in our efforts to support countries engaged in fundamental reforms. These programs have operated for nearly a decade in Central/Eastern Europe and the FSU, and beginning in fiscal year 1999, a direct Congressional appropriation allowed us to expand the program on a global basis. For fiscal year 2001 we are requesting increased funding to support work in key, reform-oriented countries in Africa, Asia, and Central and South America.

## III. THE REFORM AGENDA

As I noted earlier, effective U.S. engagement and advocacy at the MDBs have produced substantial results over the past decade. Working together, the Administration and Congress have helped to make these institutions increasingly effective advocates of policies that reflect core American values:

For example:

- We have obtained information policies at most of the MDBs based largely on the presumption of disclosure. Key policy and operational documents are now routinely made public through public information centers and, increasingly, through the Internet. For example, on the basis of IDA-12, starting July 1 1999, all new IDA Country Assistance Strategies (CASs) will become public. Many of the Bank's non-IDA borrowers are also voluntarily making their CASs public.
- As a result of strong U.S. advocacy, MDB consultations with the public about project plans are required, which gives an effective voice to many people who have never had one.
- Issues of good governance and corruption, once considered off-limits for the institutions, are now being considered systematically in program design and lending decisions. The World Bank has developed a range of programs and tools to identify and address pervasive corruption in member countries. These range from technical assistance for civil service reform in Senegal, to procurement reform in Tajikistan, judicial modernization in Venezuela and legal and tax reform in Latvia.
- As a direct result of Administration and Congressional efforts, the World Bank and AfDB are now using clear and monitorable performance indicators to determine certain concessional lending allocations. In addition to fiscal and monetary policy criteria, these indicators have related to the development of social safety nets, and borrower efforts to improve the efficiency and equity of public expenditure. More generally, IDA resources are now being directed overwhelmingly to better performing borrowers demonstrating a real commitment to poverty reduction.
- In large part as a result of U.S. pressure, the MDBs now have in place environmental, natural resource use, and resettlement policies that many, including critics, regard as state of the art. All of the MDBs require environmental assessments as part of the project development process, with public disclosure and consultation with affected people an increasingly important element in this process.
- The basic budgetary and public policy choices being made by borrowing countries themselves are now the focus of close MDB attention, ranging from the adequacy of spending for primary health and education, to excessive spending for the military.
- Traditional development investments, such as for basic infrastructure and social needs, are increasingly complemented by programs to build the efficient and accountable institutions and transparent legal frameworks needed for private enterprise to take root.

A great deal of progress has been made. But as we have said many times, to say these institutions are indispensable is not to say we can be happy with them as they now are. In a speech to the Council on Foreign Relations in New York last month I outlined our suggestions for a new framework for multilateral development policy designed to accelerate the pace of growth and equitable economic development in the world's poorer countries. This highlighted three areas where we believe that additional efforts by the MDBs will be especially important in the months and years ahead.

*First, more effective policies in the poorest countries*

What the MDBs do to promote development in the poorest countries is without doubt their most morally urgent and important work. The HIPC initiative is a one-off attempt to clear away the mistakes of the past and offer these countries a fresh start. It is essential that we make it work so that countries do not find themselves in this situation again.

We believe that an effective approach will require a shift in the emphasis of the MDBs in these countries in the following respects.

- A more human-centered approach and new division of labor between the IFIs.*—Official estimations of the need for external support need increasingly to move from a predominant focus on macro-economic issues to greater emphasis on the nature of human needs. As I noted earlier, as a condition for receiving debt relief and new loans, HIPC countries are now required not only to have established a solid track record of reform, but also to produce forward-looking Poverty Reduction Strategies. They will and must form an important part of the basis for a satisfactory financing framework for countries.
- Increased selectivity.*—As the World Bank has recognized in implementing IDA 12, we need increasingly to shift the balance in favor of providing support to countries where donors can have confidence that assistance will be well used—and denying it more often where it is likely to be misused, particularly in cases of corruption. By some estimates, this would more than triple the effectiveness of development assistance in reducing global poverty.
- Better procedures for the interaction between countries and the IFIs.*—We believe that the MDBs should rely on a smaller number of clear and measurable performance targets, set more realistically, and then more vigorously adhered to. An important part of this shift will be developing more effective mechanisms within the MDBs for evaluating when targets and intermediate benchmarks have been met, including a stronger commitment to disbursing in stages and more frequent formal reviews.
- Continued support for concessional resources.*—We should not delude ourselves that HIPC or the reforms that it has inspired will translate into better basic schooling or health care in these countries without continued donor country support for the provision of concessional resources. This makes it especially urgent and important for Congress to help the U.S. play our proper part in this effort, by enacting the President's supplementary appropriations request and the funding contained in his fiscal year 2001 budget.

*Second, more focused MDB lending in emerging market economies*

Emerging market economies, where there are private financial flows, involve different issues than those posed in the poorest countries. Specifically: MDB lending in these countries should be confined to those areas where they can increase the country's overall capacity to access external resources, and add value that the private markets cannot.

This suggests an emphasis on three types of circumstances:

- Where they can effectively deploy the MDBs' unique capacity to impose conditions and to promote key public investments—including basic health and education and other social spending and the development of an effective institutional infrastructure for markets—and add to the total stock of public resources relative to what governments and the markets would have achieved by themselves.
- Where the involvement of the MDBs can attract genuinely additional private flows: for example, where MDB co-financing arrangements and guarantees can enhance the credibility of developing country borrowers in the eyes of investors. In this context we believe that the MDBs should continue to explore more innovative ways of catalyzing private capital flows to such countries, where these can be pursued within strict and clear guidelines that safeguard the financial position of the institutions.
- Where the MDBs can help to counteract temporary disruptions or limitations in a country's access to private capital due to contagion or other external shocks. To this end, they should be taking advantage of the substantial recent improvement in global financial conditions to develop a large, more flexible, contingent financial capacity to respond to deterioration in investor confidence in emerging markets down the road. This is an important point, because financial emergencies are times when there is more social and human distress, and as we have seen, they are times when more structural changes can be achieved in 18 months than would otherwise been achieved in a matter of years. On the basis of recent experience, we strongly believe that the World Bank should find

ways to upgrade substantially its capacity to respond rapidly and effectively to such emergencies in the future.

As part of this approach, the World Bank and others need to work harder to ensure that their lending is genuinely productive, and that it supports and complements, rather than supplants, private sector finance. Notably, we believe there should now be a strong presumption that the MDBs have no business lending in countries for sectors in which private financing is available on appropriate terms, and where there is a risk that such lending will simply supplant private financing. We also believe that a review of pricing policies is appropriate, and that pricing needs to avoid excessive encouragement of public rather than private sector reliance.

*Third, an Enhanced Focus on the Provision of Global Public Goods*

Increasingly, as integration proceeds, the world is confronting a broad class of problems that cross borders and defy solution by individual governments and markets. Whether it is money laundering and financial crime, global warming, new killer diseases, or reductions in global bio-diversity—the solutions to these problems will be global public goods, requiring concerted global cooperation. We believe that the World Bank and other development institutions potentially have an enormous contribution to make in helping to push the frontier of international efforts to promote these kinds of goods, many of which will especially benefit developing countries.

One issue that we believe ought to be especially high priority in the future is promoting the creation and dissemination of medical knowledge. Infectious diseases such as HIV/AIDS, tuberculosis, malaria and respiratory and diarrheal disease, are responsible for almost half of all deaths of people under 45 worldwide. Indeed, life expectancy is now actually declining in a host of African countries struck by HIV/AIDS, with adult mortality rates in the worst affected countries now twice what they were even a few years ago. Yet the WHO estimates that only perhaps 10 percent of the \$50–60 billion spent worldwide each year on health research is directed toward diseases that afflict 90 percent of the world's population.

We need to harness the scientific and technological skills of our nation and others to accelerate the development of new vaccines and medicines for infectious diseases. Because poor countries often cannot afford to buy vaccines, the market provides little incentive for pharmaceutical companies to develop vaccines for diseases that disproportionately affect those countries.

The President has proposed a number of proposals to strengthen our bilateral efforts toward this objective. Specifically:

- The President's fiscal year 2001 budget for the National Institutes of Health includes a significant increase in research critical to creating vaccines for deadly diseases that afflict primarily developing countries. Funding for AIDS vaccine research will increase substantially in fiscal year 2001 and will have more than doubled since fiscal year 1997.
- The President is also proposing a new tax credit for sales of vaccines against malaria, tuberculosis, HIV/AIDS, or any infectious disease that causes over one million deaths annually worldwide. Under the proposal, the seller of a qualified vaccine could claim a credit equal to 100 percent of the amount paid by a qualifying nonprofit organization (such as UNICEF) that received a credit allocation from the U.S. Agency for International Development (AID). The tax credit would match the purchaser's expenditures dollar-for-dollar, thereby doubling its purchasing power. For 2002 through 2010, AID could designate up to \$1 billion of vaccine sales as eligible for the credit. This credit would provide a specific and credible commitment to purchase vaccines for the targeted diseases once they become available. And the President is calling on other governments to make similar purchase commitments, so that we can ensure a future market for these critically needed vaccines.
- In addition, Treasury and other Administration agencies have recently conferred with others on this issue. And as a result, we now also support a tax incentive that would be applied at a developmental stage—a tax credit for qualified clinical testing expenses for certain vaccines, similar to the existing orphan drug tax credit. The credit would be for 30 percent of the expenses for human clinical testing of vaccines for the diseases targeted by the President's initiative. This credit will provide an additional incentive for drug manufacturers to undertake research on new vaccines and accelerate their development.

We also believe that the World Bank has an important contribution to make, by helping to create a market for new treatments and vaccines in many of the countries worst affected. That is why the President is proposing that the MDBs dedicate a further \$400 million to \$900 million each year of their concessional lending for

basic health care to immunize, prevent and treat infectious diseases in the poorest countries.

Mr. Chairman, can I take this opportunity to bring to your attention an item that has been of great interest in previous years. We have worked hard to make the domestic window of the North American Development Bank, the Community Adjustment and Investment Program (USCAIP) fully productive. It is fulfilling its mission, and I urge the Congress to support this year's request, which is contained in the domestic section of the President's fiscal year 2001 budget.

#### IV. CONCLUDING REMARKS

Mr. Chairman, Senator Leahy, let me conclude by reiterating that our strong support for the international financial institutions strongly promotes America's well being and national security interests. This Committee is central to providing that support, and we look forward to continuing our good working relationship as this budget request is considered. I would be happy to answer any questions that you have about our request.

LETTER FROM HON. WILLIAM E. SCHUERCH, DEPUTY ASSISTANT SECRETARY,  
DEPARTMENT OF THE TREASURY

DEPARTMENT OF THE TREASURY,  
Washington, DC, March 23, 2000.

Mr. BENJAMIN F. NELSON,  
*Director, International Relations and Trade Issues,*  
*U.S. General Accounting Office, Washington, DC.*

DEAR MR. NELSON: Thank you for the opportunity to comment on the General Accounting Office's draft report on World Bank financial management controls. The report (World Bank Management Controls Stronger, but Challenges in Fighting Corruption Remain; GAO/NSAID-00-73) covers a difficult and challenging subject and, we believe, does so fairly and constructively. Its analysis and recommendations track broadly with our own thinking, and provide very helpful guidance for process and policy improvement in the future.

Establishing and maintaining effective internal controls are as essential for the World Bank as they are for any large financial organization, and perhaps more so given the uniquely challenging nature of its work and the particular risks it faces. We have carefully considered GAO's specific recommendations against this background. In our view they constitute an appropriate set of steps that should be incorporated into a specific action program for the Bank going forward.

- The various elements of the Bank's investigative function should be combined into a single unit, which should be organizationally independent within the Bank.
- Project appraisal documents and country assistance strategies should include a more complete assessment of risks related to corruption, as well as borrowers' procurement and financial management weaknesses.
- The effectiveness of the Bank's direct anticorruption assistance could be increased by allocating it more systematically on the basis of assessed risk.
- Improvements should be made in the Bank's monitoring and reporting on progress in strengthening management controls, including project auditing and supervision.
- An action program is needed to increase the profile and understanding of the Bank's anticorruption agenda among borrowers, implementing agencies, and beneficiaries.

Each of these issues has been the focus of intensified scrutiny and analysis in recent years, both within and outside of the Bank. As a result, there already exists a substantial foundation for a Bank-wide action program, as well as a high degree of consensus among the Bank's largest shareholders about an effective way forward. Specifically we would note the following:

- With our strong support the G-7 Ministers called upon the World Bank to perform an authoritative review of its procedures and controls and to identify ways to strengthen financial safeguards. We have followed up on this initiative with specific proposals for safeguard improvements that are now under active discussion in G-7 fora. Our expectation is that this effort will produce a solid G7 consensus around improvements that will track closely with the GAO's recommendations.
- The IDA-12 replenishment agreement, which governs the Bank's new concessional operations during the 1999-2001 period, contains specific recommendations to integrate financial and procurement management and risk as-

assessment considerations much more systematically into the Bank's lending programs. Specifically, the IDA Deputies agreed that Country Financial Accountability Assessments (CFAAs) and Country Procurement Assessment Reports (CPARs) should be prepared for individual borrowers, and then integrated into the Country Assistance Strategies (CASs) that provide the key multi-year framework for Bank operations. CFAAs and CPARs are specifically designed to identify weaknesses in borrower country fiduciary processes, identified by the GAO report as one of the most serious challenges in the Bank's current control system. Under IDA-12, CASs are to be published as a matter of routine; to date, in fact, 100 percent of IDA CASs have been published.

- The IDA-12 replenishment also incorporates major steps forward on the broader issue of Bank engagement in borrower country governance issues. A substantially improved system of performance indicators, for which we pressed strongly, now incorporates an assessment of corruption and governance issues into IDA lending allocations.
- These steps track well with the Bank's own Corruption Strategy, under which it committed to take corruption explicitly into account in country risk analysis, lending decisions, and portfolio supervision if it affects project or country performance and if the government's commitment to deal with corruption is in question.
- Largely as a result of the initiative the Bank has taken on the corruption issue, borrowing countries are increasingly requesting the Bank's assistance to fight corruption. Specific work ranges from diagnostic efforts to identify problem sources, to technical assistance, to lending for public sector management reforms.

These are welcome and important steps forward. They reflect strong U.S. advocacy over a period of years, the clear and public commitment of the Bank's President, and a growing appreciation of the urgency of the issue among the Bank's shareholders more broadly. They also track well with the priorities identified in the GAO report. Nevertheless, it is also clear that there is scope for further improvements, and we agree with GAO's assessment that these be pursued as a matter of priority. In particular, we would identify the following as areas worthy of special attention going forward.

- We believe the Bank should increase its internal, up-front investments in project control systems, including in procurement, financial management, and audit. There is a need for more aggressive Bank support for capacity building for borrowers, more up-front project planning, more up-front reviews prior to contract award, and more detailed diagnostic work on borrowers' public sector management control mechanisms.
- A working group comprising the MDB Chiefs of Procurement has been developing a master standard bidding document for procurement of goods. We have been strongly supporting this effort to move the World Bank and regional development banks to uniform MDB procurement rules of the highest standard and to require the use of best-practice MDB standard bidding documents. The result will be increased transparency and efficiency gains for borrowers and bidders; perhaps more importantly, the effort should produce an improved model for wider use by donors and in national procurement systems.
- The Bank's administrative budget must provide sufficient resources for the additional work needed to deliver these improvements.

The Treasury Department is committed to strong and effective internal controls in all of the multilateral financial institutions, as well as more focused Bank assistance to strengthen borrowers' fiduciary controls and public sector management. This report is a substantial contribution to that objective, and one whose key components we will be pursuing directly with Bank management.

Separately, we greatly appreciate the open and constructive working relationship that we have had with GAO over the years, and that characterized our engagement on this latest report. This report is one more in a long series of GAO reports on the IFIs, done over a period of many years, that have been enormously useful to us as a major shareholder, and to the institutions in providing helpful and objective analysis.

Sincerely,

WILLIAM E. SCHUERCH,  
Deputy Assistant Secretary, International Development,  
Debt & Environment Policy.

Senator McCONNELL. Thank you, Mr. Secretary.

Your statement says that issues of good governance and corruption, once considered off limits for the institutions, are now being

considered systematically in program design and lending decisions. Yet, the GAO has stated the exact opposite. They report the Bank has not prioritized which countries should participate in anti-corruption programs.

One of the first steps in establishing a major anti-corruption program in a country is conducting an assessment of that country's procurement and financial management systems. Bank officials confirmed that they did not use a systematic approach or establish priorities for conducting these assessments. Instead, they were generally scheduled based on the interests of borrowers. Few of these assessments were completed among the Bank's top 10 largest borrowers, which collectively received 62 percent of the Bank's lending last fiscal year. That tells me the Bank has publicly announced an anti-corruption strategy but has not actually done a whole lot.

Are you, in effect, contesting the GAO conclusion? And what evidence can you offer that Treasury has insisted and the banks have made real progress on a systematic approach to selecting priority countries for good governance programs and making corruption a key part of lending documents?

Secretary SUMMERS. Let me say, Mr. Chairman, that I think the GAO report is broadly in the right direction, and I would not try to contest it broadly. I think a fair reading of the GAO report is consistent with what I have said and what you have said. It points up that there has been a broad range of concerns in the past, and it points up that these problems cannot be eliminated in a day or a month or a year or probably a good deal longer than that.

I think the report, broadly speaking, indicates that the Bank is now pursuing the right approaches to getting on track with respect to these important issues, and we are fully supportive of that approach. Where further prodding is necessary, we are certainly prepared to provide that prodding.

Frankly, Mr. Chairman, even more important, in my judgment, than reviews and different procedures for the preparation of different papers is the hard-edged decision as to where lending is going to go. What I think is significant is that in the World Bank's concessional lending there has been a sea change in the degree of selectivity, with a strategy of providing substantial increases to those countries that have been shown to use resources well and substantial decreases to those that have been shown to use resources poorly. I think that we can document that there has been an increase in selectivity, and that the fraction of resources going to good performers, relative to that going to bad performers, has increased. That is the ultimate test.

So, I think there is no important disagreement with the GAO. I am sure there are differences of detail, but there is no important disagreement between us and the GAO. I think a fair reading of the GAO report would be that, as of now, the Bank is moving with vigor to address these concerns.

Senator MCCONNELL. With regard HIPC, a great interest of yours, the argument the administration uses to appeal to the public is debt relief will free resources so that governments can spend on social programs. What you never state clearly is that most of these countries are borrowing to make those debt payments. That means that if they no longer have to pay the debt, they would still have



to borrow to support any new spending. That could put them right back in deep debt in a few short years.

It seems the only way to break this destructive cycle is to guarantee reforms in the economic policies of the borrowers which will then produce jobs, income, and growth. Yet, no one in the administration has talked about benchmarks or conditions for future economic performance for eligible HIPC candidates. You talk, instead, about poverty strategy papers which are likely to focus on social spending not economic performance conditions or benchmarks.

The question then: In return for debt relief, should we expect a HIPC beneficiary to agree to follow sound free market principles, such as eliminating state ownership and control of industry and reducing tariffs and non-tariff barriers to trade, for example?

Secretary SUMMERS. Mr. Chairman, we should and we do. With respect to your statement about components of anti-poverty strategies, I would refer you to the recent speech I gave at the Council on Foreign Relations addressing the question of a development strategy in which I suggested that a major lesson which needs to permeate the approach to conditionality is that economic growth is absolutely necessary—and a significant way towards being sufficient—for poverty reduction. So, we believe it is absolutely crucial that in these programs there be a set of strong policies directed at precisely the concerns that you described.

Our only point has been, and will continue to be, that as we measure performance, it is important to measure bottom line performance in terms of social indicators, just as many in both parties, I believe, have taken the same position with respect to education funding in the United States. It is important that we have output-based measures in terms of how much kids know as part of the allotment and allocation of those funds.

So, given that the objective and mission here is, in part, to promote poverty reduction and to promote social progress, so the range of measurable indicators used in developing countries should include measures with respect to health and education. But that is in no way intended to slight the importance of economic growth or the importance of promoting market forces.

Indeed, one of the reasons why we have believed that the program needs to be structured as it is—and why we have rejected those who believe that in the interest of speed all conditionality should be dropped—is precisely because of our belief that without appropriate market-oriented measures, there is the real possibility that money will go in and will go out as capital flight. This possibility is not tolerable and is especially not tolerable in what is supposed to be a one-time program of reducing debt and cleaning the slate for the future. So, we are right with you on the importance of market-oriented growth, Mr. Chairman.

Senator MCCONNELL. Thank you, Mr. Secretary.

We all have time problems as a result of the Senate floor votes. I have some other questions which I will submit in writing and I will at this point hand the ball, pass the baton to Senator Leahy. Senator Gregg is here as well and we want to give him an opportunity to get in the mix. Senator Leahy.

Senator LEAHY. Thank you very much, Mr. Chairman. I will put my whole statement in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Chairman, I too want to welcome Secretary Summers. Mr. Secretary, you have so many big—or maybe I should say gargantuan—issues on your plate that I wonder how you do it.

We have a lot to cover today.

First, the Meltzer Commission report. It has stirred up a lot of controversy. One thing that immediately struck me is that the members of the Commission, who the Congress selected, are all men. I think that is very unfortunate.

Congress created the Meltzer Commission because there is growing concern that the World Bank and the IMF have strayed too far from their original missions, that large amounts of public funds have been wasted on poorly designed projects or on politically-driven loans that were made without adequate conditionality, and that like any bureaucracy they tend to paint a rosy picture of even their worst failures.

Of course, some people forget, or ignore, that these institutions have also had a positive impact on economic development and have helped to avert potentially devastating financial crises. The problems they are trying to solve are far beyond our ability to solve alone, both in terms of spurring economic growth, and addressing global social needs like health, education, and protecting the environment.

The Commission's recommendations are sufficiently varied and far-reaching that just about anyone can probably find something they support, and something they oppose. Except, perhaps, some of the people at the World Bank and the IMF, who probably don't like any of it since they tend to resent any suggestions from outsiders.

I am intrigued by several of the Commission's recommendations, and troubled by others, and want to get your reactions.

I also want to discuss an issue I have focused on for some time, which is the World Bank's and the IMF's treatment of women. World Bank President Jim Wolfensohn has taken some commendable steps to reform its flawed grievance system, and I very much appreciate that. But I also believe the reforms do not go far enough. My office continues to be contacted by women who have been victimized not only by their supervisors, but also by a grievance system that is not independent, and a legal department that has fought them every step of the way.

I would be the first to say that most of the people at the World Bank and IMF are hard working, intelligent, honest people. But why should we assume that the international financial institutions are capable of policing themselves? There is corruption in any institution. There is discrimination. There is sexual harassment and retaliation. But these institutions are unique, because they are immune from the court process. We have given them blanket authority to manage their own affairs.

Whistle blowers have been ostracized and forced out. Excuses are made, victims are labeled as too aggressive, incompetent, or emotionally unstable. Those who decide to pursue their claims often can't afford lawyers.

Misconduct is hidden behind claims of confidentiality, the supervisors responsible have often escaped punishment, and there are rarely follow-up investigations of the underlying mismanagement. The grievance system, which is comprised of individuals whose careers depend on management or who are paid by the Bank, has often failed to right these wrongs.

At the IMF, women economists continue to be seriously under-represented in top positions, and some of those who have challenged this discrimination have been treated shamefully. This Subcommittee first raised concerns about this in 1992, and the IMF's own data shows that little has changed.

It comes down to governance. The international institutions are no more capable of policing themselves than any other bureaucracy that ignores warning signs and then attacks the messenger. Managing directors, at least in the past, treated the areas within their control as their personal fiefdoms. Even the boards of directors have tended to stay out of the internal workings of the institutions.

I don't want to suggest that this is always the case, or that there are not people who are trying to fix it. Jim Wolfensohn has shown real leadership on these issues, as has the U.S. Executive Director to the World Bank. We cannot expect results immediately, but we also want to be confident that the necessary reforms have been put in place.

These are deeply rooted problems, and it is not enough to hold seminars, issue "zero-tolerance" pronouncements, and offer mediation. There needs to be a credible, independent system for adjudicating complaints, and the people responsible for misconduct need to be punished. That is the only tried and true way to deter misconduct.

Mr. Secretary, I also want to get your reactions to concerns that have been raised about your request for debt restructuring. I favor debt forgiveness, since many countries have no hope of growing their economies if so much of their budget is used to pay the interest on old loans. But I also agree with those who believe that future lending should be linked to conditions that give confidence that these countries will not just go back into debt.

Finally, Mr. Secretary, I want to thank you for agreeing to testify next week at our hearing on global health. The threats that we and people everywhere face from infectious diseases, and the lack of capable public health systems in so many countries, should deeply concern us all.

Lifesaving vaccines are not getting to those who need them, and the drug companies are not investing in new vaccines for use in countries where many people are suffering but can't afford the vaccines.

These are important issues which Chairman McConnell and I have devoted a lot of time to, and the fact that Secretary Summers and the Director General of the World Health Organization will be here is certain to make it an instructive hearing.

Senator LEAHY. I hope, Mr. Secretary, you have a chance to look at it because it covers a number of things, the Meltzer report, the grievance issues that Senator McConnell referred to in his statement, and some other concerns I have.

Also, I strongly support your efforts on debt relief, but there are some questions that you and I and others have raised about how we ensure that countries that receive debt relief do not find themselves in the same situation down the road. I would like you to discuss this.

I am concerned about some of the problems at the World Bank and the IMF. Most of the people who work there are hard-working. They are honest. They are extraordinarily intelligent. But I worry that they cannot police themselves. There is corruption in any institution. There is sexual harassment and retaliation. But these institutions are unique because they are immune from the court process. With that immunity comes at least the assumption that they are going to police themselves. However, whistle blowers have been forced out or ostracized. Excuses are made. This bothers me a great deal.

On the matter of debt restructuring, you requested \$225 million to support bilateral and multilateral debt forgiveness for the poorest countries. That is in addition to the \$210 you requested in the supplemental which appears to be stalled. I am very much in favor of debt forgiveness, as I said.

However, many of the poorest countries are borrowing money to pay interest on their debt, so they are not going to get a big bundle of cash if we suddenly forgive it. It is not as though they have extra money. If we want to forgive debt so these countries have more to spend on social needs like health and education, is there any conditionality to ensure that if they are no longer borrowing money they will put more money into health and education?

Secretary SUMMERS. Senator Leahy, if I could take just one moment on the first issue you raised. Then I will come to debt forgiveness.

These are issues at the institutions that we take very, very seriously. As you know, I had an opportunity to work at the World Bank for 2 years prior to my time in Government. Clearly the immunities with respect to international organizations preclude some of the kinds of solutions that would be pursued domestically. I think it is fair to say—and I say this to explain and in no way to excuse what are very real problems—that practice in respect to

these issues in the United States has moved ahead somewhat faster than in many other parts of the world. As international organizations, these institutions tend to reflect a set of norms that are more typical of other countries than are typical of our country today.

I know that Jim Wolfensohn has convened a group headed by retired Federal Judge Shirley Hufstедler to propose a full set of procedures. I believe he has moved aggressively to implement those proposals. It is clear from the continuing volume of reports that we are not there yet with respect to satisfactory procedures. We will have further discussions with the senior management of these institutions to see if we can reach a set of procedures that will be more satisfactory.

Needless to say, we are not without influence and are prepared to address specific cases and problems of abuse.

With respect to your second question with respect to conditions for debt relief, for all the reasons you suggested we believe conditionality is absolutely essential, both with respect to the general quality of economic policy—which is essential for economic growth and which is essential for the retention of funds that go in—and with respect to transparency, popular participation, and monitorable indicators of social progress. The Poverty Reduction Strategy papers attempt to impose exactly that kind of conditionality.

Senator LEAHY. I strongly support debt forgiveness. These countries are desperately in need of help. You and I have discussed this before. Conservative Members of Congress who have banking backgrounds say it makes sense. None of us, no matter what our political ideology, wants to see these countries back in the same situation 5 or 10 years from now, if that can be avoided.

Secretary SUMMERS. In that regard, one crucial thing that we are ensuring is that when there is continued lending to countries that receive debt reduction it is concessional lending at very low interest rates with very substantial grace periods. Any new lending would be only in the context of overall programs in which debt ratios are calculated and forecast to be at sustainable levels. While there can be no absolute certainty in all of this, the design of this program—in the spirit of it being the Jubilee Year—is to pursue a one-time clearing of the mistakes of the cold war past so as to avoid the need for recurrent debt reduction of subsequent as well as previous loans. That is absolutely the intent. Having spent a fair amount of time on it myself, I believe that the programs are carefully designed to reflect exactly that imperative.

Senator LEAHY. If it is at all helpful, I would be glad to work with you and Senators on both sides of the aisle to figure out, what conditions are necessary to help ensure that funds for debt forgiveness are approved.

Secretary SUMMERS. Very good. We would be pleased.

Senator LEAHY. Obviously, if we are going to forgive debt we do not want countries later burdened with the same problem we are trying to eliminate now.

Secretary SUMMERS. I might just say in that regard, Senator Leahy, I think there was a very useful dialogue with the Senate Foreign Relations Committee as it developed authorization legisla-

tion that I think addresses a number of these concerns and passed it on a bipartisan basis.

Senator LEAHY. The Meltzer Commission's proposal is that IDA get out of the loan making business and become a grant only institution. The purpose would be to focus the World Bank's money in the poorest countries that cannot afford to repay loans. The Bank says it would actually increase the number of countries eligible for IDA grants, to include Russia and Turkey and South Africa. What do you think would be the impact of this proposal?

Secretary SUMMERS. I think that these programs were originally designed as concessional loans programs for two reasons. One is that lending and the obligation to repay carries with them the kind of accountability that we are seeking to encourage on the part of these countries. And the second is leverage: That at a given budget cost, it is possible to fund a larger volume of desirable projects if there is lending with some of the money coming back, than if it is being done entirely in the form of grants.

I think there are roles for grant programs and we have them bilaterally. The Bank has a number of trust funds that make grants. I think that development lending however has over time shown itself to be an enormously effective tool in support of economic development. If we were to abandon development lending and the interest and principal payments that come back from past development lending, we would find ourselves ultimately in a situation where there would be much greater pressure on our taxpayers for much greater funding. The kind of progress that has been made in managing these costs could well be reversed.

Senator LEAHY. The Meltzer Commission also suggested the IMF get out of the business of long-term lending and limit its role to short-term currency emergency loans. Is that what IMF should be doing?

Secretary SUMMERS. We have taken the position that the IMF does need to be more focused and selective in its financing operations. Increasingly, in a world where there is a private capital market, the IMF should not be a low-cost alternative to the private capital market. Instead, the IMF should concentrate on situations where the private capital market does not work, in particular, in response to financial emergencies.

I think, though, Senator Leahy, that one has to proceed with some care in this area. The recommendations of the Meltzer Commission, that would allow only 120-day loans, I fear would not be viable in the event of a financial crisis. The obligation to pay back billions of dollars within 120 days would undermine any possible confidence that a loan could create.

Senator LEAHY. You are also not going to put much conditionality on a 120-day loan either.

Secretary SUMMERS. Exactly.

But we do believe—and I think it is an important step—that there does need to be some greater demarcation of the roles of the institutions between the promotion of financial stability and the promotion of long-term development. We have, as you know, called for a full review of the IMF's facilities and their pricing around those objectives. Already several facilities have been eliminated as a consequence of that review. My hope would be in the next few

months that there would be some further clarity brought to this area.

I think an example of something that in some ways is a model for the future is the announcement by the Brazilian authorities today that they will be repaying the funds that the United States and other countries guaranteed through the BIS facility at a profit, if you like—or at least a benefit above our costs—to American taxpayers of \$110 million. That repayment resolves a situation that could have gone very much off track. They will also be looking to pay back the IMF as rapidly as possible. I think that announcement is an example of success in crisis resolution. That success is related to the fact that confidence was restored and a return to the private market was possible. That approach has got to be the focus of our efforts.

Senator LEAHY. It is quite a success story.

I am going to put my other questions in the record with the exception of one. You have asked for \$178 million for the Global Environment Facility, the GEF, of which \$68 million is for the arrears from last year. What do you say to those Members of Congress who say that this is for the Kyoto Protocol which they oppose? How are we going to get back up to our annual contribution, which has been the same for a number of years?

Secretary SUMMERS. Ultimately Congress will make its choice, Senator Leahy. What I would say to you is that in this area it seems to me there are things that ought to be controversial and ought to be less controversial. I can certainly appreciate the controversial aspects of the Kyoto Protocol and its possible consequences for the global economy. They are very difficult issues. The administration has stated its position, but I certainly appreciate that there are difficult issues.

On the other hand, it seems to me that from almost every perspective, we have got a lot to gain from voluntary projects that take advantage of the market, that substitute lower cost energy strategies for higher cost energy strategies in the developing world. It seems to me that we have a great deal to gain from the low-cost, pro-market approaches to preserving biodiversity. So, it seems to me that if one looks carefully at what it is that the GEF funds, what the GEF funds is those portions of the environmental agenda that, it seems to me, ought to command a quite widespread consensus because they are voluntary and market-oriented and because they address concerns that are very much concerns of the American people.

So, my hope would be that, as people study the GEF issues, they would not see the GEF as a stalking horse for some larger agenda, but would see it as a set of relatively uncontroversial steps that are desirable regardless of what views one has on a broader agenda. We have worked very hard to structure the GEF's programs with that objective.

Senator LEAHY. Thank you and I thank my friend and neighbor from New Hampshire. This has been very helpful. I will leave you to the tender mercies of the Granite State Senator.

Senator GREGG [presiding]. I thank the Senator from Vermont.

Mr. Secretary, I was not here and so you may have gone over this ground, but in prior testimony in other hearings, you have

talked about the Meltzer Commission and your view of it, which seems to be—if I am inaccurate tell me—that you are generally appreciative of their ideas but not necessarily supportive of their specific proposals. Is that accurate—

Secretary SUMMERS. Yes, but I would emphasize both pieces of your comment. I think that the broad imperatives of delineating a role for official finance that is not redundant with private finance, delineating an imperative of financial stability for the work of the IMF, and delineating a development role for the Bank are constructive. I think their emphasis on the overwhelming importance of debt relief and of efforts to support global public goods like vaccines—all of those are extremely constructive and are aspects of the commission report with which I very much want to associate the administration.

However, I think their specific recommendations are, in some respects which we can discuss if you like, quite problematic.

Senator GREGG. I guess one of their specific recommendations is that before loans be made to a country, that the country have transparency in its financial markets and that the financial markets be open to non-public events and that that be a precondition. It seems like a reasonable view. I am wondering what your thoughts are on that.

Secretary SUMMERS. The distinction between the approach that I would favor and the approach that the Meltzer Commission favors is this: We, too, believe that transparency and having an open financial system and correcting directed lending needs to be a prerequisite for IMF funding. That has been a crucial part of the programs we have supported and the conditionality that we have supported. So, we share the same view as the Meltzer Commission in that respect.

The difference is that the Meltzer Commission favors an approach based on what is known as pre-qualification, where countries that meet certain tests would be deemed pre-qualified and then, if they had a financial crisis, would have the opportunity to draw money without any further conditions or qualifications. So, the kind of conditions on private sector involvement that were so important in Korea, or the kind of conditions with respect to corruption that have been important in Indonesia, or the kind of conditions with respect to controlling profligate government spending that were important in bringing about success in Brazil—the Meltzer approach—relying on pre-qualification would preclude that type of conditionality which we believe is essential to ensure that money is used well. But there is no difference of opinion on the importance of transparency or the importance of a sound financial system.

Senator GREGG. This may not be the proper hearing, but can you give us your thoughts on China relative to entering into the World Trade Organization?

Secretary SUMMERS. I would be pleased to, Senator Gregg.

I think the question of China's entry into the WTO will be one of the most important issues that we as a country will face during this presidential term. There are very few votes that the Congress takes that I believe have the real prospect of appearing in a history book one way or the other 25 or 50 years from now. There are

three crucial reasons why I believe China's WTO accession is enormously in the American interest.

First, direct commercial benefits. We have negotiated an agreement that brings Chinese tariffs down by 50 percent and eliminates quotas in many sectors. If we do not pass PNTR, those benefits will be available to European and Japanese producers and will not be available to American producers, putting the United States ironically at a competitive disadvantage as a consequence of an agreement that we reached.

Second, changing China's internal dynamics. China, by one estimate, now has more stockholders than members of the Communist Party. The Internet, as I saw when I visited there, is changing China in very dramatic ways. A vote for China WTO is a vote that strengthens those who believe in the Internet, those who believe in modern communications, those who believe in markets, and those who believe in China looking outside. That is why the reformers in China thought it was so important, not because of the framework it would give for our policies, but because of the framework it would give for their policies. A vote against China WTO would be sawing the limb off on which all of those who support the things we value have walked.

The third reason why it is crucial is ultimately our national security. If you go back through history to Assyria and Sparta, situations where the balance of economic power has changed radically are a very, very high percentage of the time followed by military conflict. Germany before the First World War, Japan before the Second World War are examples of that phenomenon. Our prospects of accommodating the changes in the Asian security environment, associated with dramatic change in China, are vastly better in a global system that includes China, based on respect, rather than rejects China and leaves it outside.

The crucial point that I believe people need to focus on in thinking about this issue is that this is not a referendum on whether we do or do not approve of China. This is a judgment about how we can best pursue American interests in having a stronger economy, in having a more compatible China and in having a global system that remains at peace. From that perspective, I believe we have everything to gain and an enormous amount to lose if we do not take this step.

Senator GREGG. Thank you. I appreciate your coming to the hearing. I know the chairman does too.

Secretary SUMMERS. Thank you.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator GREGG. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

##### ECUADOR

*Question.* Did the Treasury ever recommend to Ecuador that it ask for its debts to be rescheduled?



*Answer.* No. This was Ecuador's decision and Treasury did not advise Ecuador to seek rescheduling of its private debt.

*Question.* At the time Ecuador asked for rescheduling, what was its outstanding debt and what was the level of its international reserves? In other words, did Ecuador have the money to pay the Brady bondholders?

*Answer.* In August 1999, when the Government of Ecuador announced it would not pay the upcoming \$45 million payment on its Discount Brady Bond, Ecuador's public sector external debt was approximately \$13.5 billion—about 100 percent of 1999 GDP (vs. 40 percent external debt/GDP average for all of Latin America). Of this debt, about \$6 billion was held by Brady bondholders and another \$500 million by Eurobond holders. Ecuador's Central Bank held international reserves of about \$1.3 billion, of which roughly half were in usable liquid form. At the time of its announcement, the GOE indicated it was facing a severe cash flow problem (reflected by recurrent arrears on public sector salaries, including police, teachers, and the military) and did not have cash available to pay bondholders.

While Ecuador technically could have met its Discount Brady Bond payment, there were two problems. First, liquid reserves of about \$650 million, equal to about three months of imports, were not high by international standards, and depleting them to pay bondholders may not have been prudent. Second, the government is prohibited by law from accessing international reserves held by the Central Bank for fiscal purposes such as payments to creditors or public sector wages. Further consideration may have been that Discount Brady bondholders had access to collateral.

*Question.* What has been the reaction of the private bondholders to Ecuador's request for rescheduling?

*Answer.* Bondholders were understandably not pleased with the prospect of having to reschedule their claims on Ecuador. During meetings between the Government of Ecuador and private bondholders last fall, private bondholders indicated a reluctance to commit to any rescheduling efforts without better information about Ecuador's medium-term economic plan and what the official sector is prepared to do, which they saw as necessary information for judging Ecuador's capacity to repay. Following the recent IMF Board approval of a standby arrangement for Ecuador, the Government of Ecuador has resumed direct dialogue with private creditors, starting with meetings in New York in the first week of May.

*Question.* If Ecuador is successful in rescheduling its Brady Bonds, will this be a precedent for other countries, for example Russia?

*Answer.* There are circumstances in which countries will be unable to pay, but rescheduling agreements will vary case-by-case depending on the circumstances, and no one agreement can be taken as a precedent for other agreements. In those countries that have rescheduled their debts recently (such as Pakistan and Ukraine), there have been important differences, including the amounts and maturity profiles of their debts and their degree of indebtedness. In the case of Ecuador, we have emphasized the need for the Government of Ecuador to work with its private creditors in a transparent and cooperative manner to reach arrangements that best satisfy their common interest in economic recovery and sustainable finances over the medium-term. Regarding Russia, it reached a rescheduling agreement in February of this year with the London Club of private creditors on its privately held Soviet era debt.

*Question.* Is the Ecuador situation different from the situation facing Mexico a few years ago?

*Answer.* Yes. Aside from the strategic and economic importance that Mexico has for the United States and its systemic significance, Mexico's crisis was fundamentally a liquidity problem caused by poor debt management policies (though underlying levels of debt were relatively modest and debt service capacity was relatively ample), combined with a current account imbalance that was unsustainable at the dollar/peso peg at that time. In contrast, Ecuador's underlying debt levels are far more burdensome relative to its capacity to repay.

*Question.* Will the current higher price for crude oil help Ecuador to any significant extent?

*Answer.* Yes. During the past several years, each \$1/barrel increase in the price of Ecuador's oil has generated roughly \$90 million in additional exports (about 0.9 percent of GDP) and \$70 million (about 0.7 percent of GDP) in additional government revenues on an annual basis. Ecuador will derive a projected 37 percent of its government revenue from oil this year. Nonetheless, even if current oil prices persist, Ecuador's public and external finances are inadequate to support its present debt and debt service obligations.

## QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

## ROLE OF REGIONAL DEVELOPMENT BANKS

*Question.* Do you agree with the recommendation of the Meltzer Commission that the World Bank's Latin American portfolio be transferred to the Inter-American Development Bank? Do you agree with the Meltzer Commission's recommendation that the World Bank's Asian portfolio be transferred to the Asian Development Bank?

*Answer.* We do not support the Meltzer Commission recommendation to transfer the World Bank's Latin America and Asia portfolios to the Inter-American Development Bank or the Asian Development Bank.

We believe that having both regional and global development institutions has served our interests and those of the developing world reasonably well over time. In our view, making a radical change in the current arrangement would need a compelling case; such a case has not been made.

A transfer of portfolios would not be in the U.S. national interest. The U.S. share and, in turn, our voting power in the respective institution varies. For example, within the World Bank Group, the U.S. voting share in IDA is 14.96 percent, compared to 16.98 percent in the IBRD. At the Inter-American Development Bank, the U.S. voting share is 31 percent while at the Asian Development Bank the U.S. voting share is 13 percent.

The World Bank has unique qualities to offer in the international development effort:

- It is an unparalleled resource in terms of the breadth and depth of its development expertise.
- Its global engagement positions it to apply a desirable level of consistency across regions, as well as to ensure that lessons learned in one region can be effectively applied in another.
- The Bank is also uniquely qualified to serve effectively as a center of global aid coordination.
- The World Bank's role cannot be absorbed by the regional development banks without substantial risk of disruption and derailment of on-going development efforts that would also take time to replicate elsewhere.
- The Bank is best positioned to ensure consistency with IMF operations.
- World Bank net income has been used to support valuable development and U.S. priorities around the world, including the Balkans, the Middle East and the former Soviet Union.

The regional development banks also have particular characteristics that make them valuable contributors to the international development effort and to the advance of U.S. interests:

- The regional banks have local expertise that can not be easily duplicated.
- They are in many cases better suited to engage in smaller scale operations.
- The regional banks have a substantial capacity in some important niche businesses such as micro-enterprise lending and agriculture.
- By virtue of their location and proximity to their clients, the regional banks have relatively greater accessibility to local communities and donors in the field.

We believe that the current system of multilateral development institutions best serves the over-arching development objectives of achieving an enduring reduction in poverty and supporting market-driven democratization around the world.

## PRIVATIZATION OF IFC AND MIGA

*Question.* Do you agree with the Meltzer Commission's recommendation that the IFC and MIGA be privatized?

*Answer.* The MDB's private sector arms, such as IFC, and MIGA, have been shown to catalyze additional and high value-added private investment that would not otherwise take place given the current realities of emerging-market finance. At a time when the central role of the private sector in promoting development has never been more fully appreciated, nor developing countries more receptive, we do not see a case for eliminating this instrument. We therefore support their continued operation as facilitators and catalysts for sound private sector investment and development through:

- Investment Climate Development by promoting sound economic policies, institution-building, capital market development, investment rules and protection, and the positive demonstration impact of financially viable investments;
- Risk Mitigation by selectively deploying direct loan and equity financing, use of innovative instruments such as co-financing, guarantees and project structuring, and special access to investment opportunities and information to pro-

vide greater confidence to investment identification, risk reduction and due diligence; and

—Market Access Facilitation by restoring investor confidence in crisis times through investment in disrupted emerging markets with sound economic and investment climate fundamentals.

In addition, these institutions often encourage corporate responsibility through introduction of best practice standards in value-added environmental and social safeguards—which otherwise might not accompany an investment.

#### NEW IMF CREDITS FOR RUSSIA

*Question.* Do you expect the IMF to issue new credits to Russia?

Answer. Last year, IMF funding for Russia was delayed because Russia did not fulfill a number of structural conditions required for disbursement. We supported that position.

With the recent inauguration of President Putin, a new government will be responsible for setting Russia's reform course. Putin and his economic advisors have indicated that they intend to work with the IMF and World Bank on an ambitious program of reforms, including measures to strengthen the rule of law, improve the efficiency of government, and strengthen a market economy. We encourage President Putin and his team to work with the IMF and World Bank on a sufficiently strong program of economic reforms which could be supported by those institutions and help build sustainable economic growth in Russia.

#### ECUADOR DEBT RESCHEDULING

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#### SUBCOMMITTEE RECESS

Senator GREGG. The subcommittee will stand in recess until 10 a.m., Tuesday, April 11.

[Whereupon, at 12:02 p.m., Thursday, April 6, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, April 11.]

**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIATIONS  
FOR FISCAL YEAR 2001**

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**TUESDAY, APRIL 11, 2000**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:05 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Leahy, and Murray.

**DEPARTMENT OF TREASURY**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. LAWRENCE H. SUMMERS, SECRETARY**

**OPENING STATEMENT OF SENATOR MITCH MC CONNELL**

Senator McCONNELL. I want to welcome Secretary Summers back before the committee. This is becoming his home away from home.

I am going to give an opening statement and then pass the baton to my friend and colleague, Senator Leahy, because I have to go to another subcommittee related to the uranium enrichment plant in Paducah in my home State.

So, I want to welcome all of our witnesses today to discuss global health problems and specifically efforts to improve access and availability of vaccines in developing countries. We have gathered some of the world's most impressive experts here to continue the review Senator Leahy and I began in 1997. Speaking of Senator Leahy, I think he deserves great credit for concentrating public interest on this important issue.

Last October, the GAO completed the first study we requested on factors contributing to low vaccination rates in developing countries. The four key factors limiting availability are: first, inadequate health delivery infrastructure; second, the higher cost of vaccines recently recommended by the World Health Organization; third, insufficient surveillance and information on a country's disease problems; and fourth, the shift in funding priorities for donors.

A hopeful sign that we may be able to ease and remove some of these impediments is reflected in the new public-private collaborative initiative known as the Global Alliance for Vaccines and Immunization, GAVI. GAVI has created the Global Fund for Chil-

dren's Vaccines to receive and administer donations. Both the generous commitment from the Bill and Melinda Gates Foundation and support from pharmaceutical companies, most notably Merck, have the potential to improve immunization coverage in targeted countries.

However, supply strikes only one part of the problem. The GAO study also pointed out that weak health care systems produce poor data and even worse results. In many countries, surveillance data is uneven and unreliable, so we do not know how pervasive a problem we face with certain communicable diseases. Inadequate information leads to inaccurate estimation of needs and waste. I was surprised to learn in the GAO study that on average, 43 percent of vaccines delivered were not administered to children. Lack of refrigeration, limited shelf life, and the use of one dose of a multi-dose vial are among the many reasons the global vaccine supply may not be effectively used. Before we spend the millions of dollars donated to buy more vaccines, we need to make sure delivery systems are improved. If the average global vaccination rate is 82 percent with a 43 percent non-use rate in developing countries, it seems to me a first step to boost global coverage is to improve the non-use rate.

Reducing infectious diseases will depend in part on reducing the costs for treatment, which is why we will hear from Secretary Summers. He has taken the lead on defining the administration's options for funding incentives for research, development, and delivery.

Before we hear from Secretary Summers, let me caution that this committee is not in a position to make any legislative recommendations regarding tax credits or incentives for the pharmaceutical industry. This subcommittee's focus is the problems international health officials are trying to define and address and the resource gaps which limit effective solutions.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

I welcome all our witnesses today to discuss global health problems and specifically, efforts to improve access and availability of vaccines in developing countries. We have gathered some of the world's most impressive experts here to continue the review Senator Leahy and I began in 1997. Senator Leahy deserves great credit for concentrating public interest on this important issue.

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administered to children. Lack of refrigeration, limited shelf life, and use of one dose of a multi-dose vial are among the many reasons the global vaccine supply may not be effectively used. Before we spend the millions of dollars donated to buy more vaccines, we need to make sure delivery systems are improved. If the average global vaccination rate is 82 percent, with a 43 percent non-use rate in developing countries, it seems to me a first step to boost global coverage is to improve the non-use rate.

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Senator MCCONNELL. So with that, let me turn to my friend and colleague, Senator Leahy, who will be conducting the hearing today, and thank him for his leadership in this important area.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY [presiding]. Thank you, Mr. Chairman. I want to thank you personally for all the help you have given on this. Senator McConnell has demonstrated once again that this issue is not a partisan issue. It is a human issue. I appreciate what he has done and also his courtesy in scheduling this hearing.

I will put my full statement in the record, but I do want to say a couple of things. This is the third hearing the subcommittee has had on global health since 1997. Our first hearing was actually the first of its kind in the Congress. We highlighted how disease outbreaks and impoverished public health systems half a world away directly affect us here in the United States. An outbreak of any disease anywhere in the world is only one airplane trip away from our own shores.

It is because of the magnitude of the challenges and opportunities, as well as the recognition of the essential role the United States must play in global health, that our witnesses today are the foremost experts and leaders in the field. When you are the wealthiest, most powerful nation on earth, you have a moral responsibility to help others who are less fortunate. With our wealth and our expertise we could and should be doing far more.

Let me just cite a couple facts.

In the United States, we spend over \$4,000 per person per year on health care—\$4,000. In the countries where 2 billion of the world's people live in desperate poverty, only \$3 to \$5 is spent per year on health care—\$3 to \$5 in those countries.

It would only cost \$15 per person per year to address most of the urgent health needs of those 2 billion people. Most of our citizens, if they thought they could eradicate tuberculosis and other infectious diseases for \$15, would say, sure. With those few additional dollars we could prevent many millions of deaths caused each year by tuberculosis, malaria, pneumonia, diarrheal diseases, measles, HIV/AIDS, and pregnancy-related diseases.

Now, the benefits to the whole world should be obvious, but they are also benefits to our country. In an increasingly interdependent world, reducing the threats posed by infectious diseases and poor reproductive health and the social and economic consequences of

poverty, of which ill health is such a key ingredient, is absolutely crucial to our own future security and prosperity.

Global health consists of a broad set of issues that have to be addressed together. Our challenge is to provide the resources for developing countries to build the capacity, both human and infrastructure, to support effective public health systems.

Today I will introduce legislation to authorize an additional \$1 billion to support five key components of global health. The Global Health Act of 2000 targets HIV/AIDS, other deadly infectious diseases such as TB, malaria and measles, children's health, women's health, and family planning. Together, these five groups of issues account for over 80 percent of the disproportionate burden of disease and death borne by the 2 billion people living in the world's poorest countries.

We have the technology to do this. We simply need the resources and we need to think in terms of far larger amounts of money if we are serious about global health. Every dollar of the additional \$1 billion called for in my legislation, which is double the amount we currently spend, is justified. It is urgently needed. The payoff would be enormous, both in terms of lives saved and future health care cost savings.

If our witnesses today can advise us how best we could use the funds we have and any additional funds we could appropriate to respond to these challenges, it will help.

We invited the Secretary of the Treasury to represent the administration today because too often in developing countries health is treated as the sole responsibility of Ministers of Health who rarely have influence over national budgets. But ministers of finance in a lot of these countries who do control the budgets are often misinformed or ill-informed about health care.

Now, our own Treasury Secretary has a key role in decisions about global health policy and funding. I would also say that he is a man I know to have a deep personal interest and knowledge about these issues and a man of great conscience and great concern not only for his own country, which he serves so ably, but for the rest of the world where he knows the influence that our country can have.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Good morning. This is the third hearing of this Subcommittee on global health since 1997. Our first hearing was the first of its kind in the Congress, when we highlighted how disease outbreaks and impoverished public health systems half a world away directly threaten Americans. Since then, the interest in these issues in the Congress, the administration, the media, and the public has skyrocketed.

Today, there are about a dozen pieces of legislation pending which deal with some aspect of global health, the President has proposed major increases in funding and policy initiatives to encourage the pharmaceutical companies to invest in new vaccines against HIV/AIDS, malaria, TB, and other major killers, and the World Health Organization is setting the pace for us all to tackle these challenges with new energy and new resources.

It is a reflection of the magnitude of the challenges and opportunities, as well as a recognition of the essential role the United States must play in global health, that we have as witnesses today are the foremost experts and leaders in the field.

There is no need to describe at great length why we are here, but I do want to cite a couple of facts to focus our discussion:

—In America, each year we spend over \$4,000 per person on health care.



- In the countries where 2 billion of the world's people live in desperate poverty, only \$3 to \$5 per person per year is spent on health care.
- It would cost just \$15 per person per year to address most of the urgent health needs of those 2 billion people.
- With that \$15 per person, we could prevent or cure the many millions of deaths caused each year by tuberculosis, malaria, pneumonia, diarrheal diseases, measles, HIV/AIDS, and pregnancy related diseases.

That is the challenge we face. The benefits to the world, and to the United States, should be obvious. In an increasingly interdependent world, reducing the threats posed by infectious diseases and poor reproductive health, and the social and economic consequences of poverty and disease, is absolutely key to our own future security and prosperity.

The Congress has become increasingly seized with these issues. However, while I strongly support most of the bills that have been introduced—and I am a cosponsor of Senator Kerry's "Vaccines for the New Millennium Act," they have tended to focus narrowly on the development of new vaccines, HIV/AIDS, and other major killers like tuberculosis.

These are admirable and important goals, but I have always believed that global health consists of a broad set of issues that must be addressed together. Our primary challenge is to provide the resources to enable developing countries to build the capacity—both human and infrastructure, to support effective public health systems.

That was the motivation for my infectious disease initiative 3 years ago, which since then has provided an additional \$175 million to support programs in surveillance, anti-microbial resistance, TB, and malaria.

Today, in an effort to build on that initiative, I am introducing legislation to authorize an additional \$1 billion to support five key components of global health. The "Global Health Act of 2000," targets HIV/AIDS; other deadly infectious diseases such as TB, malaria and measles; children's health; women's health; and family planning.

Together, these five groups of issues account for over 80 percent of the disproportionate burden of disease and death borne by the 2 billion people living in the world's poorest countries.

The important point to emphasize is that we have the technology to do this. The key missing ingredient is resources, which is why our witnesses have come to the subcommittee which appropriates funds for global health.

We can, and we must, recognize that we need to think in terms of far larger amounts of money if we are serious about global health. Every dollar of the additional \$1 billion called for in my legislation, which is double the amount we currently spend on these activities, is justified and urgently needed. And the payoff would be enormous, both in terms of lives saved and in future health care cost savings.

Today, we want our witnesses to tell us on how we can best use the resources we have, and any additional resources we can provide, to respond to these challenges.

Many Federal agencies are involved in global health issues. USAID, the State Department, CDC, NIH through its research programs, and the Department of Defense. Be we invited the Secretary of the Treasury to represent the administration today because it has been my experience that in developing countries, health is treated as the sole responsibility of Ministers of Health who rarely have influence over national budgets.

Ministers of Finance, who wield great influence over budget matters, including health budgets, are often uninformed and uninterested in health care.

We wanted to make the point that our Secretary of the Treasury has a key role in health policy and in funding for global health, and, as I think he will convey, he has a deep personal interest and knowledge about these issues.

Secretary Summers, thank you for being here.

#### SUMMARY STATEMENT OF HON. LAWRENCE H. SUMMERS

Senator LEAHY. So, Mr. Secretary, I am delighted you are here and I will turn the floor over to you. I thank you for taking this time. It seems that you have taken up residence in this committee in the last couple weeks, and I can imagine what that has done to your schedule but I do appreciate it.

Secretary SUMMERS. Thank you very much, Senator Leahy. I am grateful for your leadership on this issue. I am grateful to Chairman McConnell for inviting me to testify at this hearing, and I welcome your leadership, along with that of Senator Kerry and Congresswoman Pelosi, that I believe has the potential to make a real difference on profoundly important issues.

I am not a doctor or a public health expert, but I come as Secretary of the Treasury to this committee because I believe the issues we are discussing involve profound investment choices, choices where we have opportunities to have an enormous return, a return in terms of our economic interests in a developing world that is prospering, in terms of our security interests in a developing world that is succeeding, and in terms of our moral interest in seeing disease, which can be addressed, be cured.

I come also because this is an issue where incentives, the design of institutions, and the use of finance are so profoundly important. As Senator McConnell indicated in his opening statement, we must address very difficult issues of incentives, of assuring that resources are well used and that innovations do not go to waste if we are to succeed in achieving our objectives with respect to improving global health.

It is difficult to exaggerate the stakes at a time when 2.5 million people annually die of AIDS. Tuberculosis accounts for 2 million deaths; malaria, more than 1 million deaths; and diarrheal and respiratory infections kill twice as many people each year as AIDS. In substantial parts of this world we are now seeing life expectancy not progressing but regressing, with the possibility of regression to levels not seen since the 1950s.

Mr. Chairman, this moment is an especially attractive moment for a new focus on these issues and for greatly enhanced efforts on vaccine issues for four reasons:

First, because science is making it possible to design vaccines that could not have been designed just a few years ago.

Second, because we have seen what a difference the right kinds of cooperation between the public and the private sector, between the nonprofit and the profit sector, can make. We have seen it with Merck's success with respect to river blindness in large parts of Africa. We have seen it with the efforts of the Gates Foundation. We have seen it with the coming together of the Global Alliance with respect to vaccines. We now have structures for public/private cooperation that are superior to anything that we have had in the past.

Third, we have seen a change in attitude towards economic policy within developing countries towards the recognition that the right kinds of governments are not just governments by the people but are governments for the people, which means an emphasis on the provision of very basic services such as education and health care.

And fourth, we have seen, with the debt relief program now underway for the 36 highly indebted poor countries, a new energy and a new willingness on the part of the world to insist, as a condition for assistance, that resources be channeled into effective health delivery.

The combination of new science, new forms of cooperation between the public and private sectors, and a change in attitude to-

wards development policy within many developing countries and within the donor community makes this an especially attractive moment for us to support what are extraordinarily high-return investments.

The President's Millennium Vaccine Initiative draws on these concerns and contains four major elements:

First, the mobilization of additional international resources to help the poorest countries purchase existing vaccines for their children. The budget proposes a \$50 million contribution to the Global Alliance for Vaccines and Immunization, GAVI, to purchase existing vaccines for children. This complements contributions of over \$750 million from the Gates Foundation and is critical in mobilizing support from other foundations and other countries. This is something that will be very much at issue at the Okinawa Economic Summit that will take place this July.

Second, and of great importance to us at the Treasury, developing increased implementation capacity through our debt reduction programs and through our support for the international financial institutions. The President has called for an increase from \$400 million to \$900 million every year in the allocation of World Bank concessional resources to basic health care. We have committed that, in the poverty reduction papers and poverty reduction policies that will be integral to debt reduction programs, we will focus not just on the traditional indicators of bank capital and budget deficits, but also on measurable results in the health care sector.

I might say that the early evidence on debt reduction is encouraging. Last year, for example, the Ugandan Government saved \$45 million in reduced interest payments and that saving was part of a process that increased immunization rates, as well as significantly increased levels of literacy among Ugandan children.

I should emphasize that these reallocations of World Bank resources do not require new U.S. budgetary commitments. Of course, the successful execution of the debt relief program does require new U.S. budgetary commitments, and our ability to influence the MDBs will be dependent on decisions that this committee will make with respect to our appropriations to these institutions.

The third component of the President's vaccine program is support for increased research and development in the National Institutes of Health. We have seen again and again and again over the years that what starts as basic research finds very direct and immediate application. If we are to have a successful biotechnology industry, if we are to have success in developing vaccines, we need an investment at the national public level in basic understanding of cellular processes that are essential to the design of vaccines. Basic research is best carried on within the public sector.

Fourth, harnessing the science and technological skills of the private sector in the development of new vaccines and medicines for infectious diseases. If it is true that the most basic research is a public good, it is best funded publicly and made available to all. We have also learned again and again from experience, however, that the best applied research is done by those who are seeking to meet a substantial market and who are encouraged to meet that market.

Frankly, with respect to research for vaccines for diseases that occur predominantly in the poorest parts of the world, there is a major market failure. There is a missing market, which comes from the reality that the countries may lack the capacity to cover the full costs of development and marketing of vaccines for these diseases. Inevitably that capacity to cover costs has shaped research priorities toward those medical and health problems that occur in industrial countries, whereas only 10 percent of the world's \$50 billion to \$60 billion in health research goes to the diseases that affect 90 percent of the world's population.

What is to be done?

We have made the judgment, after extensive consultation with industry, after our own analysis, after consulting the analyses of a number of prominent economists who have looked hard at these issues, that the most effective strategy is to design an appropriate incentive that will work to create a market for products that are effective against the limited number of diseases that kill more than 1 million people each year. That is the centerpiece of the President's tax proposal in this area which seeks to create a market by providing a matching tax credit for any purchases of newly developed vaccines. The President's proposal also provides certain subsidies for input research with respect to these vaccines. This is an approach that works with the market and tries to harness the kind of forces that have been so spectacularly successful with respect to the development of domestic pharmaceutical products.

Mr. Chairman, let me conclude with this thought. Several million people are dying each year of diseases which we know how to prevent. Our first priority has to be working to prevent those diseases with effective finance for effective delivery. Millions of people will be dying over the next several decades from diseases for which we could find an inoculation. We should begin to do everything we can to intensify efforts toward that objective at the earliest possible moment.

The President's program reflects our vision of how this can be done best. All of us in the administration look forward to working with Members of the Congress and with those in the private sector, both for profit and not-for-profit, and with our colleagues internationally to find the most effective ways to meet what is as great a challenge as any facing humanity.

Thank you very much.

[The statement follows:]

#### PREPARED STATEMENT OF HON. LAWRENCE H. SUMMERS

Thank you, Chairman McConnell, for inviting me to testify on the President's Millennium Initiative to help combat infectious diseases. Let me also thank Senator Leahy for the leadership he has shown on this matter. Along with the leadership of Senator Kerry and Congresswoman Pelosi and others, your support has made a real difference.

Increasingly, as integration proceeds, the world is confronting a broad class of problems that cross borders and defy easy solution by individual governments and markets. Whether it is money laundering and financial crime, climate change or reductions in global bio-diversity—the solutions to these problems will be global public goods, requiring concerted global cooperation.

The proposals that the Administration has put forward in its Millennium Initiative seek to catalyze a global response to one of the most urgent and morally compelling of such problems: the scourge of infectious diseases that hit hardest the countries that are least able to cope.

Today I would like to address the three points that form the basis for the President's Initiative.

- First, the development and delivery of vaccines and effective treatments for infectious diseases is now one of the effective investments that we can make in successful economic development in the poorest countries.
- Second, both the lessons of recent development experience and the advance of scientific discovery have put us in a position to have a real impact on the global spread of these diseases.
- Third, public-private cooperation, both at the national and international level, is needed to achieve this and elements of the President's Initiative provide the most effective means of setting the right kinds of cooperation in train.

#### COMBATING INFECTIOUS DISEASES AS A MORAL AND AN ECONOMIC IMPERATIVE

It might seem surprising that the Treasury Secretary is devoting so much attention to the goal of preventing and controlling disease in the developing world. But, as Treasury Secretary, I am constantly aware of the enormous national economic, humanitarian, and security stake that the United States has in the successful development of the poorest countries.

A more global prosperity will produce better trading partners for the United States: time and again, as poor countries grow richer, they become the fastest growing markets for United States goods and services. Already, developing countries account for some 42 percent of United States exports. A more global prosperity will also promote peace: from Bosnia to East Timor, from Rwanda to the Middle East. It will also promote human freedom. Nations that succeed economically are much more likely to become democratic. And a more global prosperity will help us to meet the profound challenge of protecting the global environment. Environmental degradation spawned by dire poverty is a global concern.

Today, it does not overstate the case to say that the greatest single obstacle to human development in these countries and to a more inclusive global prosperity is the specter of disease.

The spread of HIV/AIDS in recent years has been swift and particularly brutal:

- Fifty million people worldwide have been infected with the HIV virus; more than 16 million have died; and annual AIDS-related fatalities hit a record 2.5 million last year.

—In sub-Saharan Africa, where 85 percent of all AIDS deaths have occurred, life expectancy is now declining sharply in many countries, reversing decades of hard-won gains. In at least five African countries, over 20 percent of adults are HIV-positive. In southern Africa, life expectancy is expected to drop from a high of 59 in the early 1990s to 45 within the next 5–10 years—a level not seen since the 1950s. And the highest rates of new infection are often among young women who will soon be mothers.

—Most worrisome is the rate at which HIV/AIDS is spreading, and the very real danger that what is happening in Africa is about to happen elsewhere. Infection rates in Asia are climbing rapidly, with several countries on the brink of a large-scale pandemic and needing to take action immediately to forestall the disaster that Africa has suffered. Parts of Latin America and the Caribbean—our own neighbors also show high and rising rates of infection. And the former Soviet Union countries and Eastern Europe are vulnerable as well, with Russia experiencing the highest increase in infection rates in the world last year.

At the same time, it bears emphasis millions of the world's people still fall prey to diseases that are centuries old.

—Tuberculosis accounts for over 2 million deaths annually, and drug-resistant strains are spreading. Indeed, thousands of people who are HIV-positive actually die of TB; their damaged immune systems allow active TB to develop, which then can spread to people who are not HIV-positive.

—Malaria strikes hundreds of millions of people each year and results in more than one million deaths, mostly children. Diarrheal and respiratory infections are even more devastating, killing almost 6 million people each year.

—And millions die of diseases for which cheap vaccines are available today. Fewer than half of Africa's children are vaccinated against basic diseases like measles and diphtheria even though such vaccines are one of the most cost-effective ways to improve health. And in South Asia, less than three-quarters of the children are vaccinated.

All told, infectious diseases are the leading cause of death worldwide, causing almost half of all deaths among people under the age of 45. The end result is not merely a humanitarian crisis, but a broader social and economic crisis.

- Life expectancy is falling mainly because of rising mortality among prime age adults and research has shown that economic growth depends importantly on the share of the population that is of working-age. A recent World Bank study estimates that AIDS is likely to subtract about 1 percent a year from GDP in 30 sub-Saharan African countries.
- The burden of coping with these diseases further reinforces the poverty that allowed these diseases to take root. Health care budgets and facilities are overwhelmed by the heavy burden of caring for those who are infected. And families that are already impoverished are forced to liquidate assets and defer expenses for essentials such as education in order to pay for costly medical care thus sending them into a deeper downward economic spiral. AIDS, alone, has orphaned an alarming number of children over 11 million worldwide, with all but one-half million in Africa.

The implications of this crisis are global:

- Because infectious diseases do not respect the boundaries of states and geography as we have seen with HIV/AIDS, with the resurfacing of tuberculosis in parts of the United States, and with last year's outbreak of West Nile encephalitis in New York.
- Because if these countries do not develop they cannot contribute to the broader global growth in which we have such a stake, at a time when already, more than 40 percent of our exports already go to developing countries.
- And because the national economic distress and political instability that inevitably accompany this scale of human loss can cause greater damage to the global system as a whole.

For all of these reasons, support for the development and delivery of vaccines and effective treatments for infectious diseases is one of the most cost-effective investments we can make both in successful economic development in these economies, and in the prosperity and stability of the global economy as a whole.

We believe this is fundamentally a humanitarian imperative. It is also a national economic and security imperative. And it is an imperative that global experience and the pace of scientific discovery have now put us in a much stronger position to address.

#### THE ABILITY TO MAKE A REAL DIFFERENCE

We cannot sit back and wait for these critical discoveries. We must deal now with the ongoing and immediate impact of infectious and other diseases of poverty.

The record of past international efforts to combat infectious disease suggests that there are no easy, simple solutions to this problem. But we are in a much stronger position today than we were even a few years ago to help countries make concrete progress, for three reasons.

##### *First, because of the rapid growth in relevant scientific understanding*

Clearly, one reason for the high incidence of infectious diseases is the remaining gaps in our scientific knowledge about those diseases. The development of vaccines and medicines simply cannot exceed the frontiers of available basic science. But, as one pharmaceutical executive said at a recent meeting on this subject with the President, this is a "golden age" for research and implementation. Important recent advances are being made on malaria, pneumococcus, and AIDS. As I will describe in a few moments, we believe that public policy can provide a critical boost to private research efforts in this area.

##### *Second, because we have new tools for potentially channeling significant internal and external resources toward this effort*

A sheer lack of financial resources relative to the cost of even the most basic investments in health is clearly an even greater obstacle to improving health outcomes in these countries.

- On average, the poorest nations in the world spend just \$15 per person on health care each year—less than it costs to fully vaccinate a child against nine basic diseases including polio, measles, and tetanus. In the United States, we spend thousands of dollars per person on health care each year.
- In the poorest developing countries, there are only 14 doctors and 26 nurses on average for every 100,000 patients, compared to 245 doctors and 878 nurses in the United States. And 800 million people live on less than \$1 a day. The harsh reality is that the cost of caring for patients with AIDS the way we do in the United States far exceeds the per capita income of most developing countries.

We cannot hope to eliminate the relative gap in countries' economic resources. But in the Heavily Indebted Poor Countries Initiative we do have a tool for increasing

the funds they have available—and ensuring that they are channeled to core human development priorities such as basic healthcare.

The HIPC Initiative, created in 1996 and further enhanced last year, has already helped some of the poorest nations in the world free up precious resources for human development that would otherwise have been spent on servicing debt. Fully funded and implemented, the enhanced HIPC initiative has the potential to be an even more powerful tool for helping countries devote more resources to combating infectious disease.

*Third, we have greater understanding of the importance of—and pre-requisites for—effective delivery of vaccines and treatments*

Clearly, it does no good to ship vaccines and medicines to the ports of poor nations if they do not end up in the throats or arms of the people who need them. Just as clearly, it does little good to administer vaccines and medicines to people who do not receive basic tools for maintaining health, such as nutritional interventions like vitamin A and iron, or preventing disease, such as bed nets for malaria and education to prevent the spread of HIV/AIDS.

These problems have often been important obstacles to international efforts to combat heart diseases in the past. However, the tight linkages between different aspect of health care are now well understood in the development community and are being successfully put into practice.

As I will note in a few moments, this is reflected in both the President's Millennium Initiative and plans now being developed by the World Bank, which focus on shifting significant resources to improving the delivery of basic health services including vaccines and medicines.

We also understand better that this is not a problem of money alone—but also competence and enduring commitment. Specifically, developing country governments need to commit themselves to specific targets for improving health care delivery and health outcomes. And donor countries, international organizations, and non-government entities in developing nations need to cooperate to find solutions that will work best for the country in question. And applying these principles is yielding concrete results. For example:

- In Uganda and Thailand, recent innovative programs supported by the international community have begun to reverse HIV infection rates of high-risk groups. And in Senegal, an early investment in prevention programs has helped to keep HIV infection rates low.
- In Bangladesh, which can spend only \$4 per person per year on health, the World Bank, USAID, and other donors have supported the development of networks of nonphysician personnel fanning out to thousands of villages and urban slums, which have helped to reduce the infant mortality rate from 132 to 75 between 1980 and 1997.

#### THE PRESIDENT'S MILLENNIUM VACCINE INITIATIVE

The President's Millennium Vaccine Initiative, outlined in his State of the Union address, draws on both of these realities: the scale and urgency of the problem, and the greater scope that we have today for launching an effective global response.

In these efforts, we are building on the support of the private sector, including pharmaceutical companies that can provide the research and development that is so necessary to developing the right vaccines; we are also drawing on the commitment of the non-profit sector, including organizations like the Gates Foundation that has contributed so generously to the fight against disease; and we are utilizing the expertise of government so that it can act as a catalyst to ensure that these efforts are expanded on an international scale.

The President's initiative has four basic components.

*First, mobilizing additional international resources to help the poorest countries purchase existing vaccines for their children*

Many poor countries often cannot afford to buy vaccines. To help address this problem:

The President's fiscal year 2001 budget proposes a \$50 million contribution to the Global Alliance for Vaccines and Immunization (GAVI) to purchase existing vaccines for children. This contribution should help catalyze significant contributions from other countries and foundations. It will also add critical credibility to the international community's commitment to provide a market for new vaccines, including vaccines for AIDS, when they are developed. Further, the President has helped to catalyze commitments from the pharmaceutical industry to donate hundreds of millions of dollars worth of existing vaccines.

*Second, shifting existing international resources toward building infrastructure in poor countries that can deliver vaccines and medicines and provide essential basic health services*

President Clinton has called on the multilateral development banks to shift an additional \$400 million to \$900 million annually of concessional resources into basic health care. Of course, an essential element of such care is prevention and treatment of infectious diseases, including AIDS. These banks are the right institutions for investing in health infrastructure and health care:

—First, because these activities fall clearly within the poverty reduction and development mandate of the banks, and no other institutions can bring to bear the funding and policy dialogue on the scale needed for the task.

—And second, because one crucial part of the problem is that there is not a visible market for new treatments and vaccines in many of the countries worst affected. And the World Bank and other institutions can do much to create a market, through its lending programs and the policies they support.

As I noted earlier, the Administration is also using the enhanced HIPC debt initiative to support our efforts on infectious diseases. The HIPC countries will be developing Poverty Reduction Strategy Papers, in a participatory process with civil society and donors, to establish comprehensive plans with monitorable targets. We have already requested that our Embassies and USAID missions in these countries stress the use of debt-reduction savings for bolstering basic education and health, including the fight against infectious diseases. We expect that all PRSPs that are prepared by HIPC candidates will discuss the adequacy of budget resources and policy reforms devoted to basic health care.

The early evidence from HIPC beneficiaries is encouraging. Last year, the Ugandan government saved \$45 million in debt service under the original HIPC program. Its expenditures on health and education increased by \$55 million, including a major effort to combat the HIV/AIDS epidemic. Immunization rates for children in Uganda are expected to increase from 55 percent in 1996 to 60 percent in 2002. One of the key priorities for health spending in the future, which would be facilitated by enhanced HIPC debt relief, is to extend HIV/AIDS education outreach, particularly to rural communities.

These measures do not require additional budget commitments. However, our influence within the multilateral development banks and on HIPC depends on our ability to meet our existing commitments. I would note here that for fiscal year 2001 we are requesting a total of \$1.6 billion for Treasury international programs, of which by far the largest share is taken up by commitments to the MDBs—some of them required to clear arrears—and appropriations to enable us to play our part in funding HIPC. It will be very important to the overall success of this Initiative that these requests are passed.

*Third, intensifying the search for more effective ways of treating and preventing diseases that widely afflict developing countries especially HIV/AIDS, malaria and tuberculosis*

The President's fiscal year 2001 budget for the National Institutes of Health also includes a significant increase in research critical to creating vaccines for deadly diseases that afflict primarily developing countries. Funding for AIDS vaccine research will increase substantially in fiscal year 2001 and will have more than doubled since fiscal year 1997.

The President has also proposed an additional \$100 million for HIV prevention and AIDS treatment in Africa, Asia and other developing countries. We can make crucial headway against HIV and AIDS by providing clear information on prevention strategies and treating sexually transmitted diseases. We are calling on other countries to join us in committing money for these purposes.

*Fourth, harnessing the scientific and technological skills of the private sector in the development of new vaccines and medicines for infectious diseases*

While important progress is being made, it is widely recognized that the market does not provide sufficient incentive for pharmaceutical companies to develop vaccines and medicines for diseases that disproportionately affect developing nations. Indeed, the WHO estimates that only perhaps 10 percent of the \$50–60 billion spent worldwide each year on health research is directed towards diseases that afflict 90 percent of the world's population.

To start to address this problem:

—The President is proposing a new tax credit for sales of vaccines against malaria, tuberculosis, HIV/AIDS, or any infectious disease that causes over one million deaths annually worldwide. Under the proposal, the seller of a qualified vaccine could claim a credit equal to 100 percent of the amount paid by a quali-



fying nonprofit organization (such as UNICEF) that received a credit allocation from the U.S. Agency for International Development (AID). The tax credit would match the purchaser's expenditures dollar-for-dollar, thereby doubling its purchasing power. For 2002 through 2020, AID could designate up to \$1 billion of vaccine sales as eligible for the credit. This credit would provide a specific and credible commitment to purchase vaccines for the targeted diseases once they become available. The President is calling on other governments to make similar purchase commitments, so that we can ensure a future market for these critically needed vaccines.

—In addition, the Administration has expressed its willingness to support a tax credit for qualified clinical testing expenses for certain vaccines, similar to the existing orphan drug tax credit. The credit would be for 30 percent of the expenses for human clinical testing of vaccines for the diseases targeted by the President's initiative. This credit will provide an additional incentive for drug manufacturers to undertake research on new vaccines and accelerate their development.

#### CONCLUDING REMARKS

Mr. Chairman, the sheer magnitude and complexity of the challenge of combating infectious diseases, and their resistance to the efforts of the past, have a tendency to overwhelm hope with a sense of futility. Around the world, infectious diseases including AIDS are killing millions of children and weakening and killing tens of millions of prime-age adults. The devastating human and economic consequences are clear.

However, in Uganda, Thailand, Senegal and elsewhere. We have now seen compelling examples of concrete progress. And we have seen in the past well-coordinated global efforts can have an enormous impact. One need only consider the eradication of smallpox; the nearly complete campaign against polio—and the remarkable global effort to combat river blindness (onchocerciasis), which has halted the transmission of that disease has been halted in eleven African countries and prevented 185,000 who were already infected from going blind.

As I have said, we believe that we now have a historic opportunity to make headway against the other killer diseases that today exact such a toll on the developing economies. What is crucial is that we act not to catalyze a broad international effort to address the problem at its root. We look forward to working with the Congress to try to mobilize the necessary resources and shape the incentives and strategies that can contribute to enduring solutions. Thank you. I would now welcome any questions that you might have.

Senator LEAHY. Thank you very much, Mr. Secretary. I am sure your statement will be reproduced and shown to a lot of other Members.

On a personal level, you and I both have children. If they needed a vaccination, they got it. We take that for granted. While the expense to us was not that great, it would be insurmountable for many people in other countries, if the vaccine was available at all.

I have mentioned before that my wife is a nurse. She has seen the impact and the human suffering that occurs when people do not have access to some of the most basic medicines and vaccines.

As you said in your statement, research will lead to new vaccines in the coming decades. Developing countries should have access to these as well.

As Senator McConnell, again a man who has been very, very supportive on these issues, has said, our committee does not have jurisdiction over the tax credit proposal. The Finance Committee does. But I would like to ask you a couple questions about it just the same.

This would enable the seller of a qualified vaccine to claim a tax credit equal to 100 percent of the amount paid by a qualifying organization, up to a total of \$1 billion over 10 years.

Some of these qualifying organizations are going to be governments. As you know from experience, some governments are slow

or unable to pay this kind of money. Are we going to have a situation where the United States will finance the tax credit on one end and, through foreign aid, the purchase on the other end?

Secretary SUMMERS. It is a fair and important question, Senator Leahy.

The motivation here is to create more of a market. The advantage of this approach is that a successful effort depends upon the creation of a market. No doubt in some cases governments will purchase vaccines with funds that have come in part from foreign aid, but the difficulty traditionally has been that what always happens is that there is a strong incentive to push the price down as far as possible and to just simply pay the marginal cost. That is not a very attractive business for anybody to go into. So if we are going to succeed in creating a market, we have to find some way of supplementing the funds that will be provided, whether by international agencies or by the country's own resources.

So, this market approach functions as a kind of indirect research incentive, but because it is a research incentive that you only get if you win, if you successfully develop the product, I think much of the best thinking in this area believes that it is likely to result in more efficient allocation of resources because it is creating a larger incentive for the production of the right products.

Senator LEAHY. Is that the way the vaccine manufacturers have reacted to it? Do they feel this program would give them the incentives?

Secretary SUMMERS. I hesitate to speak for the vaccine manufacturers, but my impression from discussions is that they believe that it is central that there be an effective market for their product if they are to make substantial investments in the development programs. They believe this would be quite constructive in the development of a market. They believe also that better delivery systems within developing countries are essential if there is to be an effective market.

That is why we have tried to lay out a multi-faceted approach that begins by saying, look, this can work. We have vaccines right now. We are going to do some things to more effectively deliver the vaccines we have right now. We are going to provide more funding to purchase them and work with the foreign aid community on the delivery systems so you do not get, for example, 43 percent of refrigeration-necessary vaccines sitting without refrigeration until they are past the date when they can be safely used. We have to clear up those kinds of problems, but then even if you have the best delivery system in the world, if there is no market where you can cover your fixed costs, there is going to be much less research than there otherwise would be.

Senator LEAHY. We use the Leahy War Victims Fund primarily for victims of land mines in many places around the world, and I have visited several of them. Even in countries where medicines are available, people may be unable to get them because there is a civil war or there are land mines in the ground. Mozambique is facing this problem. After all the floods, mines that were marked are suddenly floating in the water. In addition, just finding people who have basic medical training can be difficult.

Again, we could walk into virtually any hospital in this country for treatment and be helped by people with the necessary expertise.

I have one other question.

One goal of the HIPC debt initiative, which as you know I strongly support, is to channel additional funds to social needs like health. The administration has considered making vaccination rates a performance target for debt forgiveness. What does that mean?

Secretary SUMMERS. It means that your vaccination rate would be one of the things that would be monitored and that, under your debt reduction program, before the subsequent tranches of assistance were released or before the final stages of debt relief were completed, you would have to show that there had been satisfactory performance in the vaccination area. So, it is basically trying to bring this area within the ambit of conditionality.

Senator LEAHY. We were talking about debt forgiveness last week when you were here. A lot of poor countries are borrowing money to pay their debts. If you forgive the debt it does not mean there is suddenly a huge bundle of cash available for other things. In some instances, countries are still going to have to borrow money for health care and other costs.

If debt forgiveness is partly conditioned on what a country does to improve the health of its people, what kind of monitoring will be needed to make sure that vaccines are available and people have access to them?

Secretary SUMMERS. Let me see if I can respond to two aspects of your question.

Senator LEAHY. I realize there are several questions.

Secretary SUMMERS. You have raised what I think are profoundly important issues in terms of doing this right, Senator Leahy.

First, with respect to the first part of your question which went to the availability of adequate finance, you are clearly correct that relieving debt only makes available resources for health or anything else if the debt payments are actually being made. In fact, if one looks at most of these countries, they are making their debt payments to the international financial institutions. That is why the so-called HIPC Trust Fund, which makes possible the relief of payments to the international financial institutions, is such a crucial part of all of this. Relief of that debt does make available real funding that can go for real health care or real education expenses or what have you.

Second, you are absolutely right that this will require greater efforts at monitoring things that traditionally have been monitored poorly or have been monitored with a lag time.

I once met a management consultant who had a slogan that has really stuck with me. It captures something that is the truth. He said, what you count counts, and over time we are all driven by what is measured and by what score can be kept.

There is no question that as we work with NGOs to a much greater extent in development, as we work on popular participation, we are going to have to find ways of not just measuring bank capitalizations, but also measuring immunization rates and those things with shorter lag times than has been the case in the past.

I think in the social area, as well as in the financial area, transparency is a very large value. If one finds that democratic governments are having their performance in doing vaccinations monitored, measured and made clear, and the governor of one province can be compared with the governor of another province, if the progress that elected officials make in bringing about increased immunization is something that everybody can see, the very act of doing the monitoring will itself be a constructive force in leading to increased immunization rates. That constructive influence can be very much reinforced by the conditionality associated with our debt relief programs.

Senator LEAHY. As an elected official, I understand your analogy very, very well.

Mr. Secretary, I appreciate you being here, but more than just being here, I appreciate the personal attention you have given to this problem. I applaud you for it and I admire you for it. Thank you very, very much.

Secretary SUMMERS. Thank you very much.

## NONDEPARTMENTAL WITNESSES

### **STATEMENT OF GRO HARLEM BRUNDTLAND, M.D., M.P.H., DIRECTOR-GENERAL, WORLD HEALTH ORGANIZATION; CHAIR, GLOBAL ALLIANCE ON VACCINES AND IMMUNIZATION**

Senator LEAHY. Our next witness will be Dr. Gro Brundtland. Dr. Brundtland, it is a great pleasure having you here. I remember our earlier discussions. I appreciate the effort you have made to come here with all of the other things you have to do.

As a leader in the field of global health, you have done a great deal to focus the world's attention on these issues. Your work as Director-General of the World Health Organization and the Chair of the Global Alliance for Vaccines and Immunization, is very important.

I do not think it is an overstatement, Doctor, to say that you have one of the most important jobs in the world today. The world is very fortunate to have you, one of the most qualified people in the world to do the job. I am delighted that you are willing to devote your enormous energy to this effort.

Very few people, including those of us in elected or appointed office, have the opportunity at the end of life to say we accomplished a great deal for humanity. You will have that opportunity.

So, Doctor, the microphone is yours.

Dr. BRUNDTLAND. Thank you very much, Senator Leahy. I am sure that in that last sentence you also have a good chance to be making a difference, and I am glad to be here in this very important context with people who try to make a difference with significance to global health.

Now, I want to state from the outset that I think we need now to review the ways in which ill health precipitates and perpetuates poverty. I will argue that effective health care can yield considerable developmental benefits for poor people and describe some of the new partnerships that can turn hope into reality and thereby concentrating on the Global Alliance on Vaccines and Immunizations, GAVI.

Because our new century is marked by a growing gap between what has been achieved through research and common efforts, which could be used, and what in fact is not achieved, although we know what can be done. So, the 20th century saw some people have great improvements in their health, but more than a billion human beings are still experiencing these enormous levels of suffering, hardship, and even early death as a result of illness. That unsatisfactory situation is partly a result of old-fashioned approaches to human development.

Not long ago, spending on personal well-being such as people's health and education had to wait. Good health was a luxury, only to be achieved when countries developed a certain economic level,

and then a certain economic strength that made it possible to put efforts into health and education.

Now, I think that is a very simplistic way of thinking and, at worst, it is plain wrong because if poor people and poor nations are going to prosper, they certainly have to enjoy better health. Recent evidence confirms to us that illness keeps poor people poor. It prevents them from prospering and it undermines human security. So, health improvements increase educational attainment and stimulate economic development. For the poorest 1.5 billion people in the world, better health is critical to prosperity not only in humanitarian terms.

So, our fight against poverty has in many ways failed. Differences are spreading inside and between countries, and it looms as a threat to people, to the environment not only for the poor but for all of us.

Many parliaments around the world, not only the U.S. Congress, are growing increasingly impatient, questioning whether money is being spent wisely and effectively in a way that reduces poverty. They want to see results, results that are concrete and measurable.

And these are the facts. There are a few conditions that cause the majority of deaths and illness among poor people. For the world as a whole, as you mentioned in the introduction here, the reasons for death and disability are cardiovascular disease, it is diabetes, mental illness, and smoking tobacco. But when you focus on low-income countries, they still, in addition to that, suffer a huge additional threat from deaths due to HIV/AIDS, to tuberculosis, to malaria, to diarrhea, and respiratory infections, measles, and problems connected with childbirth.

But it does not have to be like this. Our collective experience suggests that when poor people are able to access essential drugs, vaccines, chemically treated mosquito bed nets, and trained attendants during childbirth, then there are marked reductions in death rates, disabilities, and time lost to ill health.

So, we have in our hands concrete, results-oriented, and measurable interventions that dramatically reduce the excess burden of disease and thereby, in fact, reduce poverty itself.

We have the means to stop the spread and to manage, reduce the damage of tuberculosis. We have the methods to dramatically reduce the effects of malaria on African populations and, by that, increase their economic potential. We have the ways of limiting the already devastating damage caused by HIV/AIDS.

But as we know, funds available in most poor countries from government budgets and from development assistance, as you have shown on the board here, often amount to less than \$10 per person each year, and systems to see that poor people get access are not functioning adequately.

So, I see at least five reasons for concerted action to tackle the diseases of the poor.

First of all, we do have a window of opportunity now. If we delay, the agents of infectious diseases will become more resistant to commonly used medications.

Second, we do know what is needed.

Third, we know that poor people can benefit if health systems focus on their interests and needs.

Fourth, we have now learnt even better the importance of working in partnerships with the international organizations, foundations, and private entities, governments, and donor agencies. The partners' power lies in their shared commitment to common goals.

And there are political reasons. Good health is moving towards the center of debates about both economic development and national security. Leaders of developing countries are committing themselves to improvements in the health of their people, particularly in relation to HIV/AIDS and malaria.

Health is of concern to finance ministers, as we just heard, the World Bank and the IMF, as they discuss modalities for debt relief. It is of concern to the UN Security Council as they discuss HIV/AIDS in Africa.

And WHO is ready, more than ever before I think, to help countries respond to the challenge. We have organized ourselves so that we are better able to recognize priorities and to respond to them. We can improve international health efforts by catalyzing effective responses and building on what is already being done.

Now, the most cost effective health intervention of all is childhood immunization. For only \$17 per child, we can provide lifetime protection against five historical scourges: polio, diphtheria, whooping cough, pertussis, measles, and tetanus. For only \$10 more than that, we can bring additional life-saving vaccines to the children that need them.

Nevertheless, 1 in 4 newborn children do not receive a full course of basic vaccines, and many more do not receive the vaccines that are provided for children in the United States. Of the 30 million that do not, 3 million die each year from vaccine preventable diseases. Of course, this is not acceptable. We need to reach each and every child with the vaccines that are needed, including the new ones that are starting to become available.

That is why the Global Alliance for Vaccines and Immunization has been formed, and I think GAVI is special because it brings public and private sector partnerships together in a worldwide network. It is a true public/private partnership based on the shared responsibility for the world's children and, indeed, where all children receive a basic chance of survival and health. It draws on the success of child survival and immunization programs which have been backed for many years by the U.S. Congress and particularly by this committee. It seeks to build on the achievements of the past and to offer new hope for the future.

The same is the situation with the Roll Back Malaria, Stop TB, and the HIV/AIDS in Africa. Those partnerships have similar features as the one we have created with GAVI.

We are learning from experience to bring these ventures together at an international level and, even more importantly, at a country level because that is where it needs to function with the basic infrastructure that is needed, which you have referred to, the cold chain, the efficiency, and where we need to measure performance, which is built into the GAVI process now, we will spend resources together, agreeing how best to use it and we will monitor performance as we move on to the next year of giving financing to the countries that are involved in improving their immunization programs.

So, we have the knowledge. We have the opportunity. And I believe that globally we can find the resources to really move forward.

Thank you, Senator Leahy.  
[The statement follows:]

PREPARED STATEMENT OF GRO HARLEM BRUNDTLAND

Mr. Chairman, Senator Leahy, Distinguished Members of the Committee, I appreciate this opportunity to meet today with a group of legislators who have made a significant difference to world health.

I propose to review ways in which ill-health precipitates and perpetuates poverty. I will argue that effective health care can yield substantial developmental benefits for poor people. I will then describe some of the new partnerships that turn hope into reality, concentrating on the Global Alliance for Vaccines and Immunizations, or GAVI.

Our new millennium is marked by a growing gap between what has been achieved and what can be achieved. The 20th century saw dramatic improvements in some people's health. However, more than a billion human beings still experience enormous levels of suffering, hardship and early death as a result of illness.

This unsatisfactory situation is a result of old-fashioned approaches to human development.

Not long ago, spending on personal well-being, such as people's health and education, had to wait. Good health was a luxury, only to be achieved when countries developed a particular level of physical infrastructure and established a certain economic strength.

Our experiences have shown that such thinking was at best simplistic, and at worst plain wrong.

If poor people—and poor nations—are to prosper, they have to enjoy better health. Recent evidence confirms that illness keeps poor people poor, prevents them from prospering and undermines human security. Health improvements increase educational attainment and stimulate economic development. For the poorest 1.5 billion people in our world, better health is critical to prosperity.

What relevance do these observations have to the United States? The relevance lies in what I will describe as "enlightened self interest".

We all fear of the spread of disease. In the modern world, bacteria and viruses travel almost as fast as money. With globalisation, a single microbial sea washes all of humankind. There are no health sanctuaries.

The separation between domestic and international health problems is no longer useful, as people and goods travel across continents.

In the words of Benjamin Franklin: "We must all hang together, or, assuredly, we shall all hang separately."

But, Mr. Chairman, it is not only fear which would spur us into action. There are also tangible incentives.

There is the obvious argument that healthier populations abroad would make better markets for U.S. goods and services. Increasingly in a global economy, one region's poverty is another region's opportunity loss.

In addition, health care itself has become a vast global industry, absorbing in 1994 over 9 percent of the world product, or 2.3 trillion dollars. I hardly need to remind an American audience about the centrality of health care to the economy.

Yet, so far the war on poverty has failed. Differences are spreading inside countries and between countries. This looms as a threat to people and to the environment—not only for the poor—but for all of us.

Many parliaments around the world are growing impatient questioning whether money is being spend wisely and effectively in a way that reduces poverty. They want to see results; results that are concrete and measurable.

These are the facts: a few conditions cause the majority of deaths and severe illness among poor people. For the world as a whole, the leading causes for death and disability are cardiovascular disease, diabetes, mental illness and smoking tobacco. However, people in low-income countries still suffer a huge additional threat from deaths due to HIV/AIDS, tuberculosis, malaria, diarrhea, respiratory infections, measles and childbirth problems.

It does not have to be like this.

Our collective experience suggests that where poor people are able to access essential drugs, vaccines, chemically-treated mosquito netting and trained attendants during childbirth, there are marked reductions in their death rates, disability and time lost due to ill-health.



Within the field of health we have—in our hands—concrete, result-oriented, and measurable interventions that dramatically reduce the excess burden of disease among the poor and therefore reduce poverty itself.

We have the means to stop the spread and reduce the damage of tuberculosis. We have the methods and technology to drastically reduce the effect of malaria on African populations—and, by extension, increase their economic potential. We have ways of limiting the already devastating damage caused by HIV/AIDS.

However, most of the people in need cannot access the basic health care they need.

In most poor countries, funds available for health care—from government budgets and development assistance—often amount to less than \$10 per person each year. In too many countries, systems for ensuring that poor people can get the help they need do not function adequately.

I can see at least five good reasons for us working together on concerted action to tackle the diseases of the poor.

First of all: we have a window of opportunity. If we delay, the agents of infectious disease will become more resistant to commonly used medications.

Second: we know what is needed. Thanks to pioneering research—much of it from U.S.-linked groups, we have good evidence about interventions which must reach poor people if they are to become healthier and prosper.

Third: we know that poor people can benefit if health systems focus on their interests and needs, and

Fourth: we have learnt the importance of working in partnerships—with the international organizations, foundations and private entities, governments, and donor agencies. The partners' power lies in their shared commitment to a common goal and strategy. Within this context, each partner works to its comparative advantage—maintaining its sovereignty and autonomy where relevant.

There are also political reasons for acting now. Good health is moving towards the center of debates about both economic development and national security. Leaders of developing countries are committing themselves to improvements in the health of their people particularly in relation to HIV/AIDS and malaria.

Health is of concern to finance ministers, the World Bank and the IMF as they discuss modalities for debt relief. It is of concern to the U.N. Security Council as it discusses HIV/AIDS in Africa. It is a key component of human security as the basis of foreign policy in a growing number of states.

WHO is ready to help countries respond to the challenge of ill health and poverty. We have organized ourselves so that we are better able to recognize priorities and respond to them. We can improve the impact of international health efforts by catalyzing effective responses, and building on what others are doing already.

Mr. Chairman, the most cost-effective health intervention of them all is childhood immunization. For only U.S. \$17 per child, we can provide lifetime protection against five historical scourges—polio, diphtheria, pertussis, measles and tetanus. For only ten dollars more we can bring additional life-saving vaccines to the children that need them.

Take polio. Recently, in India, I watched as 30 children with knee braces lit one candle each to show sympathy with the 30 children who contract polio each day around the world. Five years ago, we would have needed one thousand children to do the same job. Hopefully, by this time next year, there will be no more candles to light.

Our polio eradication effort is on the right track. The world is likely to be certified as polio free by 2005. But it is important to stress that we are entering a period of more—not less—intense vaccination effort. In the next few months and years, we must reach the last, hardest-to-reach places while continuing to vaccinate all the children of the world until we are confident that we can certify that there not a single remaining case of polio. If funding for polio eradication dwindles in these final, critical years, the fruits of our whole twelve-year campaign may be postponed or endangered.

Nevertheless, each year, one in four newborn children does not receive a full course of basic vaccines. And many more do not receive the vaccines that are provided for children in the United States. Of these 30 million, three million die each year from vaccine preventable diseases.

This is not acceptable.

We need to kick-start a campaign to reach each and every child with the vaccines that are needed, including the new ones that are starting to come available. That is why the Global Alliance for Vaccines and Immunization has been formed.

GAVI is special because it brings public and private sector partners together in a world-wide network.

It is a true public—private partnership. It is based on a shared responsibility for a world where all children receive a basic chance of survival and health. It draws on the success of child survival and immunization programs, backed for many years by Congress, and particularly by this Committee. It seeks to build on achievements of the past, and offer new hope for the future. The Roll Back Malaria, Stop TB and HIV/Aids in Africa partnerships have similar features.

We need to learn from experience and bring these ventures together at an international level—and even more importantly—in individual countries.

Distinguished Committee members, we have the knowledge. We have the opportunity. I believe that globally, we can find the resources. The time to act is now. It can be done.

Thank you.

Senator LEAHY. Thank you so much, Doctor.

Obviously, with me you are preaching to the converted on so many of these issues. The purpose of this hearing, of course, is to make sure that other Members of Congress and the public hear this.

You will recognize the charts we put up because they are from WHO's booklet "Removing Obstacles to Healthy Development". I would urge anybody who is interested to get a copy of this publication.

The charts give you some idea of what we face, and this is only infectious diseases. They do not include premature deaths from smoking or other causes. But if you focus just on infectious diseases, there are many challenges. Strengthening surveillance. Addressing the causes of drug resistance, which is becoming a major problem around the world. Developing new vaccines and drugs. Building delivery systems.

I recall in one country where, when my wife asked why there was a child in the hospital suffering from polio—they said, they had the vaccine, but the child was in a heavily mined area and they could not get the vaccine to the child. The child was not crippled by the land mines, but was crippled by polio. So we have many challenges. Let me begin with this question.

What is the degree of cooperation between WHO and the United States on global health, and if there are areas where it should be better, how can we make it better? Please be candid, as you always are.

Dr. BRUNDTLAND. Well, first of all, obviously your major institutions, not only the efforts in research which, to a great extent, comes from or is linked to what happens in the United States as a strong economy and a country with a strong research background and investment in that is essential in itself, more broadly speaking. Then your big institutions like NIH, CDC are essential to the global health effort. The link, in the case of polio, as you mentioned, with CDC as a major partner, together with UNICEF, WHO, World Bank, and others, to do that major effort is absolutely essential.

We still have a lack of funding, by the way, for the eradication effort for polio. We are struggling still with having the sufficient—we lack about \$300 million, in fact, for the next couple of years, 3 years, in order to do that campaign, which has to be—and I think we can reach the target. It will complete ridding the world of polio completely, having been surveilled and checked, by 2005. But this year is an important one—this year and next—because the target is 2000.

You mentioned your wife seeing the polio child. Now, I was in India a few months ago and we had a polio event with Rotary and others to really now raise the awareness of the necessity to get up the efforts in India, Pakistan, and other countries where there is still quite a lot of polio virus active. There were 30 children with polio in this big meeting, illustrating that 30 children that day would be—you know, solidarity with the 30 children—that's still in this year 2000—will be taken by polio and with disabilities coming from it. But in 1988 those would have been 1,000 children. So, what we have already done from 1988 to 2000 has made a major difference with the help of U.S. institutions. But we have to get that 30 down to 0. So, that is a major collaborative alliance I think to mobilize sufficient resources.

But the other issue, this is the support to the WHO regular budget. Now, I know this committee is not directly in that area, but obviously the United States plays a key role in the total picture of the specialized agency, WHO, what our regular budget gets to. Many of the other efforts are efforts which are extra-budgetary and which we are very grateful for and where you have a great influence both on what goes to NIH, what goes to CDC, and the support that we get from public debate and from the minister of health in the United States and all that.

I am being frank, but it is true that you do play an important role both in this committee and in your institutions and obviously USAID which is our main partner in much of this work where we work together at the country level also in dealing with development efforts in the health field.

Senator LEAHY. You mentioned polio and the great strides that have been made toward eradication. But polio should be like smallpox. It should already be gone.

I turned 60 a couple weeks ago, a matter of great angst on my part.

Well, I thought I was not going to live through it, but with great help from my family, and some very, very irreverent help, let me tell you, I made it.

I remember as a child, all of a sudden all the public swimming pools closing because there was a threat of polio. I remember seeing pictures of children in iron lungs. In grocery stores there were little cardboard iron lungs that you would put your coins in to help find a cure.

When I mention this to my own children, it is hard for them to understand because polio is essentially unheard of in the United States now. Think what we have saved in health costs and what we gain when a child goes on to become a scientist, a teacher, a great writer, or an artist.

WHO recently reported on the increased incidence of drug resistance, including in some western European countries—there are an increasing number of reports of people with TB and drug-resistant TB in the United States. I wonder what we might have saved if we had put money into drug-resistant TB research 10, 15 years ago as compared to the up to a quarter of a million dollars it might cost to help cure somebody with drug-resistant TB now.

Malaria afflicts 500 million people each year. The amount we spend on malaria research is far less than we spend on diseases

that are common in wealthy nations. I suspect we spend a lot more money on cold and sinus problems here in the United States than we do on malaria.

How do we make the countries that do not have diseases like malaria realize that they have a responsibility to help those that do?

Dr. BRUNDTLAND. Yes. Well, you are making an effort, Senator Leahy, to make that happen.

But I mean, generally that is the point, and if you look at the TB example, the resistance to the drugs has developed gradually, and as we have not treated with the drugs that were effective, treated effectively the people who got tuberculosis, because the health systems were not in place and the technology was not used, the disease was left spreading in the former Soviet Union and also in poor countries of Africa. And as HIV came, it became a major problem because the immunity to infection was so undermined. So, what we did not do 20 years and 10 years ago has led to higher costs to make it happen now because we did not use the window of opportunity to get that disease down to a very low level which we could have done at earlier stages.

Now we have that challenge of trying really to make a major effort to treat people with TB because it is the only way to stop spreading the infection, as we do not have an effective vaccine. That again illustrates it is a question for all of us because any one of us can get TB on an airplane or in any other situation and lead to an increased insecurity with regard to a disease that we thought was gone, more or less, because it is a global challenge.

Now, with malaria, it was also one where we had great successes 30 years ago in getting rid of it in many places. But in the continent of Africa and also in other places around the world, it certainly was not eliminated as a problem, and it has come back with greater vengeance and as climate changes and other environmental changes have also added to the problem and the efficiency of the medications have gone down. As you said, the investment in new treatments have not been followed because of the market situation that there are poor people who have malaria and the industry has not invested in their research institution, not sufficiently.

So, one is trying to address it by the Roll Back Malaria, by the Medicines for Malaria Venture where we work with private industry, with also public funding, as Larry Summers was talking about in principal terms here, to try to bridge the gap so that we can get new research into this area. Of course, NIH is making a major effort also both on that aspect and on getting a vaccine both for HIV/AIDS and malaria, and that is happening also, of course, in other parts of the world as we need to be moving ahead on these major issues where there is a market failure, as Larry Summers was saying.

Senator LEAHY. Doctor, WHO recently reported that two-thirds of the world's countries are failing to supply safe blood. This adds to the spread of hepatitis, HIV/AIDS, and other diseases. Unfortunately, some of these countries only spend \$3 to \$5 per person per year on health care to begin with. Is there any way they can possibly do the blood typing and the cross matching that is necessary? Sometimes we overlook the fact that hepatitis can be as deadly as AIDS or any other disease.

Dr. BRUNDTLAND. Yes. And in fact, 5 to 10 percent of the HIV/AIDS cases we believe are spread through unsafe blood. When you look at the number of HIV-infected people, that amounts to a considerable number of people having been infected by blood and by unsafe blood systems.

In addition comes the hepatitis B and C, which of course are chronic and even deadly diseases which lead to serious consequences.

So, that is why on World Health Day we, together with the International Federation of Red Cross and Red Crescent Societies, which are active in many, many countries around the world through their National Red Cross Societies and in some way involved in the systems of blood transfusion services, are trying in the next 5 years to really increase the awareness and the investment at country level in making more safe blood systems because there are, as you said, only one-third of our member states have a fully functioning, high quality blood transfusion system in place. One of the key aspects is really voluntary donors that you have sufficient availability of people who are willing to give the life support that blood is and that there are people who can be tested and who are not in risk groups at the sufficient level. In many countries, that is not in place, which is an essential quality criteria.

Senator LEAHY. The problems are not easy, are they?

Dr. BRUNDTLAND. No, and they are quite many.

Senator LEAHY. They are, indeed.

Doctor, I appreciate your being here. I have a couple other technical questions, but I will just send them on to you.

Dr. BRUNDTLAND. Thank you. We will, indeed, respond.

Senator LEAHY. Thank you very much for coming.

Dr. BRUNDTLAND. Thank you very much.

**STATEMENT OF WILLIAM FOEGE, M.D., M.P.H., PROFESSOR OF INTERNATIONAL HEALTH, EMORY UNIVERSITY; AND ADVISOR, BILL AND MELINDA GATES FOUNDATION**

Senator LEAHY. On the final panel, we have Dr. William Foege, Dr. Nils Daulaire, and Dr. Adel Mahmoud. Dr. Foege is known worldwide for his key role in the campaign to eradicate smallpox. I wish we could have similar success, Doctor, with some of the other diseases we face. He is a former Director of the Centers for Disease Control and Prevention and currently serves as the senior health advisor to the Bill and Melinda Gates Foundation.

I know you had to adjust your schedule and I know, Doctor, you may have to leave, so we are going to call on you first. I just want to introduce the other two members of the panel.

Dr. Nils Daulaire is, on top of all his other qualifications, a close personal friend and a Vermonter. Our State is so small that if you are a Vermonter, you tend to be a friend anyway.

He is formerly the Senior Health Advisor to USAID. He is now President of the Global Health Council, which has become an extraordinarily effective advocate for global health. I especially appreciate, Nils, how you bring people together to challenge governments and educate the public. I note that both of the co-panelists are members of the Global Health Council's board of directors.

Dr. Mahmoud is the President of Merck Vaccines. Three years ago, his predecessor, Dr. Gordon Douglas, testified before the sub-

committee. Two years ago we heard from Dr. Gail Cassell of the Eli Lilly Company. We talk a lot about what the Government's role is, but the private sector is also extraordinarily important. GAVI is an example of the approach we need, so the pharmaceutical companies can recoup their costs when they invest in vaccines and new drugs, especially if they are going to be used in countries where nobody is going to be able to pay for them.

So, Dr. Foege, let's start with you. Again, I thank you for being here.

Dr. FOEGE. Thank you, Senator, and thanks for allowing me to go first. But now that I have heard the beginning, I want to stay and hear the end, so I am going to stay right here.

I have some testimony, and with your permission, I will put it in the record and make only six points.

No. 1, vaccines are truly scientific marvels. Resistance does not develop. They have to be developed only once in the history of the world. They are easy to use. They are relatively inexpensive. Around the world, vaccines provide the foundation for public health programs. If a country cannot deliver vaccines, it probably cannot deliver much else in public health. So, this becomes the *entre*.

No. 2, they have great power. Fifteen years ago the single most lethal agent in the world was the measles virus. It killed 3 million children. That figure is down to something perhaps below a million. It shows the power of that vaccine, but it also shows our lack of power in getting it to everyone that needs it. You have already mentioned smallpox eradication.

You asked the question why we cannot do that with polio. I well remember the day in 1955. It was the 10th anniversary of FDR's death when there was a press conference at the University of Michigan announcing that the Salk vaccine protected children. It is hard for us to remember what that was like, but the next day spontaneously there were signs in store windows, thank you, Dr. Salk. And 45 years later, we have not finished the job.

No. 3, because vaccines can provide primary prevention, it means that you do not need hospitals and clinics to treat these diseases. The food that children take in can be used for growth rather than to fight a disease or to support fever. They preserve health and they help in development. The World Bank today—and that is where my conflict is—is having a meeting on how the investment in children, in their health, improves development. So, these are primary prevention agents.

Richard Feynman, the great physicist, once said, it takes very little energy to scramble an egg, and science is totally incapable of reversing that simple process.

It takes very little energy for the measles virus to scramble a brain. It takes very little energy for the polio virus to scramble a neuron and lead to crippling, and we cannot reverse that but we can prevent it.

No. 4. As you have heard repeatedly, there are great inequities and if you are poor in a poor country, your chance of being protected against hepatitis B is zero.

No. 5. There never has been a better opportunity to redress the inequities, to exploit the new vaccines, to encourage vaccines for tuberculosis, malaria, for AIDS. The science, the management, the

desire all come together, and now with GAVI, chaired by Dr. Brundtland, we have a chance to make a coalition that shares an objective, and with such a coalition you can actually get transparency. Secretary Summers talked about what you count counts. Well, the American Management Association has a slogan, you get what you inspect, not what you expect. And that is what GAVI has a chance to do, to have transparency, and to inspect to get synergy and equity.

You asked Dr. Brundtland how does the United States support WHO, and she had to be very diplomatic. I used to be a Government employee and had to be very diplomatic also. Now I am not.

Senator LEAHY. What a sense of release. Go ahead.

Dr. FOEGE. Over the years we have simply not given WHO the support it needs. We are always trying to figure out how to keep its budget down and we sometimes do not pay our dues. They cannot count on us.

Years ago I wrote an editorial about this inability of the United States to pay its dues. We save more because of smallpox eradication each year in this country than our dues to WHO and we still do not pay them sometimes. And I, in the editorial, quoted Dolly Parton who said, you would be surprised how much it costs to look this cheap.

Senator LEAHY. I will be sure to tell Ms. Parton she was part of the hearing this morning.

Dr. FOEGE. We have a chance to recapture the spirit of the bipartisan Marshall Plan and the Point Four Program of 50 years ago, and I hope we do it.

No. 6, finally. Dr. Brundtland mentioned windows of opportunity. Thirty-five years ago, the world argued about whether we should spend the money for smallpox eradication. USAID funded CDC to see what it would take to eliminate smallpox from West and Central Africa within 5 years. CDC did it in 3 years and 5 months and under budget. That strategy was then used around the world and there has not been a case for over 20 years.

Why do I say this? Because in the age of AIDS in Africa, we do not think we could use smallpox vaccine on a mass basis, a window of opportunity that would have been missed if we had not done that 35 years ago.

Senator LEAHY. Could not use it because of the immune systems breaking down?

Dr. FOEGE. That is right. So, when you think of the fact that the last case was in the late 1970's, in 1978, and that AIDS came on the scene in 1981, it is a sobering reminder that we simply have to seize the moment.

Thank you.

[The statement follows:]

#### PREPARED STATEMENT OF WILLIAM FOEGE

##### THE PROBLEM

Only 15 years ago, the single most lethal agent in the world was the measles virus, killing some 3 million children a year. The use of measles vaccine has reduced that toll by about  $\frac{2}{3}$ , demonstrating the power and potential of vaccines. On the other hand, the promise has obviously been unrealized when a million children still die each year because of a disease like measles that could easily be prevented by an inexpensive vaccine.

The world loses a million children a month because of simple disease problems, and a quarter of them could be saved by the use of vaccines already available. The world made great progress from 1985 to 1990, increasing global coverage for six basic vaccines from about 15 percent to a high of 80 percent. Since then, the gap between potential lives saved and actual lives saved, has widened for two reasons. The immunization infrastructure has weakened with falling immunization rates, especially in Africa. Second, there has been an increase in the number of effective vaccines available, but this new generation of vaccines has been unavailable to poor countries.

#### THE SCIENCE

The 20th century saw a remarkable explosion of medical science. Some is expensive and difficult to use widely. Vaccines on the other hand are relatively inexpensive and easy to use anyplace. While many diseases, such as heart disease, cancer, malaria and tuberculosis, require a multi-factorial approach, for many of the vaccine preventable diseases the vaccine is a sufficient tool, unto itself, to prevent suffering and death. Unlike antibiotics, microorganisms, to date, have not developed resistance to vaccines. The vaccine has to be perfected only once in the history of the world. In addition, a single encounter with the vaccine, or a series of encounters, will provide life-long immunity. And often, as in the case of smallpox, polio and measles, the genius of mass production at pharmaceutical companies has made the vaccine available for pennies, rather than dollars, for each child. Vaccines are remarkable and powerful inventions; they are also underutilized. Even though underused, immunization programs provide the backbone of public health programs around the world. Immunization is frequently the only asset that a program has to offer. Immunization requires the development of all components of public health, from surveillance, to a logistics system, health education, delivery programs, and evaluation. Therefore, immunization programs provide valuable experience for the development of other public health programs. Finally, it should be noted that if the public health program of a country cannot deliver vaccines it is unlikely to be able to deliver other benefits.

#### RESULTS

In 1966, the World Health Assembly resolved to use the gift of smallpox vaccine, to rid the world of the disease forever. A coordinated effort, with strong leadership from the United States, led to the last case of smallpox 11 years later. It is now over 20 years since that last case, completing the prediction of Thomas Jefferson, in 1806, in a letter to Edward Jenner. Jefferson wrote, "Future generations will know by history only that this loathsome disease has existed." The United States investment in smallpox eradication is recovered by this country every 3 months and our annual savings exceed our dues to the World Health Organization. This would be true even if the United States consistently honored its obligation to pay its dues! We are pleased by the elimination of suffering and death that has resulted, but it should also be apparent that disease control programs represent a strong investment opportunity. The monetary returns exceed the investment.

While measles, pertussis, diphtheria and tetanus rates have all declined; the exciting prospect of eliminating polio from the world is currently receiving great attention. Once again, it will be possible to provide a gift to the future so that, "Future generations will know by history only that this loathsome disease has existed."

#### THE FUTURE

The current accomplishments are but a harbinger of what is to come. It is anticipated that the future will hold new vaccines to counter a host of diseases, including AIDS, tuberculosis and malaria. Vaccine delivery mechanisms will improve, first by eliminating the need for refrigeration, and then by eliminating needles and syringes. Children of the future will receive oral vaccines or vaccines included in food products such as potatoes or bananas. Vaccines will be given simultaneously, necessitating fewer contacts with each child.

#### THE CURRENT GLOBAL IMMUNIZATION INITIATIVE

What has been done? In the past year there has been a revival of interest in immunization. The Global Alliance for Vaccines and Immunization (GAVI), is the expression of that interest, having brought to the table global agencies, industry, bilateral agencies and non-governmental organizations. It provides for a coordinated effort worldwide and organizes a spectrum of groups around a shared goal . . . the protection of all children through immunization.



Two windows of opportunity are being pursued initially. First, for countries that may be poor but have demonstrated the capacity to provide immunization, there is an effort to provide them with the new generation vaccines now used routinely in industrialized countries, vaccines such as Hepatitis B and Hemophilus influenza B. In addition, this effort will include Yellow Fever, a vaccine not needed in the industrialized countries but underused where needed. Already, 54 of the 74 poorest countries have made application, through UNICEF, for funds to expand the number of vaccines that they are providing. These applications are being processed in an attempt to provide resources based on the health needs of children rather than the politics beyond the control of those children. For this effort trust fund monies will be provided largely for vaccine purchase.

The second opportunity now being pursued is improvement of the immunization infrastructure to provide for better coverage of both the traditional and new generation vaccines. This may be the most difficult, and protracted, of all the challenges facing GAVI. A country unable to deliver six vaccines is not helped by having more vaccines, unless the delivery system can be strengthened. The focus for resource expenditures will be on adequate logistic support but especially on achieving the best possible outcomes. Supervision, evaluation, incentives and rewards will be high priorities.

What is planned? The highest priority will be given to achieve maximum coverage with the traditional and the new generation vaccines. When these activities are felt to be progressing in an adequate fashion, GAVI will be able to focus on research and development. This will include promotion of new vaccines for diseases of developing countries, easier delivery methods, better surveillance approaches and improvements in evaluation techniques.

#### IMPLICATIONS

The convergence of many factors makes this the opportune time to provide major global health improvements. A global coalition in the 1980's demonstrated it was feasible to organize global immunization programs that could reach most children. The scientific advances of the past decade have provided new vaccines and the world is on the threshold of improved delivery systems. The resources have increased with the attention of Rotary International, the United Nations Foundation and the Gates Foundation building on the traditional interests of U.N., bilateral and non-governmental organizations. And now there is a global coalition that includes all of the public and private immunization interests. In addition, the World Bank and academic economists have made the case that health is an important causative component of development, that there is a positive benefit cost ratio to immunization expenditures and that therefore immunization programs should be viewed as an investment.

#### CONCLUSION

GAVI is determined to achieve synergism by combining the efforts of all who wish to improve immunization. GAVI is also determined to achieve equity with all children receiving the benefits of vaccines regardless of their social or geographic residence. Finally, GAVI is determined to accelerate the development of new vaccines, streamline delivery techniques and demonstrate that it is possible for the world to organize effectively to improve global health, specifically to improve global immunization efforts.

The world has never had so much power to improve the health of children everywhere. The US, because of its science base, its experience in immunization programs, and its monetary and public health resources, will be key to the realization of that dream.

Thank you.

Senator LEAHY. Thank you.

Dr. Daulaire.

#### STATEMENT OF NILS DAULAIRE, M.D., M.P.H., PRESIDENT AND CEO, GLOBAL HEALTH COUNCIL

Dr. DAULAIRE. Thank you, Senator Leahy. It is said that if you are judged by the company you keep, this must be one of my finest days. It is a remarkable panel you have assembled here.

As you well know, I speak both as a public health physician who has worked for several decades overseas and also as a representa-

tive of the world's largest membership alliance dedicated to critical global health issues. This is, as Secretary Summers said, an attractive moment, and as Dr. Brundtland and Dr. Foege have reiterated, a remarkable window of opportunity for global health.

I spent New Year's Eve, as you will probably appreciate, on a hilltop in central Vermont waiting to see if all the lights would go out—and they did not—with members of my family. Later that night, on a neighboring hillside, some friends of ours gave birth to their first child, a girl by the name of Lisa, a new constituent of yours, Senator.

Mother and child and family are doing very well.

But I think about a cemetery also on our farm which tells the history of health as it was in Vermont 100 years ago, 150 years ago, which is very much like the world of health we see around the world today. I see a mother and her infant child buried side by side, obviously a result of a disastrous pregnancy outcome. I see three children from the same family buried over the course of 6 weeks, obviously from a viral epidemic that swept through. I see young adults who died in the prime of life probably from tuberculosis. This is our history as well, and we have come so far in terms of the science and the knowledge of public health and of medicine.

There is no law of nature today that says that a child in Mali should be 15 times more likely to die before reaching the age of 5 than the child in Vermont, and no act of Congress that says that a mother in Nepal is 200 times more likely to die during the course of her reproductive years as a consequence of pregnancy and childbirth than that mother in Vermont. These are today not issues bound by what we know in science. They are not bound by greater laws. They are bound by economic decisions that we make on a daily basis in Washington and other capitals of important countries.

Now, globalization has done a great deal for the economy of this country. We are coming at the 10th year of an enormous economic boon, much of it driven by global economic growth in trade.

But just this morning, I went past the World Bank where Dr. Foege is going back to later, and I saw a group of protesters there, and we have all heard about the Seattle protests and heard about what is growing here as a protest at the World Bank. Many people are rightly concerned because of a very small group of troublemakers who have broken windows and caused violence, but the core of these protests I think revert back to what happened in this country 40 years ago when we looked at the civil rights movement.

The protesters are not protesting the movement of people and goods and services. They are not objecting to the increasing integration of the world. What they are objecting to is one that I think we all share concerns about, and that is that the way things are currently structured in globalization. There are enormous winners and equally enormous losers. They are the meaningful voices of conscience for those left behind, and in that sense we may well look back in 10 or 15 years at these protesters as being heroes in very much the same way that the civil rights protesters were.

The great religions of the world tell us that morality implies a positive obligation to act if you can, and simply not acting when you have the ability to act is an act of immorality.

Senator, the bill that you introduced today is an act of morality and we congratulate you and thank you for it. This is not a budget buster. A \$1 billion add-on to a \$1.8 trillion budget is—what is it? It is one-half of one-tenth of 1 percent of the budget. This is not an issue which should be the subject of great conflict in terms of putting a budget together, and I hope and wish you well in terms of moving this forward. I can assure you that our membership, 120 or more organizations of which have endorsed this act, will work very actively to support you because one of the great shames of the last several years has been the shell game that has been played with the foreign aid budget of saying, well, we will increase this but we will not increase the whole budget. So, it has come out of a different part. We have increased funding for child survival at the cost of family planning, and we have increased funding for infectious diseases, thanks to your leadership, but sometimes at the cost of agriculture and development programs. We cannot afford to do that anymore for ourselves or for the world.

In addition to your act, I think that the debt reduction initiative, which is before the Congress now, is a very important one for moving the world forward, as Secretary Summers has said.

And we strongly support as well, the President's Millennium Initiative. We understand it may be attached to the Africa trade bill, and if so, we urge its rapid passage in whichever most expeditious legislative form it can have.

Similarly, we encourage the Kerry bill, which is now before the Senate, which we think has some advantages over the administration's proposal, but is very consistent with it.

We stress that the \$50 million that the President has requested for GAVI under his proposed budget is a vital investment, as Dr. Foege has said, in the future of all the world's children.

This child who was born, Lisa, on the hillside in Vermont—10 years is not a very long time. As you know yourself, Senator, you just had a grandchild born I think in the past year. You see them grow. They change. New things happen. 10 years ago, I was not on the Internet. I do not think many people in this room were. Now we take it for granted. The kinds of things that we can invest in today, be they development of new vaccines or today's programs in treating and controlling infectious diseases, reproductive health issues, will pay enormous dividends, and our children themselves will be the beneficiary of this.

I think what you have done today and what your colleague, Senator McConnell has done both in hosting these hearings and in moving the agenda forward, will provide for our children a different and a much more positive future, and I thank you.

[The statement follows:]

#### PREPARED STATEMENT OF NILS DAULAIRE

Mr. Chairman, Senator Leahy, and other members of the Subcommittee, thank you for the opportunity to submit this testimony on behalf of the thousands of members of the Global Health Council working to improve health around the world. We have unprecedented opportunities today to make a real difference in the health and lives of billions of our fellow human beings. I trust these opportunities will be re-

flected in the decisions you make in your foreign operations appropriation for fiscal year 2001.

Speaking as a physician, and in the company today of some of the world's great leaders in global health, I see the opening of the 21st century as a unique and exciting time to be engaged in health. In this country, a revolution in biotechnology, genetic engineering, and a deeper understanding of the determinants of health have put us at the verge of social changes as profound as the economic changes brought about by personal computers over the past two decades. Our children and grandchildren may reasonably anticipate life-spans that exceed a century of healthy and active living. I believe it is no coincidence that one of the first to see and harness the economic potential of the computer revolution twenty years ago, Bill Gates, is now investing his fortune in bringing this new health revolution to all the world's people.

The United States of America has a huge stake in seeing to it that the benefits of these changes are not just reserved for the affluent. None of us will be able to afford the ultimate price of a world in which the rich live and the poor die—they will not “go peaceful into that good night.” Yet, with two billion of the world's people existing in conditions of desperate poverty, that is the future we and our children could face. The consequences for international security, U.S. foreign policy, and the very health and safety of Americans here at home would be severe. And as a direct result, we could all be pulled back into the abyss of health conditions that might more closely resemble the 19th century than the 21st.

This is no exaggeration. We have seen hard-nosed analyses, such as the one recently declassified by the National Intelligence Council, and those conducted by the Center for Strategic and International Studies and the Council on Foreign Relations, that have placed global health issues squarely at the center of the new national security agenda. They have made it clear that the threats of HIV/AIDS and other infectious diseases, and the social consequences of high levels of suffering and death for children and women around the world as a result of abysmal health conditions, could have a domino effect on U.S. national well-being. Other studies by prominent economists have proven that improved health is a critical input into poverty reduction and economic growth in low-income countries, and there is unmistakable evidence that U.S. global trade is deeply dependent on healthy trading partners in developing countries.

The power of these considerations is reflected in the presence and priorities expressed here today by Treasury Secretary Summers. It is unprecedented for any senior official of any U.S. department not directly concerned with health or development, much less the U.S. Treasury, to speak out on America's vital interests in global health. It is equally unprecedented for the President to speak out and make this a priority of his Administration, and for the U.N. Security Council to devote its attention to the international security threat posed by a virus. Yet all these things have happened just over the past three months.

I think we are on to something. And I congratulate this Committee, and particularly Senator Leahy, for having recognized this emerging reality not only in the last three months, but over the past several years. You have demonstrated real leadership.

Your Committee now has the power to put your imprint indelibly on which path we will take—improved health for all, or a polarized world of medical haves and have-nots. I urge you to seize the opportunities now before us. After all, as Senator Leahy has noted, while we spend over \$4,000 per year on health care for every American, we have evidence that the cost of addressing the most urgent health needs of the poorest 2 billion would amount to a mere \$15 per person. This is a critical investment in our common future. And the time is ripe for action.

Let us not settle for half measures. I urge this Committee to consider a substantial increase in the U.S. investment in global health—not in order for the U.S. to shoulder this entire burden alone, but to show American leadership and to set the direction for the world's children and mothers as we approach the tenth anniversary of the World Summit for Children.

More than 120 organizations have joined with the Global Health Council in support of the bill introduced into the Senate today by Senator Leahy, the Global Health Act of 2000, a bill that would authorize an increase of \$1 billion for funding directed toward reducing the risk, spread and consequences of HIV and other major infectious diseases; improving child health and nutrition; and reducing unintended pregnancies and the deaths of young mothers. The House version of this bill, HR3826, has been introduced by Representative Crowley (whose Queens district was the epicenter of the recent outbreak of West Nile Encephalitis and who understands first-hand the globalization of health risks) and already has 32 co-sponsors.

As Senator Leahy has made clear, the Global Health Act of 2000, and the funding increases it envisions, is unique among the various proposals before Congress this year in its comprehensive look at the health needs of the new century. This is reflected in the breadth of support this proposal has stimulated, from Save the Children to the United Methodist Church to the American Public Health Association. The \$1 billion increase in funding proposed over the amount appropriated for health programs in fiscal year 2000 represents approximately a doubling from last year. These investments would complement, and be complemented by, investments in basic education (particularly for girls) and in poverty reduction.

Mr. Chairman, Senator Leahy, last year you appropriated just over \$1 billion for these critical global health issues. Your fiscal year 2000 increases in funding for HIV/AIDS and infectious diseases were wise and welcome. You kept other categories of health spending level last year, yet most Americans already see the humanitarian and economic importance of doing more to help improve the health and survival of children who will be the citizens (and trading partners) of the 21st century as well as of their mothers, and they believe that couples in developing countries should have the means to be able to decide for themselves the number and spacing of their children as we Americans do at home. I would note that the members of the Global Health Council represent a wide spectrum of religious and moral beliefs, but that we are united in our view that the domestic debate over abortion should not continue to be played out on the world stage. We Americans would not appreciate it if other countries involved themselves in our debate. We should afford them the same courtesy, and I urge you to see to it that the restrictive language of the last year's Global Gag Rule is not included in this year's legislation.

To assure a reasonable and responsible U.S. engagement in the opportunities to improve health globally, the Global Health Council strongly endorses Senator Leahy's proposed increases in fiscal year 2001 appropriations. We would recommend that the \$1 billion increase be allocated as follows:

- For HIV/AIDS an additional \$275 million, bringing the annual U.S. foreign operations contribution to this global battle to \$430 million—enough to turn the tide on this epidemic and give the 34 million already infected with HIV reasons to hope for the future of their communities and nations, as well as the essential seed money to encourage other donors to substantially increase their contributions to this effort. The virus has declared war on humankind, and has already exceeded war in its toll of lives. We should respond in kind.
- For prevention and control of global infectious diseases in developing countries an additional \$200 million, bringing the foreign operations total to \$275 million—a recognition of the looming threats of TB, malaria, other infections, and drug resistance given the speed with which these can affect all countries of this globalized world. We need far better surveillance and control if we are to get ahead of this threat. This funding is separate from the President's proposed tax credit, which would provide an incentive for vaccine R&D, a critical long-term investment. But there is a pressing need for resources to be devoted here and now to support application of the technologies we already have in hand to bring these killers under control. These two approaches are complementary, and the Global Health Council endorses the President's Millennium Initiative as a visionary undertaking that could have enormous and beneficial consequences for reducing infectious diseases in the next decade; we hope the other committees that have jurisdiction on tax matters will enact this legislation, and our members will work to bring this about.
- For programs aimed at the survival and health of children an additional \$225 million, bringing the total U.S. funding for child survival to \$525 million (including our contribution to UNICEF)—a recognition that with the great progress that has been made over the past decade, we still face more than 10 million child deaths each year, the large majority of which could be readily and inexpensively avoided by vaccines and other preventive measures, and by early treatment through basic health services. I would note that the proposed \$50 million U.S. contribution to the Global Alliance for Vaccines and Immunizations would be an important and timely booster shot for the worldwide effort to immunize every child against preventable killer diseases, and the Council strongly supports this initiative.
- For programs to save the lives and improve the health and nutrition of mothers an additional \$100 million, bringing the U.S. total to approximately \$150 million—a recognition that the 600,000 women in the developing world who die in pregnancy and childbirth each year (and whose every pregnancy poses a risk more than 50 times as great as that experienced by an American woman), and the more than 15 million women who survive but are damaged for life, should not need to pay for their poverty with their lives. Senator Leahy, you have been

a leader in recognizing the need to address women's health issues in our global health programs, and we salute you for that.

—For family planning an additional \$200 million, bringing the total to \$610 million (including our contribution to UNFPA)—a recognition that the most effective way to save a woman's life and prevent malnutrition and death among her young children is to assure that she and her husband can decide for themselves when they will have their next child. One hundred and fifty million young couples in low income countries do not yet have effective access to family planning services and their needs for such assistance cannot wait.

These increases could save well over a million lives a year. They are a necessary and timely investment in our common future.

Together, these five sets of issues account for more than 80 percent of the disproportionate burden of disease and death borne by those whose only fault was to be born poor and in poor countries. We have the technology and know-how to do something about these critical problems now, and the world's scientists and businesses stand ready to make the investments of mind and material to advance our technologies further if there is a viable market for what they create. The presence here today of Dr. Mahmoud from Merck testifies to that willingness. One billion dollars is a small down payment for the U.S. to make for our clear national interest in building a healthy, prosperous and stable world. We have already seen the willingness of the Bill and Melinda Gates Foundation and other foundations, as well as private industry, to enormously increase their own contributions to this effort.

Advances cannot be made without research. As I have noted, the proposed tax credits of the President's Millennium Initiative help to provide incentives for accelerating such research. The immediate R&D tax credits of Senator Kerry's bill take this a constructive step further, and we support his proposals. But in addition, in the light of these additional resources the U.S. government needs to step up its commitment to direct funding of research for global health. There is no magic number for the "right" level of research, but studies of successful industries have indicated that devoting 10 percent to research is a useful rule of thumb. Some would say that USAID, which manages most of the funds appropriated by this Committee, is not a research organization. That may be true, but past research funded by USAID, in such areas as vitamin A, oral rehydration, vaccine vial monitors, contraceptive effectiveness, and safe disposable syringes, have become mainstays of today's global health strategy. Much, much more should be done, in such areas as field testing of potential AIDS vaccines to objective assessment of the practicability and impact of program strategies. I urge the Committee to express itself on this issue in this year's appropriations language.

While not under this Committee's jurisdiction, I would also note that while funding increases for global health research under the National Institutes of Health were enacted by Congress last year, and further increases are called for under the President's budget proposal this year, there is as yet insufficient coordination and accountability of these efforts. I would urge that the part of NIH mandated to coordinate our engagement in international research, the Fogarty International Center, be given clear responsibility for overseeing and managing NIH's efforts. I hope you will work with your colleagues on other Committees to see to it that this comes about.

It is also the height of irony that with WHO finally under the sound and dynamic leadership of Dr. Brundtland, of which you have had ample evidence in her statement today, the U.S. government is still apparently fixed on an inflexible and counterproductive strategy of holding WHO's budget (and that of all U.N. agencies including our own hemisphere's Pan American Health Organization) to "zero nominal growth." This slow strangulation means that WHO has actually had to scale back its activities by about 3 percent a year, and PAHO by even more. If we are to be serious about our commitment to global health and its importance to our national security, the State Department should be urged to modify its position on WHO's budget to allow reasonable increases under the IO budget. The results of such a change would be great—for every dollar increase the U.S. allowed, other nations contributing to WHO's core budget would add three. This is the kind of leverage the U.S. should be seeking, not turning away from. I look forward to working with members of this Committee to bring about this change in the State Department's position.

You are of course a Committee that deals first and foremost with appropriating the budget for U.S. operations overseas. USAID has for the most part played an exemplary role in carrying out its global health mission, and its partnerships with CDC and WHO have been vital to this effort. I would however highlight for you an unfortunate game that has at times been played in the appropriations process—that of mandating increases for certain expenditures without making the additional re-

sources available. As Senator Leahy has noted, several of the bills now before Congress call for categorical increases for certain global health programs, most of which the Council supports as they are consistent with the increases called for under the Global Health Act. But without the overall increase in appropriations that have been called for today, these supposed increases will be nothing but a cruel shell game. They will force robbing Peter to pay Paul. The health of children should not come at the expense of the health of their mothers. The Global Health Council's position is that, pressing as they are, global health needs should not be funded 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. We are in a period of unparalleled economic growth in this country. This is not a time to be parsimonious when it comes to our national interests and our ability to make a real difference in the lives of billions.

The Global Health Council and our members appreciate the proven commitment of members of this Committee. We look forward to actively supporting your expanded efforts in improving the health of families around the world. We know that the appropriations process is one in which hard choices have to be made, and priorities fought for. Your leadership can make this aspiration a reality.

After all, what better contribution could America make to the well-being of all the world's people—and to the future of our own children—at the dawn of the new century?

Thank you for the opportunity you have given me to testify before this Committee today.

Senator LEAHY. Well, thank you. I also thank both Tim Rieser and Robin Cleveland who work with us on this. You have known Tim for years. You know he will never let me ignore these issues. But as Senators, we are merely constitutional necessities for the staff who do most of the work.

Dr. Mahmoud.

**STATEMENT OF ADEL MAHMOUD, M.D., PH.D., PRESIDENT, MERCK VACCINE DIVISION**

Dr. MAHMOUD. Thank you very much, Senator Leahy and Senator Murray. We really appreciate the opportunity to add some comments on behalf of Merck and the industry part of the partnership.

There are three basic points, and I do not want to repeat what is in the official statement or some of the points which were presented by my colleagues. But there are really three points that we are coming to appreciate that probably will make a difference in the future.

The central issue is appreciating that health and investment in health is crucial to development. This has been a long-term debate that went on and on for many years. We are coming to the conclusion that if we invest in health, we are really investing in the development particularly in the developing countries.

The second point is that prevention is the central strategy for health, and the most effective element in prevention is immunization. There are all sorts of ideas about what really will make a difference in health, but I think the international community is coming to realize the power of immunization and of prevention.

The third, there is a partnership in there that is a lot more excited about what can be done than what is to happen.

We applaud the efforts about these issues and would like just to point to that really the problems of vaccination in the world relate to a complex set of issues, the lack of political will, the lack of

health care infrastructure that can deliver vaccines, the lack in science, and the lack in sources of finance.

Consequently, we feel that the Millennium Initiative that the administration has put together represents a very, very effective effort to put together a multi-faceted approach to a complex problem. The multi-faceted approach that we feel is the message coming from that initiative. We are going to contribute to GAVI because it is the most effective alliance that the international community agreed to to deliver the vaccines which are available for children in the developed world and have not reached any effective level in the developing world. The \$50 million is a very effective translation of that effort.

Two, the major barrier is science and scientific progress. We do not have vaccines for TB and malaria because we need to enhance the scientific undertaking for those vaccines. At Merck, we have been working on a vaccine for HIV for over 14 years, and the accelerated effort in the last 5 or 6 years comes from the major support that you all put in NIH over the last 5 or 6 years to open up avenues in basic understanding of the immune system that makes it possible today to construct a potential vaccine for HIV. After 14 years the effort is coming to the point where we have introduced the vaccine in human populations late last year to look into immunogenicity and safety. It could not be possible without the investment in NIH and other scientific opportunities that we have, and consequently that part of the Millennium Initiative we feel is a very, very strong and important part.

The third part is the partnership with the World Bank to help the developing countries build the infrastructure because, as you know and as the GAO report said, we might talk about vaccination rates, but whether that really reaches the children in the world in the back parts of Kenya, Mozambique, Tanzania, and so on is questionable. Consequently, we have to see that infrastructures are being developed to deliver these vaccines. The new vaccines are going to be even much more complicated than the great success story of smallpox, so it needs infrastructure.

The fourth element, which is an attractive element, trying to say how can we entice the development of new vaccines and the tax break for purchase of vaccines is an interesting approach to develop some help to the developing countries as they put together vaccination policies that will extend beyond the superficial people in the main cities and so on.

In conclusion, Merck is committed to play a major role in the new alliance, in the new partnership that is developing vaccines. We spelled it out in the meeting in the White House by adding two components: a donation of our recombinant hepatitis B vaccine to the cost of \$100 million to help get that vaccine to the children of the world who are in deep need for that, and the second commitment is to include the global targets in our HIV vaccine. So, hopefully the vaccine that will come out of our research program will include the serotypes and the strains that are in the making in some other areas besides the United States, and hopefully that will become a vaccine.

These two issues represent a continuation of what Merck has been doing over the years of donating if the issue becomes the



medication. Merck donated the Mectizan. But remember, donating Mectizan was not really a solution. It is an easy drug. It is one pill once a year, no side effects. After the announcement of the donation, it was a lot clearer that the barrier is how to deliver it. So, even if you remove that barrier of the price of purchasing, infrastructure and political will was an important issue to get these vaccines to reach the desired populations.

Thank you very much.  
[The statement follows:]

#### PREPARED STATEMENT OF ADEL MAHMOUD

Mr. Chairman and members of the Committee. Good morning. Today's hearing reinforces a renewed global vision of a world free of preventable diseases through international immunization programs; of economic and social development spurred by investing in health; and an energized partnership committed to secure the policies and resources needed to bring this vision alive.

#### MERCK WELCOMES THE RENEWED FOCUS ON VACCINES

Merck applauds the efforts of the Administration, the World Health Organization, the World Bank, the Gates Foundation and others to assure children of every nation in our global community access to safe and effective vaccines. Merck pledges to do our part to shape and implement a comprehensive package of policies and programs that will support this truly exciting momentum. As one of only two major remaining U.S.-based pharmaceutical companies with an ongoing program of innovative vaccine discovery, manufacturing and delivery, Merck is pleased to have the opportunity to comment on the specific proposals before this Committee today.

When Merck testified before this Committee in 1997, we stressed that solutions to controlling infectious diseases include more than just direct spending by various government agencies. Providing access to comprehensive health services in developing nations presents a unique set of challenges, including poor nutrition and sanitation, lack of trained medical staff, minimal medical facilities—particularly in rural areas—lack of disease awareness, poor or non-existent medical recordkeeping capability or capacity.

#### AVAILABILITY DOES NOT GUARANTEE DELIVERY

Perhaps the hardest lesson of all for those of us with a commitment to improved global health through immunization is that simply having vaccines available is not enough. For example, while it has been shown that in the industrialized countries immunization can dramatically reduce hepatitis and hepato-cellular carcinoma caused by hepatitis B, and childhood meningitis caused by *Haemophilus influenza* type B (or Hib), relatively few developing countries have introduced these vaccines into their national prevention programs.

What's missing is deliverability. Why this disparity among countries exists is not a simple matter. It's a function of: (1) political will; (2) adequate health care infrastructure; and, (3) sufficient financial resources. The need for adequate, dedicated funding for the purchase of safe and effective vaccines will become even greater with the introduction of new vaccines—like rotavirus—and combination vaccines, which could be considerably more expensive than the older products.

#### GAVI AND THE MILLENNIUM INITIATIVE

Mr. Chairman, you've asked for Merck's comments in three areas: the United States' contribution to the Global Alliance for Vaccines and Immunization—or GAVI; President Clinton's proposal for a \$1-billion tax credit for vaccine purchase; and the need for increased resources to combat infectious diseases and strengthen the public health infrastructure in developing countries.

As a package, we believe these initiatives go a long way in supporting the three conditions defining true deliverability just mentioned.

Specifically, GAVI, with its focus on expanding worldwide access to the new safe and effective vaccines—beginning with vaccines to prevent hepatitis B, *Haemophilus influenza* type B (or Hib) and yellow fever—clearly is on target.

What is significant about the President's initiative is that it is multifaceted: it takes into consideration the barriers just mentioned. Specifically, the President's request for a \$50-million contribution to the GAVI vaccine purchase fund will help

save lives today and could create confidence that a market for new vaccines will be available in countries where there is a great need in the future.

His recommendation for additional funding to support the National Institutes of Health basic research in HIV/AIDS, tuberculosis and malaria is in keeping with Merck's long-standing position on NIH's role in the discovery process. Vaccines are complex products with a multi-stepped process for research, development and manufacturing. Industry traditionally provides the expertise and experience in product development and manufacturing, with government focusing more on reducing the barriers to new discovery through the creation and expansion of the scientific base in the disciplines that underlie product development.

The biggest obstacle in the search for vaccines against these three diseases remains lack of basic science, not money or markets. Fueling the research engines at NIH and other research institutions and biotechnology companies can help fill this void. This additional support would prove particularly timely, given recent advances in the genetic sequencing of both tuberculosis and malaria.

President Clinton's proposal for a \$1-billion tax credit for future vaccine sales is an interesting approach to promoting vaccines for diseases that would have primary health value to developing countries. The tax credit represents a funding source for future vaccine purchases and sends the right message to those who are currently engaged in research as well as to those who may be considering initiating research in these disease areas. It's the message that the Administration wants to do everything possible to ensure a future market for these critically needed vaccines.

#### DEVELOPING A MEDICAL INFRASTRUCTURE

The Millennium Initiative truly hits the nail on the head in its emphasis in shifting international resources toward building health infrastructure in poor countries. Merck learned first hand how the lack of medical infrastructure can stymie even the best intentions. Our experience with the donation of our drug MECTIZAN, to prevent onchocerciasis, or river blindness is an example. MECTIZAN involves only minimal medical care—one pill, once a year—and is relatively easy to handle, store and transport. Yet the significant challenges to delivering it and getting it administered cannot be overstated. Government commitment to a distribution program, establishing a system of identifying infected individuals, persuading them that the drug was safe to take, getting the patients to the drug or the drug to the patients and maintaining records—all were critically necessary components to the program's success.

These are the more classic challenges. Others include: black market sales that can divert products from those who need them most; epidemiology gaps—inadequate data to assess the incidence of an infectious disease in a country; and the lack of quality assurance—storage, handling, administration—which is of particular concern with vaccines.

Merck supports policies that would constructively redirect resources to overcome any—or all—of these gaps in the health care infrastructure, not only in the interest of the delivery of vaccines and medicines, but also to provide access to essential basic health services.

#### IN CONCLUSION

As the world awakens to the power of immunization as the central policy for health in stimulating economic and social development, the need for partnerships becomes even more vital. Governments, industry, the private sector, international organizations and agencies all need to step up to the challenge. Achieving global access to safe and effective vaccines will require both collaboration and individual contribution.

Last month, Merck was pleased to demonstrate our own commitment to the cause with the donation of \$100-million of RECOMBIVAX HB®, our vaccine to prevent hepatitis B. In terms of its volume—1 million doses for each of 5 years—and value, this donation is second only to our Mectizan program. We also reaffirmed our dedication to the global targets of our 14-year-and-still-counting research program in HIV/AIDS. And we hope to do more.

I want to thank you, Mr. Chairman, and the Committee, for inviting Merck to share in the discussion here today. Certainly the broad issues surrounding global infectious disease deserve this Committee's full attention. And the opportunities for improving global health through disease prevention, as outlined in the mission of GAVI and the President's proposal, deserve the careful consideration this hearing offers. We look forward to working with you on these and other issues in the future.

Senator LEAHY. Thank you. That GAO report that you mentioned is one that Senator McConnell and I requested. In fact, Lynn Holloway, the author of the report, is here in the room today.

Let me just hit a couple of your points and then I want to follow up with Dr. Foege.

In your statement, it is fairly clear that Merck is neutral about the tax credit proposals. You do not oppose it. You are not enthusiastic about it. Do you feel that it will not have much effect or that it should be coupled with something else?

Dr. MAHMOUD. We feel that the tax credit represents a funding source for purchase of vaccine and as such is a positive development. In a sense if the poor countries of the world will have, in addition to their internal resources or the aid that is coming from outside resources, another mechanism the U.S. Government will help them with to purchase vaccines, we feel that is a positive impact.

Now, the other point is would that by itself alone induce the production or the development of new vaccines. We feel that issue is a little bit more complicated. The issue of discovery and development is dependent on scientific progress, on feasibility, on development, and on the three other issues, the political will, the infrastructure, and the health care systems.

Senator LEAHY. The infrastructure issue is something that bothers me a great deal. Everybody has talked about the problem. Polio vaccine is very, very inexpensive. Measles vaccine, very, very inexpensive. Yet, they do not get to all the people who need them.

Can GAVI address this problem, or do we have to go beyond GAVI?

Dr. MAHMOUD. GAVI has got three mechanisms. One mechanism which is the purchase is straightforward for purchase. The other mechanism is to develop health. What these countries need—and I just want to relate my own personal experiences. Uganda reduced the prevalence of HIV not by major scientific developments and utilization of all new drugs. Uganda developed a multi-faceted program that started with the President committing himself. We have HIV and we are going to do something.

Senator LEAHY. I was sitting with the President of Uganda on the day when he had his first briefing on that. He turned to me, pounded the table and said: “we are going to do something about this. We are going to admit we have a problem.” I still remember that like it was yesterday.

Dr. MAHMOUD. Absolutely.

I was the chairman of Medicine at Case Western in Cleveland at that time, and we went and worked with them. The program involves several universities from this country, the Government of Uganda, and it really made a difference. It reflects the political will and support and the science, the intelligence of the process can put into effect results today.

Senator LEAHY. Can I ask both Dr. Foege and Dr. Daulaire to talk about GAVI and building the public health infrastructure? How do you feel about that?

Dr. Foege. Infrastructure is obviously key. We keep saying a country that cannot deliver 6 vaccines will not be helped by 12. It is that simple.

But what GAVI is going to look at is would there be ways of getting incentives that would make performance rewarded rather than poverty. For instance, could the price of vaccine be based on how good the performance is? What is the coverage of the vaccine rather than how poor the country is? I like that idea of rewarding performance rather than poverty.

Senator LEAHY. Let me make sure I understand. In other words, you perform well, we lower the cost?

Dr. FOEGE. That is right. So, there is something in it for a country to have the best possible coverage.

But GAVI is looking at what would it take with infrastructure, and they talk about having two windows that they are trying to fund. One window is to get the new vaccines in. The second window is to improve infrastructure. I think if there is a chance for transparency and improvement of infrastructure, it will come through GAVI.

Senator LEAHY. Nils.

Dr. DAULAIRE. Senator, the issue of infrastructure is one that I have certainly devoted a lot of my overseas career to. Certainly GAVI and its plans for engagement in this area are a very important potential contribution to the area. Infrastructure is not just about government programs. In fact, when you look at who delivers health care services to the poorest in the poorest countries, very often it is not governments, it is mission groups, it is nongovernmental organizations, it is community-based organizations. What we need to see in the context of infrastructure development is both the support of these programs which has been happening very actively by organizations moving from—USAID is a very important donor to a broad base, both government and nongovernmental.

Also the World Bank has a critical role to play here, and I welcome the new emphasis that the President of the World Bank, Jim Wolfensohn, has said he will place on World Bank lending for this area.

Also the debt reduction initiative. Ultimately government infrastructure in these countries has to be driven by the countries themselves. They have to have enough money to do it, and then in addition, they have to have the political will. The debt reduction gives a window of opportunity and a certain amount of leverage to move that process forward. So, I would say GAVI is helpful, but there is a much bigger context here.

Senator LEAHY. It is interesting. I look at the vaccines for respiratory infections, diarrheal problems. Millions of children die of these diseases.

Dr. Daulaire, you mentioned my grandson. He, like our neighbor's children, gets all the vaccinations he needs. In fact, vaccines are a small part of the cost of raising a child in the United States. And they are available to everybody. If you are poor, there are programs to help cover the expense. If you are a wage earner, they are affordable.

Unfortunately, children in rich countries are more likely to live than children in poor countries.

If we bring down the cost of these vaccines so people in poor countries can purchase them then we run into a controversy similar to the one today between the United States and Canada. The

price for a particular drug is 30 or 40 or 80 percent lower in Canada than it is in the United States. In our own State of Vermont, people take buses up to Canada to buy drugs.

Dr. Mahmoud, you represent the private sector. Do you get caught in a "damned if you do, damned if you don't" kind of bind?

Dr. MAHMOUD. Actually the situation for vaccines in Canada is interesting because it really is a——

Senator LEAHY. I do not mean to inject Canada into the discussion, but——

Dr. MAHMOUD. No, no. But it just happens to be the prices are not all lower than the United States. So, there might be some Canadians coming over here to buy their vaccines in some ways.

The pricing of vaccines is an element of a broad set of problems. I think once we see the multi-faceted approach to these problems, the price is going to be one element that can be addressed in a direct way. But you are talking about vaccines which have been available.

We have many, many countries of the world that say these diseases don't occur. Merck and some other pharmaceutical companies are funding studies in Southeast Asia to prove to the political leadership there that haemophilus influenza type B is a major cause of lung infection and meningitis. They do not believe us. We have eradicated meningitis because of haemophilus influenza in this country. Out there it does not exist.

So, there is a process of, in many ways, partnership with the leadership in these countries, with the scientific communities in these countries to take them one step forward at a time to realize the burden of illness, what is needed to deliver these vaccines and to work on the price of vaccines.

#### OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator LEAHY. I have been joined by Senator Murray from Washington State. Senator Murray has been a leader in this area. I yield to her.

Senator MURRAY. Well, thank you very much, Mr. Chairman, and thank you for having this hearing. I apologize for being late. Like a lot of Senators, I am juggling a number of hearings today.

But I did want to, before I engage the witnesses, Senator Leahy, commend you for your leadership in the area of global health. I am really anxious to work with you on your legislation that you are introducing today. I was reading your testimony on the Global Health Act of 2000, and it seems like a very important issue and will target a number of deadly infectious diseases for children and women. And I commend you and look forward to working with you. And I thank you for your work in that area.

Dr. Foege, I had a chance to read quickly through your testimony, and I want you to know that I strongly support the important work that you are doing. Your testimony tells this subcommittee a lot about the progress that is being made and the challenges that are ahead of us in global immunization initiatives.

But I did notice that you were rather reserved in one area that I wanted to discuss today for the record, being the Senator from the State of Washington. It is important I think to note the generous, important work of Bill and Melinda Gates Foundation in

supporting the Global Alliance for Vaccines and Immunization. Senator Leahy and I were in a meeting with Bill Gates last week and Senator Leahy asked him a question about the global vaccine work of his foundation, and his eyes lit up. I thought it was pretty telling that a man who was going through a lot last week——

Senator LEAHY. That was I think 2 days after the court case, and I think he was delighted to be talking about this issue.

Senator MURRAY. But I think his heart was really interested in it.

For the record, earlier this year Bill and Melinda Gates Foundation announced a \$750 million gift to GAVI. To put that in perspective, the administration announced its intention to seek a \$50 million contribution.

Dr. Foege, if you could for me—and I do not want to gloss over the important issues that all of you are raising, but I would like to hear your comments about the importance of charitable contributions and what you see this kind of gift allowing us to do in the international arena.

Dr. FOEGE. Thank you very much, Senator. I will not be reticent to say this is one of the greatest things that has happened in global health in my lifetime. Forty years I have been involved in global health. I never thought I would see this day when we would have these kinds of contributions. They build on a crescendo of Rotary starting in 1985 to raise money for polio eradication, Ted Turner providing \$1 billion to the U.N. system, and now the Bill and Melinda Gates Foundation with \$22 billion. Half of that, which will be about \$550 million a year will go for global health.

The Gates often say that when they have their children immunized, they ask the question, why do not all parents have this ability?

It is a tremendous gift. If you look at what it would cost to immunize all children in the world, a ball park figure, we heard from Dr. Brundtland that with the new vaccines, it is probably in the neighborhood of \$27 per child. I think that \$30 is a good estimate. If you look at 100 million to 120 million children a year, we are talking about \$3 billion to \$4 billion a year for total immunization. That is what we spend in the United States on health every day. We have to keep that in perspective. Of that amount, two-thirds of it is actually paid by the countries and only about a third comes from outside. So, we are talking about \$1 billion to \$1.2 billion a year from the outside.

We are probably getting about half of that, and so we are short \$500 million to \$600 million a year. The Gates' gift which comes to \$150 million a year is about 25 percent of that. That is a tremendous contribution to the gap.

So, I think that this is very important, and when you look at the excitement in the world now with immunization, it is clear that no one wants to be left behind. It is part of the impetus for this coalition. I am convinced that the health problems of the future will be solved by coalitions where people get behind an outcome.

We have heard about Merck's contribution of ivermectin or Mectizan. Last year 33 million people got Mectizan, given free by the Merck drug company, but without a structure. That is, these people are held together, medical mission groups, as Nils has men-

tioned, WHO, UNICEF, foundations, ministries of health, by a shared outcome, and I think that is the way it will be in the future. GAVI is now one more example of how this can happen.

Senator MURRAY. Very good. Let me ask one other question, Mr. Chairman.

Dr. Daulaire, you mentioned debt relief. We have a lot of folks in town today demonstrating for debt relief. Maybe any of you who wants to jump in can tie the strings for me. How does debt relief actually affect children's health or immunizations?

Dr. DAULAIRE. One of the proposals in terms of this HIPC debt relief program is that the money that would be freed up from debt relief, money that is currently going to pay back the debt, which we know is not everything that is owed, but there is money leaving poor countries right now to pay the debt, that that money would be instead turned to critical social programs with health and education as the two principal ones.

There is discussion underway, which we are very actively encouraging, for this to be not just a matter of turning this back to the governments, let them do what they will with it, because we know in our own Government we sometimes do not make social investments when we have the marginal dollar. But to have the NGO community, those people who are actively engaged in dealing with the poorest of the poor and with the health conditions of those people, engaged in overseeing how these monies are used and to have firm agreements negotiated between the IMF and the nations to make sure that these resources go right back into health programs.

Senator MURRAY. Very good.

Well, thanks very much, Mr. Chairman. Again, I apologize.

Senator LEAHY. Unfortunately, we are all on four different committees at once. I will wrap this up shortly.

Dr. Daulaire, 3 years ago you played a key role in developing USAID's infectious disease strategy. I worked with you on that. What do you think the results have been so far, and does USAID have the expertise necessary to implement that strategy and appropriately allocate funds between surveillance, anti-microbial resistance, TB, malaria, and so on?

Dr. DAULAIRE. What you did when you introduced that legislation and you urged the agency for which I was working at that point, USAID, to make sure that it sought the expert guidance of the world's leaders in these areas, was to assure a process which is still ongoing today—and I look at it now from the outside rather than the inside—of involvement of others than AID in developing and carrying out the strategy. The Centers for Disease Control and Prevention and WHO are active partners. In any partnership, there are always times when there are disagreements or frictions, but I routinely check back with all of my old colleagues, whom I am working with now under different circumstances.

What I see here is a process that is moving very productively forward. The resources are getting out to the field, being used for very important work. As always it is not enough, but you are working to correct that with your most recent act, and some very important progress has been made.

In terms of allocations, there is no exact science to this. There is an art. Clearly important investments are now being made in tu-

berculosis, in malaria control, in antimicrobial resistance work, and in surveillance, which this group of experts who were called in agreed were the key issues that were a missing piece in the work that the United States was carrying on internationally.

Senator, if I may just come back to a question you raised earlier with Dr. Mahmoud. I would like to mention, since among the members of the Global Health Council are a number of pharmaceutical firms, with whom I have had this discussion, what is this issue in terms of pricing of vaccines, there was a hearing held in the U.S. Congress I think about a decade ago in which pharmaceutical executives were taken to task for the fact that vaccine prices were higher here than they were in some other countries. That just about shut off the tap of U.S. companies producing, manufacturing, and providing vaccines for poor countries because they did not want to get, frankly, hammered over this issue. The United States is their key market.

It would be enormously helpful if Congress were to express itself very clearly that it is appropriate for poor countries to have vaccines at concessional prices. This would enable U.S. pharmaceutical companies to play a much more active role without having to watch their backs.

Senator LEAHY. You are talking about tiered pricing.

Dr. DAULAIRE. Yes.

Senator LEAHY. Dr. Foege and Dr. Mahmoud, I will let you each have the last word. Dr. Foege, is there anything you would like to add to what you have heard?

Dr. FOEGE. Thank you, Senator.

One of the things that GAVI hopes to do is to bring some new science not just into the vaccines, but think what would happen if the vaccines did not need refrigeration. If you got rid of the refrigerators and you did not have to worry about this wastage factor, think of what would happen if they can engineer the science so that there are no needles and syringes, that children will get their vaccine orally or will get it in a banana or in a potato or something else. These are important things that I think are on the horizon.

The last thing, just picking up on something that Dr. Daulaire said on the moral aspect of this, Roger Bacon was asked in the 13th century by the Pope to give a summary of science. He gave a summary with three concluding comments.

No. 1, the glories of science, and in the 13th century, he predicted automobiles and airplanes and submarines. This was a man who really saw the future.

No. 2, he said science has no moral compass.

No. 3, the church is not doing its part to provide a moral compass.

I am just pleased that you are introducing a bill with a moral compass.

Senator LEAHY. I take that as high praise. Thank you very much.

Dr. Mahmoud.

Dr. MAHMOUD. I just wanted to repeat my original point of gratitude to you and your colleagues on the leadership.

We need to remember that it took us more than 100 years from the discovery of the smallpox vaccine to eradicating smallpox. It is about 50 years and the count is still coming on polio. The new vac-



cines need a lot more science than the old vaccines. And intensifying the scientific effort is a crucial, crucial element in using all the modern biotechnology, the genome progress, the function of genomics to really make a difference because we have to break the time barrier. Having a good vaccine is not going to be enough. This time we need a better vaccine and delivered. And this is a commitment of Merck and our colleagues in different other organizations.

Thank you very much.

Senator LEAHY. Thank you, all three of you and Dr. Brundtland, for the time you have taken. This has been extremely valuable. I know you have all had to move your schedules around. I appreciate it very, very much.

I also want to express my appreciation again to Senator McConnell. Without his strong support, we would not have been able to have the hearing in the first place.

#### SUBCOMMITTEE RECESS

The subcommittee will stand in recess until 10:30 a.m., on Thursday April 13, when we will hear testimony from Madeleine K. Albright, Secretary of State, Department of State.

[Whereupon, at Noon Tuesday, April 11, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, April 13.]



**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIATIONS  
FOR FISCAL YEAR 2001**

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**THURSDAY, APRIL 13, 2000**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:36 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Specter, Bennett, Campbell, Leahy, Lautenberg, and Murray.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

STATEMENT OF HON. MADELEINE K. ALBRIGHT, SECRETARY OF  
STATE

OPENING STATEMENT OF SENATOR MITCH MC CONNELL

Senator McCONNELL. The hearing will come to order.

We are pleased to have with us this morning the Secretary of State, and my friend and colleague, Senator Leahy, is detained in the Judiciary Committee and will be along shortly.

Madame Secretary, there are three crucial diplomatic tools which advance and protect America's national security interests: our commitment to principle, our constancy of purpose, and our credibility. Each is essential; all are mutually reinforcing. Indeed, absent one, the ship of state founders. If we fail to honor our commitments, our credibility suffers; inconsistency compromises both.

With the Clinton administration drawing to a close, now is a good time to consider how well these tools have been used and to what purpose. We should appraise the general condition of these tools for the sake of the country and for our next leaders. Are they sharper, more precise and finely honed? Or have they been allowed to corrode? Are they duller and damaged?

I have listened for 8 years to the lament that foreign policy was so much simpler in the bipolar world led by Presidents Reagan and Bush. After all, you knew the good guys from the bad. There were communists and capitalists, or so the argument goes. The truth is foreign policy was no easier to administer, our interests no less difficult to defend. But it is true it appeared easier to manage our international relations. Yet, I believe that ease was not a gift of cir-

cumstance, but the hard-won prize for arduous work improved by sharp clarity of principles and purpose and a trust painstakingly built between these Presidents and the public. Commitment, consistency, and credibility were developed and used to achieve great things.

The keystone commitment which defines our Nation is democracy. We are scattered over vast territory, yet we are strengthened and bound as one community by our allegiance to liberty, by the promise of economic opportunity, by our obligation to the rule of law.

In a January farewell tribute, President Clinton suggested Boris Yeltsin shared this hallowed vision and had earned the right to be called the father of Russian democracy. As he delivered this praise, hundreds of Chechens were being beaten, raped, tortured, and executed by the Russian military. Thousands of civilians were huddled in their basements without heat, water, and food, pounded around the clock by Russian artillery. In this context, I doubt many Chechens believed our commitment to true democracy.

I read your op-ed in the Washington Post documenting the recent occasions in which you have stated opposition to the brutal Russian assault on Chechnya. As I reminded Secretary Talbott, there is talk and there is action. I understand we have a number of issues to balance on our bilateral agenda, but they must be balanced, not traded. Our pressure to secure ratification of the START agreement should not give the Russians a free pass to trample freedom and human rights in Chechnya.

Our commitment to advance democracy must stand in clear, bright contrast to the dark repression which troubles the landscape. That commitment was not clear in Chechnya, nor is it yet clear to the Montenegrins. I have yet to hear any public assertion that we will take all necessary steps to deter any overt aggression by Belgrade to undermine the Djukanovich government. An ambiguous commitment to democracy for Montenegro is an invitation to Milosevic to wreak havoc.

Our commitment was strong enough to invest \$2 billion and send 20,000 troops to restore democracy in Haiti. Yet, at the same moment in Burma, we remained silent as a military junta annulled free and fair election results, arrested the winner, Aung San Suu Kyi, and her supporters, and ever since has maintained a cruel dictatorship funded by narcotics trafficking.

Haiti and Burma lead me to the problems with inconsistency. It is here that I believe the record is the weakest. Last week I learned that the United States has refused requests from nongovernment organizations to support relief efforts in Chechnya and Ingushetia. I was advised that the region was insecure and we did not want to encourage relief workers to take risks.

Unfortunately, that argument falls flat. Courageous relief workers are already in the area, barely sustained by private and European contributions. I cannot understand why we have provided over \$442 million in food aid to North Korea, yet will not support the desperate work underway to help the Chechens. I can neither understand nor condone this tragic inconsistency with our long-standing policy of generosity in support of global humanitarian relief work.

Nor do I understand why we would indict Milosevic for war crimes and publicly support an international tribunal to consider human rights abuses in Timor, yet we will not publicly declare support for a similar international commission of inquiry for indictments in Chechnya.

Less you think I am only concerned with our problems in Russian relations, let me point out other regions troubled by inconsistency.

The President and you have invested heavily in a comprehensive peace agreement in the Middle East, a goal we all share and support. However, a fraction of that personal effort could have produced a resolution to the political stalemate between Armenia and Azerbaijan. Instead, we have had four U.S. negotiators rotate through in 3 years. Again, there is no constancy of purpose nor consistency in application of diplomatic effort.

Finally, let me briefly address the overriding importance of American credibility. It is my sense that uneven commitment and inconsistency undermine our ability to successfully manage and address future problems. In other words, weakened credibility means it will take more effort to accomplish less.

What will it now take for Milosevic to believe we will defend Montenegro? After our acquiescence to the coup in Ecuador, does President Fujimori really accept that we will suspend our support if he steals the elections?

Nowhere has our credibility been more damaged than Haiti. Two dates have come and gone when parliamentary elections were to be held, and still Preval stalls without consequence. It is clear he and Aristide are counting on consolidating parliamentary and presidential elections with the hope of a more favorable outcome. Our \$2 billion in aid pales in comparison to the substantial political capital senior officials invested early on in Haiti's crisis. Yet, it now seems to have dropped off everyone's radar screen. Failure and abandonment bruise and batter our friends and allies' confidence and willingness to work in common purpose toward peace and prosperity.

Cloudy commitments, inconsistency, and crippled credibility also erode congressional support for resource requests.

#### PREPARED STATEMENT

So, are the tools sharper, Madam Secretary? Is our commitment clear? Do you see a Nation serving a constant purpose with consistent effort? Is there luster and strength to America's credibility?

Now, I know this has been a rather tough waltz around the world, but I invite your response in hopes that you could provide maybe more balance to my analysis from your point of view. We look forward to hearing your opening statements and then moving on to questions.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

There are three crucial diplomatic tools which advance and protect America's national security interests: our commitment to principle, our constancy of purpose and our credibility. Each is essential—all are mutually reinforcing. Indeed, absent one, the ship of state founders. If we fail to honor our commitments, our credibility suffers; inconsistency compromises both.

With the Clinton Administration drawing to a close, now is a good time to consider how well these tools have been used and to what purpose. We should appraise the general condition these tools for the sake of the country and for our next leaders. Are they sharper, more precise and finally honed? Or, have they been allowed to corrode? Are they duller and damaged?

I have listened for eight years to the lament that foreign policy was so much easier in the bipolar world led by Presidents Reagan and Bush. You knew the good guys from the bad, there were communists and capitalists—or so the argument goes. The truth is, foreign policy was no easier to administer, our interests no less difficult to defend. But, it is true it appeared easier to manage our international relations. Yet, I believe that ease was not a gift of circumstance, but the hard won prize for arduous work, improved by a sharp clarity of principles and purpose, and a trust painstakingly built between these presidents and the public. Commitment, consistency and credibility were developed and used to achieve great things.

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Secretary Albright, I read your editorial in The Washington Post documenting the recent occasions in which you have stated opposition to the brutal Russian assault on Chechnya. As I reminded Deputy Secretary Talbott, there is talk, and there is action. I understand we have a number of issues to balance on our bilateral agenda, but they must be balanced, not traded. Our pressure to secure ratification of the START agreement should not give the Russians a free pass to trample freedom and human rights in Chechnya.

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Haiti and Burma lead me to the problems with inconsistency. It is here that I believe the record is the weakest. Last week, I learned that we have refused requests for support from non-government organizations operating in Chechnya and Ingushetia. I was advised that the region was insecure, and we did not want to encourage relief workers to take risks.

Well, that argument falls flat. Courageous relief workers are already in the area, barely sustained by private and European contributions. I cannot understand why we have provided over \$442 million in food aid to North Korea, yet will not support the desperate work underway to help the Chechens? I can neither understand nor condone this tragic inconsistency with our long standing policy of generosity in support of global humanitarian relief.

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successfully manage and address future problems. In other words, it will take more effort to accomplish less.

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Cloudy commitments, inconsistency and crippled credibility also erode Congressional support for resource requests.

So, are the tools sharper, Madame Secretary? Is our commitment clear?

Do you see a nation serving a constant purpose with consistent effort? Is there luster and strength to America's credibility?

I know I have been tough, so I invite your response in hopes that you can balance my analysis.

#### SUMMARY STATEMENT OF HON. MADELEINE K. ALBRIGHT

Secretary ALBRIGHT. Thank you very much, Mr. Chairman and Senator Leahy. I am very glad to be here. Despite this opening salvo, this is one of my favorite subcommittees. I recall with great pleasure, Mr. Chairman, our visit to Louisville a couple of years ago. You are indeed a plain speaker, and though we do not always agree, I think we have a very good record of working together, and I hope very much that we can build on this since I am not out of here yet.

I am looking forward to Senator Leahy coming in because I think that he has long been a champion of human rights and a leader on land mines and now the sponsor of the Global Health Act of 2000. I think no one has a better grasp of the linkage between American interests and values.

So, every Senator is a great leader. Now that I have praised you, I am going to ask you for your money.

Senator MCCONNELL. You usually get it.

Secretary ALBRIGHT. I would like to get back to the points that you have raised because I think you have put three C's together in a very interesting way, and I happen to believe frankly that our commitment to democracy is unwavering and is the main thread through which our foreign policy is carried out.

I think we can talk about consistency a little bit because I think that consistency is one thing. The cookie cutter approach is another. We need to look at each of these case by case, and maybe in the questioning we will have a chance to do that.

Credibility is an issue, and some of the credibility has to do with the fact that we do not put our money where our mouth is. And some of it has to do with the fact that we cannot get the money early enough in order to make a difference in a lot of these places.

So, I would take those three points and talk to you about them as we go through this hearing because I think that you raise very important points. I think the tools that we have for foreign policy, as we enter the 21st century, need to be sharpened. Some of them are different, and I would be very glad to talk about them. But, I would like very much to go through some of my points in my statement.

I think that this subcommittee, more than others, really understands the importance of U.S. leadership in our era and the fact that events overseas have an increasing impact on our citizens here at home; on our security, our jobs, our health, even the safety of our schools and streets. You know, as well as I do, that the term "foreign aid" is in fact virtually obsolete. I think when we fight proliferation, drug trafficking and terrorism, disease and crime, we are actually aiding America. The same is true when we work to open worldwide markets, foster democracy and strengthen the rule of law.

It is only because our predecessors were willing to bear the cost of leadership that our Nation entered the new century strong, respected, prosperous, and at peace. We have a responsibility now to secure these blessings for future generations of Americans. We cannot do that unless we lead, and we cannot lead without resources.

Most Americans are astonished when I tell them we devote a smaller percentage of our wealth to assisting overseas development than any other industrialized country. During the past decade, our rate of investment has declined by half, since the days of Marshall and by more than 90 percent since Truman. This makes it harder for us to leverage the help of others and often leaves us with no other choice than to short change one urgent need in order to cope with another.

So, I urge the committee, and the Senate, to act soon on our request for emergency supplemental funds this year. This money will meet critical needs, especially those in the still turbulent region of southeast Europe and in our own hemisphere. You mentioned Montenegro and the Balkans. I need the money there. I need the Kosovo supplemental. That is what this is about. That is the credibility issue.

In the Balkans, the struggle between violent extremists and more moderate elements is taking place in real time, and we need to be there to help. We ask your backing for our efforts to promote stability and democratic values; including tolerance. We need help in bolstering security and also in doing our part to revitalize the Kosovo economy and civil society. It serves our interests, for the sooner the people of Kosovo are able to live in security and peace, the sooner American troops can begin to come home. Our effort to ensure continued support from Europe will be undermined if we fall short in our own contributions.

Closer to home, President Clinton's request includes funds to help the people of Colombia reclaim their country from drug criminals, and these resources will assist the nation in disrupting illicit narcotics production, apprehending drug traffickers, fostering alternative development, and enhancing respect for human rights. We have a huge stake in helping the Colombians to achieve these goals. More than four-fifths of the cocaine flooding our Nation either comes from Colombia or passes through it, and most of Colombia's heroin production also ends up here.

Earlier this week, I met with Colombian President Pastrana, and some of you may also have had that opportunity. I find him a courageous leader with a bold plan for lifting his country up, he deserves our help and it is in our interest to provide it; not eventually but now. That is the point of having asked for a supplemental.



As you know, the House of Representatives has acted on our supplemental request but omitted essential elements, including embassy security and international peacekeeping. The Senate has not yet acted and this morning I ask your support for the President's entire request and for moving ahead on an emergency basis.

I also urge full funding for the foreign operations component of the President's national security budget for the coming fiscal year. Now, I say this, knowing that most of the money will not be spent until 2001 under a new administration, so my urging has nothing to do with parties or personalities, but everything to do with U.S. interests and values—commitment, consistency, and credibility.

For example, many of our programs help to keep America secure. The cold war is over and our Nation is strong, but we still face grave dangers. The funds we seek will help us to assure the safe handling of nuclear materials and expertise in the former Soviet Union, slow the spread of nuclear, chemical, and biological weapons, counter international terror, and fight transnational crime.

Our programs also support American prosperity, by promoting U.S. exports, spurring overseas development, and helping other countries to achieve viable market economies.

In this connection, I urge Members to support the President's request for permanent, normal trade relations with China. This request makes sense from whichever angle you view it. Strategically, it will help integrate China more thoroughly into the world economy and create further incentives for Beijing to support stability within the Asia Pacific region. Economically, it will dramatically increase United States access to Chinese markets without requiring us to further open ours, and it will strengthen protections against unfair trade practices. When China joins the WTO, Beijing will be required to accept international trading rules and diminish the role of state-owned enterprises. This will reduce government control over people's lives, promote the rule of law, and aid those within China who want to develop a more open society.

A third major objective of our international affairs program is peace. Today in the Middle East, we must operate with a steady hand as we strive to help Israel and her neighbors move towards a comprehensive settlement. In recent months, we have been reminded just how hard that job is and how deep the legacy of mistrust, but never before has the logic of peace been so compelling or the opportunities for peace so clear. At this critical time, America's commitment to provide appropriate support to our partners in peace must remain rock solid.

In Southeast Europe, we are striving to foster stability and tolerance. We will not succeed without international support. We are counting on our friends in Europe to provide the lion's share of muscle and money. As I saw during my visit to the region last month, the majority of people there are more interested in plugging into the world economy than slugging it out with old adversaries. Huge obstacles remain however, but I am convinced that with sufficient resources and the right leadership, Southeast Europe can indeed become a full participant and a partner in the Euro-Atlantic community.

The fourth purpose of our international affairs program is to promote values that Americans cherish. For example, our contribu-

tions to international family planning spur overseas development, reduce the number of abortions, and save human lives. I ask your support for full funding in this area without any unrelated restrictions.

Senators, the United States has a huge stake in helping to see that the democratic tide remains a rising tide around the world. The President's budget proposes significant investments in promoting democracy in key countries such as Colombia, Indonesia, Nigeria, and Ukraine. No country is better equipped than ours at helping nations to strengthen democratic institutions and practices. This is appropriate because support for freedom is in the proudest of American traditions, and I ask your help in getting a good start on what I hope will be known, with a small d, as the democratic 21st century.

We also support our values when we assist people in desperate need. Earlier this year, we joined with others in helping to rescue the victims of devastating floods in southeast Africa, especially Mozambique. Unfortunately, substantial additional resources will be needed. The floods have undone much of the economic progress achieved in Mozambique since the civil war ended there 8 years ago. Accordingly, we will be consulting with you soon about reprogramming roughly \$32 million from existing resources and we will be coming forward with a request for \$200 million in emergency supplemental funds.

Mr. Chairman, the cost of all the initiatives I have described, plus many more that I have not had time to mention, is equal to roughly one penny out of every dollar the Federal Government spends, but that single penny can spell the difference between hard times and good times for our people, war and peace for our country, less and more freedom for the world.

#### PREPARED STATEMENT

The annual budget debate in Washington typically revolves around the appropriate role of the Federal as opposed to the State and local governments in such areas as education and health care. But under the Constitution, the protection of our national security is one of the Federal Government's most basic tasks. It is our responsibility that cannot be delegated or privatized. It is our responsibility to formulate plans for protecting American interests and to come up with the resources required to make those plans work. Senators, I know that you understand this and I hope you will agree to support the President's budget and American leadership in your deliberations this year.

Thank you very much.  
[The statement follows:]

#### PREPARED STATEMENT OF HON. MADELEINE K. ALBRIGHT

Mr. Chairman and members of the Subcommittee, good morning. I am delighted to have the opportunity to testify before you.

My message is straightforward. I ask you to fully fund the foreign operations portion of the President's national security budget request. I do so knowing that this Subcommittee—more than most—is comprised of men and women who understand the complex demands of leadership in our era. You know that, more and more, events overseas have an impact on our citizens here at home, on our security, our jobs, our environment, even the safety of our streets and schools.

And you know that because America has led for so long, through Republican and Democratic Administrations alike, our nation was able to enter the new century strong and respected, prosperous and at peace.

The President's fiscal year 2001 request for Foreign Operations is \$15.09 billion, as part of a total international affairs budget of roughly \$22.75 billion. This includes a broad array of programs and initiatives administered by four cabinet departments and more than a dozen agencies. It covers everything from supporting peace in the Middle East to interdicting drugs; from curbing the spread of nuclear weapons to the Peace Corps; and from promoting U.S. exports to responding to humanitarian disasters.

The amount requested by the President is our best estimate of what we will absolutely need next year. But the truth is that unforeseen events occur and it is simply not possible to anticipate every need a year or more in advance, as the budget process requires.

As you know, in 1999, we had to come back to Congress for supplemental appropriations to aid in hurricane response in Central America and the Caribbean, and to help implement the Wye Memorandum in support of Middle East peace.

This year, the President is seeking your support for emergency funds to help stem the flow of narcotics from the Andes, bolster democracy in Southeast Europe, and keep the peace in Kosovo and East Timor. These investments are urgently needed.

For example, in Colombia, President Andres Pastrana merits our support for his plan to fight drug trafficking, achieve peace, promote prosperity and improve governance throughout his country.

The United States has a profound interest in helping Colombians to achieve these closely-linked goals. New production methods and expanded cultivation have caused a sharp increase in illicit narcotics production in Colombia. Today, more than four-fifths of the cocaine entering our nation either comes from that country or is transported through it. And most of Colombia's heroin production is exported to the United States.

The emergency aid President Clinton has requested will help Bogota gain control over parts of the country where drugs are produced and which are now dominated by illegal armed groups that engage in, or protect, drug trafficking. It will support alternative development programs, increase our backing for narcotics interdiction, and strengthen mechanisms for judicial reform, human rights and humanitarian assistance.

Recognizing that neither criminals nor conflicts respect national borders, the President's request will also support counter-drug initiatives in other Andean countries.

Only Colombians can devise a solution for Colombia's ills. President Pastrana has put forward a bold plan for doing just that. It is urgent that we support him.

The requirement for supplemental funding to address instability in the Balkans is equally pressing. Throughout this region, the struggle between violent extremists and more moderate and democratic elements is taking place in real time.

We are at a pivotal point in Kosovo, where respected Serb leaders have agreed to participate in meetings of the U.N.'s Joint Interim Administrative Council. In Montenegro, President Djukanovic is being pressed hard by the Milosevic regime. Within Serbia, democratic forces are striving to open more political space, and build the institutions of an independent civil society. And in Croatia, a new and democratic government is struggling to respond to economic crisis.

With support from many in both parties in Congress, we have worked hard to support stability and democratic growth throughout Southeast Europe. This is in our interests, because we know from history that the United States cannot be secure if Europe is not secure, and that Europe will be at risk as long as its southeast corner is plagued by conflict.

We have also worked hard to assure that our European partners would provide the lion's share of reconstruction and other assistance to this region. They are stepping up to the task. But we will not be successful in leveraging the help of others, or in protecting our own interests, without support for the President's emergency supplemental funding requests.

These requests also include funds needed to pay our share of U.N. peace missions in Kosovo and East Timor.

As you know, the House has approved an emergency supplemental appropriations bill, although it failed to include some important elements of the President's requests. I hope we will be able to work with the Senate leadership and members of this Committee to remedy those deficiencies and move ahead soon on this very vital legislation.

As we respond to these immediate needs, Mr. Chairman, we must also consider requirements for fiscal year 2001, the first full year of the new century. And to me,

the most salient characteristic of our budget request for the coming year is its modesty.

Most Americans are astonished when I tell them that we devote a smaller percentage of our wealth to assisting overseas development than any other industrialized country. Over the past decade, our rate of investment has declined by 50 percent. Half a century ago, in the era of Truman and Marshall, our international affairs programs, in relative terms, were more than ten times larger than today.

All this has consequences. It reduces our influence for stability and peace in potentially explosive regions. It detracts from our leadership on global economic issues. It makes it harder for us to leverage the help of others. And it often leaves us with a no-win choice between devoting resources to one emergency and using those same resources to deal with another urgent need.

That is why it is so important that you support the President's full international affairs request. I emphasize this because we truly are talking about the minimum amount we need. If you reduce our request, you will reduce our capacity to lead.

I say this with the clear understanding that the vast majority of the funds I seek will be spent next year, under a new Administration. My request has nothing to do with parties or personalities; it has everything to do with our nation's ability to protect our interests, promote our values and meet our priorities.

Accordingly, I am very concerned about the fiscal year 2001 Budget Resolution that is in the final stages of congressional consideration. A proposal has been made to slash funding for the international affairs function by more than \$2 billion from the President's budget. This would destroy the options of this Subcommittee, Mr. Chairman, and take a meataxe to America's capacity to lead. I urge you to do all you can to shape a Budget Resolution that is in keeping with America's global responsibilities, and that would enable us to provide the kind of effective foreign policy our citizens deserve and our interests demand.

And now, with your permission, Mr. Chairman, I would like to review some of the priorities of our foreign policy, with emphasis on the direct benefits our citizens derive from the work we do.

*First, our international programs help make Americans more secure*

The Cold War is over and our nation is strong, but our citizens continue to face grave dangers. These include terrorists who target Americans, possible conflicts in key regions, drug traffickers, and the spread of nuclear, chemical and biological weapons and the missiles that can deliver them.

In many cases, we cannot defend against these threats simply by acting alone. We need the help of others. Nor is force always the best approach. On many occasions, we will rely on diplomacy as our first line of defense—to cement alliances, build coalitions, and find ways to protect our interests without putting our fighting men and women at risk.

An example is our effort to protect Americans from the threat posed by nuclear weapons.

Here, the military deterrent provided by our armed forces and the technological edge they enjoy are indispensable. But we will sleep better and be safer if our deterrent never has to be used. The job for our diplomats, then, is to create a political environment in which serious military threats to our country are less likely to arise.

To this end, the United States has led in establishing an international legal framework—centered on the Nuclear Non-Proliferation Treaty, IAEA safeguards, the Chemical and Biological Weapons Conventions, and now the Comprehensive Nuclear Test Ban Treaty—designed to prevent weapons of mass destruction from spreading or falling into the wrong hands.

Moreover, our Expanded Threat Reduction Initiative (ETRI) has done much to protect the American people, destroying almost 5000 nuclear warheads in the former Soviet Union; eliminating nuclear weapons from three former Soviet Republics; and engaging 30,000 former Soviet weapons scientists in peaceful ventures. The President is requesting \$974 million for ETRI in fiscal year 2001, including \$141 million for programs administered by the Department of State.

We are also taking steps to protect ourselves from the new threats posed by ballistic missiles.

On the Korean Peninsula, we have reviewed our policy over the past year in close coordination with Seoul and our indispensable ally Japan. We are backing President Kim Dae-jung's strategy of dialogue with the Democratic Republic of North Korea (DPRK), including plans for an historic summit between leaders from the North and South in June.

We have also expressed a willingness to improve our own relations with Pyongyang while it addresses our key concerns.

Last September, we reached an understanding with the North that it will refrain from any long-range missile flight tests as long as negotiations to improve relations are underway. Last month, the DPRK committed to hold a new round of missile talks and to initiate discussions that would address our concerns on nuclear weapons issues. The DPRK also confirmed that it will provide access once again to Kumchang-ni, which we plan to visit in May.

The DPRK's nuclear weapons-associated activities are another area of deep concern. By freezing the North's nuclear facilities at Yongbyon and Taechon, which pose a serious proliferation risk, the Agreed Framework is making a vital contribution to stability. We need Congressional support for meeting our obligations under the Framework, just as we expect the DPRK to meet its own.

We also need your help in safeguarding Americans from other dangers. Today, when America's military is called upon to act, we often do so as part of a coalition. This reflects the value of our security assistance programs, including International Military Education and Training. These programs contribute to America's defense industrial base, take advantage of opportunities to promote democratic practices, and help friends and allies to develop armed forces that are more capable and better able to operate with our own.

In this connection, I am pleased to report that we are developing a proposal to enhance Egypt's Foreign Military Financing that we believe is responsive both to the Egyptian military modernization program and our own budget constraints. The Directed Disbursement Proposal is being readied for submission to Congress now and we will want to discuss it with you shortly.

A similar rationale underlies our voluntary contributions to international peacekeeping activities. After all, if we do not want America's military deployed in more and more hot spots abroad, we should do all we can to enhance the capacity of others to end conflicts and build peace.

Another area where resources are required to protect our interests is in responding to the threat posed by international terror. Because of our military strength, potential enemies may try to attack us by unconventional means, including terrorist strikes and the possible use of chemical or biological weapons. Although the number of terrorist strikes has declined in recent years, the severity of such strikes has increased.

In countering these threats, we must be prepared at home and overseas. That is why we are taking strong security measures and—at President Clinton's direction—improving our planning for emergency response.

Through our diplomacy and training programs, we help friendly governments to improve border security and share information about those suspected of being affiliated with terrorist networks. We gather information to advise and warn Americans. We strive to forge international agreements and cooperation that will leave terrorists with no place to run, hide, operate or stash their assets. We do all we can to bring suspects before the bar of justice, as we have in several major cases, including the sabotage of Pan Am 103, and the tragic 1998 bombing of two U.S. embassies in Africa.

This year, we are proposing in the President's budget the creation of a dedicated Center for Antiterrorism and Security Training. This Center will help us to improve the skills of foreign security personnel who are on the front line of defense at airports, diplomatic missions and other facilities frequented by Americans overseas. We believe this Center should be located in the Washington, D.C. area, in order to foster interaction between the foreign security officials we train and our own security and law enforcement personnel. This will also enable us to consolidate our training programs, thereby streamlining management and improving the environment for training.

American security also depends on our ability to fight and win the struggle against international crime.

Drug cartels and criminal syndicates have expanded their operations since the end of the Cold War, in part by capitalizing on the same technological advances that have fueled legitimate international commerce.

Recognizing the seriousness of this threat, President Clinton has launched a comprehensive effort to integrate all facets of the federal response to international crime. The State Department is a key partner in this initiative.

We are working with other nations around the globe to strengthen legal codes; train police, prosecutors and judges; close criminal front companies; halt illegal smuggling and money laundering; negotiate extradition treaties; and bring criminals to justice.

We are also pursuing a comprehensive strategy to fight illegal trafficking in narcotics. This includes support for eradication, interdiction, alternative development, seizing drug assets and extraditing drug kingpins to the United States for trial.

These efforts are paying healthy dividends. Last year our programs helped prevent a potential 135 tons of cocaine—with a street value of more than \$23 billion—from reaching American neighborhoods. We have helped to substantially reduce opium production in Thailand and end it entirely in Guatemala; cut coca production dramatically in Bolivia and Peru; and worked with foreign governments to break up transnational drug organizations.

*A second overarching goal of our foreign policy is to support American prosperity by promoting a healthy world economy and by ensuring fair treatment for American businesses, farmers, ranchers and workers*

With this goal in mind, the President has asked Congress to support the Administration's agreement to bring China into the World Trade Organization by passing Permanent Normal Trade Relations (PNTR). The arguments in favor of PNTR are clear and compelling.

As President Clinton put it, "economically, this agreement is the equivalent of a one-way street." It will dramatically cut import barriers imposed on American goods and services, without requiring us to change any of our own current market access policies. We preserve our right to withdraw market access in the event of a national security emergency. We make no changes in laws controlling the export of sensitive technology. And our protections against unfair trade practices and potential import surges are stronger with the agreement than without it.

Conversely, if we do not enact PNTR for China, the United States will risk losing most of the market access benefits of the WTO agreement. China will join the WTO anyway. And our competitors in Europe, Asia and elsewhere will reap the benefits from the agreement we negotiated. So a vote against PNTR would simply be shooting ourselves in the foot—it would cost America jobs, not protect them.

Some critics suggest that U.S. concerns about China's human rights record should be expressed by denying normal relations on trade. But that approach would undercut the positive forces that are now at work in China. WTO accession will require China to follow international trading rules and reduce the role of state-owned enterprises. This will help promote the rule of law and spur the development of a more open society.

Others suggest that the United States should not grant PNTR to China until there is clear improvement in Beijing's relations with Taipei. But this ignores the strong support Taiwan authorities have expressed for China's entry into the WTO, and President-elect Chen's public support for normal trade relations between China and the United States.

From the standpoint of our national security, President Clinton's proposal for acceding PNTR to China is a plus. The combination of PNTR and WTO accession will give China more reasons to be prudent in its handling of the Taiwan issue. China and Taiwan in the WTO together will be able to develop a deeper and rule-based economic relationship. The stronger its economic relations across the Strait and with the U.S., the more China has to gain from cooperation and a peaceful resolution of differences.

Conversely, China would see a rejection of PNTR as a strategic decision by the United States to turn from cooperation to confrontation, and to deal with China as an adversary. This outcome would not serve our interests. Denying PNTR would drive the Chinese away from integration into the international community and its standards. This is the wrong direction. We want China to move in the right direction, towards increased cooperation on tough security issues such as South Asia, Korean stability and nonproliferation. In recent years, we have made considerable progress on these issues. A vote for PNTR is a vote for encouraging China to do more.

As we pursue trade with China, the State Department is also working to strengthen the global network of financial, legal, and other arrangements upon which virtually all international business transactions depend.

This is especially important for leading edge sectors such as Internet commerce and parts of the telecommunications industry. For example, in the last two years we have ensured that the most lucrative e-commerce markets—estimated to be worth more than \$1 trillion by 2003—are taxed without discrimination or costly customs duties. And we won the European Union's agreement not to discriminate against American cellphones.

More traditional industries also benefit. In recent years, we have negotiated 35 civil aviation agreements in support of an industry that employs more than 600,000 of our citizens. These agreements also help cities that are now international destinations. Memphis has recently attracted dozens of new businesses because Federal Express has expanded, and Chicago's O'Hare Airport is expected to attract \$1 billion in new regional investment because of our new aviation agreement with Japan.

Of course, many of America's fastest-growing markets are in developing countries where the transition to an open economic system is incomplete. Often these countries are held back by high rates of population growth, lack of access to health care and education, and civil strife.

So there is still a vital need for development assistance and for organizations such as the United Nations Development Program (UNDP), especially in the poorer nations of Africa and Asia.

For years, UNDP has been at the forefront of helping developing countries establish democratic institutions, market economies and basic human rights. It also plays a major role in supporting women worldwide as they strive to gain more equal access to the levers of political and economic power.

Like UNDP, UNICEF plays an important role in countries suffering or recovering from the devastation caused by civil or international conflict. Around the world, UNICEF helps protect children—a society's most vulnerable members and its hope for the future.

President Clinton has proposed a new tax credit to speed the development of vaccines for killer infectious diseases—including malaria, tuberculosis and AIDS—that disproportionately afflict developing nations. And we are asking for an increase of \$150 million—much of it from this Subcommittee—in our worldwide fight against these diseases. I urge your support for these requests.

I also ask your support for our initiative, in partnership with the G-8, to provide debt relief for the most heavily indebted poor countries, and to use a portion of that relief to improve basic education and health care and conserve the environment.

And I urge you to restore full funding to our support for international family planning. This is the most effective way for us to reduce the number of abortions and make it more likely that when children are born, they grow up healthy and strong. The money for these programs should be provided without restrictions on free speech or that might hamper efforts to save lives and protect the health of women and children.

*A third major objective of our international affairs programs is to support peace*

We know from history that unresolved disputes can erupt into violence that endangers allies, creates economic havoc, generates refugees and entangles our own forces in combat. So we have a strong national interest in helping others—especially in key regions—to settle their differences at the bargaining table, rather than the battlefield.

Today, in the Middle East, we need steady congressional backing as we work with the parties to find the road to a just, lasting and comprehensive settlement. As we have seen so often in recent weeks, the legacy of mistrust in the region is hard to overcome and the enemies of peace remain active. But never before has the logic of peace been so compelling or the opportunity for peace so clear. At this critical time, America's commitment to progress on all tracks, and our appropriate support for those willing to take risks for peace, must remain rock solid.

In Sierra Leone, we are supporting efforts through the United Nations to back the peace process and enable the people of that devastated country to begin to recover and rebuild. Success will depend greatly on whether the United States and other U.N. members sustain their commitments.

In the Congo, the Lusaka Agreement provides a good basis for ending the war, and we have challenged its signatories to live up to their obligations under it. The signatories have also agreed to provide access, security and cooperation to a United Nations peace mission. Such a mission cannot impose a solution, but it can help give the parties the confidence they need to implement one.

Meanwhile, through the African Crisis Response Initiative (ACRI), we have trained over 5,000 troops from seven African countries to respond quickly and effectively to peacekeeping challenges. Some of these soldiers are already participating in peacekeeping operations, and starting in September we will expand the training from battalion level to include brigade headquarters programs as well.

In Southeast Europe, in partnership with the European Union and others, we have entered into a multi-year strategy for integrating the nations of that region into the continent's democratic mainstream. The goals of this Southeast Europe Stability Pact are to foster peaceful, tolerant societies; build viable economies; and transform the region from a source of instability into a full participant and partner in the new Europe.

We are under no illusions about the difficulty of this task. It is literally to alter the patterns of history; to replace whirlpools of violence leading nowhere with a steady upward tide. This won't happen unless the international community follows through on commitments to help. And unless regional leaders make the hard choices required to create societies based on freedom and law.

Accordingly, we welcome the commitments made by international donors (including international financial institutions) at the Brussels Conference two weeks ago of about \$6.1 billion in year 2000 funds for the region—with \$2.28 billion front-loaded for specific “Quick Start” regional projects. Our Allies are pulling their weight on these initiatives, and the U.S. share announced at the Conference was \$624 million.

Governments in the region are also doing their part by taking steps to curb corruption and create a good climate for doing business.

We are particularly heartened by democratic progress in the former Yugoslavia. The recent elections in Croatia were a true breakthrough, representing a triumph for civil society and a major turning point away from ultra-nationalism and towards democratic values.

In Bosnia, since the Dayton Accords were signed, free and fair elections have been held at all levels. President Djukanovic is committed to democratic practices in Montenegro. And increasingly in Serbia, people are asking when they will be given the right so many of their neighbors have to choose their leaders freely and without fear.

In Kosovo, our challenge is to prepare the way for democracy by bringing the same determination to the task of building stability as we did to ending conflict.

In less than ten months, much progress has been made. Large-scale violence has ended. Almost a million refugees and displaced have returned home.

Nevertheless, the situation remains tense and unpredictable. Backed by Kosovo’s leaders, we have urged citizens to refrain from violence, and to cooperate with KFOR, the U.N. mission, and the international war crimes tribunal. And we are working with the citizens of Kosovo to prepare for municipal elections later this year.

The President’s fiscal year 2000 Supplemental and fiscal year 2001 budget requests include our share of funds to help Kosovo build a democratic society. Combined with the far larger contributions received from our allies and partners, these funds will be used to help create effective civil administration, spur economic activity, create democratic institutions and train and equip an effective police force.

*A fourth purpose of our international affairs programs is to promote values that reflect the interests, character and ideals of the American people*

We do this because it is right, but also because it is smart. Compared to dictatorships, democratic nations are more likely to be stable, better able to cope with financial stress, more reliable trading partners and less likely to generate refugees or contribute to other global problems. Nations that respect the rights of their own citizens are also more likely to respect the rights of other countries. And because America has interests in every corner of the globe, we benefit when those interests are protected by legal systems that are independent and fair.

One hundred years ago, the number of countries with a government elected competitively and on the basis of universal suffrage was zero. Today, according to Freedom House, it is 120. These include countries on every continent, and people of virtually every culture and faith.

Over the past half-century, we have seen nation after nation gain its freedom, but we are not complacent. Because we know that, in many countries, the majority of people have yet to see the economic benefits that a free society is supposed to generate. And that many new democracies are threatened by ethnic divisions, rising crime and weak institutions.

It is by now a truism that what’s most important is not a country’s first election, but rather its second and third. And what matters is not simply that people have the right to vote, but that they are offered a real choice, under conditions that are truly free and fair.

Elections, moreover, are but one essential part of democracy. Others include markets that reward initiative; police that respect due process; legal structures that provide justice; labor organizations that are independent; and a press corps that is free to pursue the facts and publish the truth.

These institutions do not arise overnight. Building democracy takes many years and much patience. It requires not only the seeds of democratic ideals, but also the soil of democratic culture in which those seeds may take root and grow.

That is why the United States is working within global and regional institutions to strengthen the commitment to democratic principles and assist governments that practice them.

I am proud of the help that USAID, the State Department and other U.S. agencies are providing to nations in transition. From Asia to Africa to the Andes, they are training judges, drafting commercial codes, advancing the status of women, bol-



stering civil society and otherwise helping to assemble the nuts and bolts of freedom.

I am pleased that in this work, we have partners such as the European Union, Japan, and a host of nongovernmental and private sector organizations that are committed to making the new century a time of freedom and growth.

Our task this year is to renew democratic momentum, not out of altruism, but because democratic growth is part of the answer to many of the economic, political and military challenges that we face.

In Colombia, we have an urgent and obvious stake in aiding President Pastrana's plan to rescue his country—and thereby help to rescue ours—from the scourge of cocaine.

Nigeria's future development will determine whether it is a source of chaos and corruption or a driving force for stability and progress throughout West Africa.

Indonesia has long been a leader in Southeast Asia. It now has a chance, although under severe stress, to become a model of multiethnic democracy, as well.

Aside from Russia, Ukraine is the largest and most influential of the New Independent States. And for the first time since independence, it now has a president, a prime minister, and a parliament who support both one another and accelerated reforms.

Later today, I will leave for Kiev, where I will meet with President Kuchma and other senior leaders. I will bring with me a firm message of American support for a strong and independent Ukraine, and for continued progress towards a fuller and richer democracy based on the rule of law.

The President's budget proposes significant investments in each of these four key democracies and in promoting democratic practices and values worldwide. Support for freedom is in the proudest of American traditions—from Washington and Jefferson, to Reagan and Clinton. I ask your help in getting a good start on what I hope will be known, with a small "d," as the democratic century.

We complement our support for democratic growth by promoting increased respect for human rights, and by contributing to the global system of international humanitarian response.

Americans may be proud of the assistance we provided through Defense and foreign operations accounts to help rescue and assist those victimized by the recent devastating floods in southeast Africa, especially Mozambique. Almost half a million people were either trapped by the high waters, or completely lost their homes.

To date, the United States has provided \$10 million in International Disaster Assistance and \$7 million in food aid. The Defense Department has also been authorized to allocate \$37.6 million in drawdown authority.

Unfortunately, recovery efforts have only begun, the risk of water-borne disease is severe, and substantial additional resources will be needed. The floods have undone much of the economic progress achieved in Mozambique since the civil war there ended eight years ago. Accordingly, we will be consulting with you soon about reprogramming roughly \$32 million from existing resources. And we will be coming forward with a request for \$200 million in emergency supplemental funds.

Americans may also be proud of the State Department's support for human rights. We report annually on human rights and religious freedom in nations around the world. We help support work of the U.N. Human Rights Commission and the U.N. High Commissioner for Human Rights. We do all we can to shine the spotlight of world attention on places such as Burma and Cuba, where courageous democratic voices are suppressed and unrepresentative governments have led their societies to ruin. And we are the strongest backers of the international war crimes tribunals for Rwanda and the Balkans.

Especially in recent years, the United States has emphasized advancing the status of women and girls economically, and protecting their civil and political rights. These efforts include initiatives to recognize the special needs of women refugees, and to end trafficking in human beings.

The United States has also taken the lead in a global effort to ban the worst forms of child labor, and to establish core standards to prevent the exploitation of workers overseas, while giving American workers a more level playing field on which to compete.

Moreover, I believe that our citizens are proud to support our contributions to the U.N. High Commissioner for Refugees, the World Food Program and other agencies and programs that provide desperately needed assistance and save many human lives.

We save lives, as well, by our leadership in global humanitarian demining. Our goal is to eliminate the threat posed by landmines to civilians everywhere by the end of this new decade. In order to reach that goal, we are helping some 30 countries to map and clear their most dangerous minefields, train local deminers, and

teach children and adults how to identify and avoid mines. And through the Leahy War Victims Fund, we are working to assist and counsel landmine survivors in more than a dozen countries.

One of our country's most successful overseas programs is the Peace Corps. It brings skills and knowledge to those in need while creating a huge reservoir of good will for America. President Clinton is requesting \$275 million for the Peace Corps in fiscal year 2001—an increase of \$30 million over the fiscal year 2000 enacted level. This would keep the Corps on the path to having 10,000 volunteers serving overseas by 2003.

Mr. Chairman, the bill for all of the programs and initiatives I have described—plus many more I have not had time to describe—adds up to roughly one penny for every dollar the Federal Government spends.

But that single penny can spell the difference between hard times and good times for our people, war and peace for our country, less and more freedom for our world.

The annual budget debate in Washington typically revolves around issues that relate to the role of the Federal Government in such matters as education and health care. But since the days of Thomas Jefferson, the protection of our national security has been one of the Federal government's most basic tasks.

There can be no dispute about this. The need to defend and represent America as a whole is what first brought our nation together. It is a centerpiece of our Constitution. And it is a responsibility that cannot be delegated, subcontracted, privatized or left for others to do. It is the solemn responsibility of the Executive and Legislative branches in Washington, each according to its role.

I know that Members of this Subcommittee understand this. And I hope you will agree that American diplomacy belongs on the short list of budget priorities for the year 2001.

There are no final frontiers for America. We are not and have never been a status quo country. We are doers.

In the days ahead, we have the chance to add another proud chapter in the history of American leadership, in search of peace, in defense of freedom, on behalf of prosperity, and in service to our collective boss—the American people. I have no doubt that if we are united in that quest, we will succeed.

Thank you very much.

Senator MCCONNELL. Thank you, Madam Secretary.

Just a couple of observations before going to questions. As I indicated to you on the phone last week, there is not going to be a supplemental. Having said that, it is our intent to move the foreign operations bill very early. Hopefully we will have minimal problems with the President in getting it signed this time. We intend to fully fund the \$34 million supplemental request for Montenegro, as well as the 2001 request. I would remind you that it was this subcommittee that figured out a way to do the Wye funding last year, and we have been very sympathetic to your financial requests and will be so again this year.

Some of the criticisms that I laid out were unrelated to funding, but we are going to continue to work with you to try to see to it that you have at least the minimum amount of money necessary to get the job done.

I mentioned the embassy and the Bureau for Refugees have formally declined to support NGO's operating in Ingushetia and Chechnya. What is the reason for that?

Secretary ALBRIGHT. Well, first of all, if I might generally respond to some of the points you made on Chechnya.

I think that this is one of the most serious issues that we have with Russia at this time and while we are working with President Putin in terms of getting economic reforms in place, their Duma is considering the START treaty today, and we obviously have issues to do with nuclear threat reduction. They are working with us in Kosovo and a variety of issues where we are cooperating or working with the Russians.

On Chechnya we are not. We are highly disturbed by what is going on there. In every conversation that I have had either with President Putin when he was acting President or with Foreign Minister Ivanov, it is an issue that we have made very clear we have serious problems with. We are working with our European friends in Geneva in the Human Rights Commission on making clear what needs to happen in Chechnya.

I spoke with Mary Robinson when I was in Geneva before she went. We support the idea of a national commission that would investigate what is going on in Chechnya. We have called for an OSCE office in Ingushetia. I met with the President of the ICRC to work with them on how they get access to Chechnya, how international organizations get access. I spoke with the former Secretary-General of NATO and now High Representative Solana about a strong message on Chechnya.

There is a concern about the security of people going in there, but we are constantly pressing for access by international organizations to be able to verify what is going on in Chechnya and tell the Russians that for them there is no military solution to Chechnya. There can only be political dialogue.

So, I do not think we have a disagreement on this. We are pressing on it full bore.

Senator MCCONNELL. So, the answer to my question is we are not supporting the NGO's because of all these other matters we have going on with the Russians?

Secretary ALBRIGHT. No. It is a security issue. We prohibit U.S. Government personnel from traveling to—

Senator MCCONNELL. Are they not already there?

Secretary ALBRIGHT. Well, we have warned Americans about their safety. This is the problem. I think that our responsibilities are also to warn about the security issues and we have been very concerned about it. We have had an American kidnapped in 1998, and we have had relief workers who have been targets of attack. Six ICRC staffers were killed in 1996. Within the last 30 days, we have conducted a thorough review of the security situation, and our conclusion is that the security risks remain too high for us to change.

But I think that you might be criticizing me for not warning American NGO's and others about going in. We are trying to get general access across the board for ICRC and international humanitarian groups to be able to go in. Believe me I will raise it again.

Senator MCCONNELL. You mentioned your conversations with Mary Robinson. What she is asking for, as I understand it, is an international tribunal of inquiry, which is different from the term you used, a national commission. That is not what she is asking for. Why not support an international tribunal of inquiry for Chechnya as called for by the U.N. Commissioner for Human Rights?

Secretary ALBRIGHT. Well, what we are suggesting actually is something that has worked quite well as far as Indonesia is concerned where there has been a national commission supported by some of the findings of the international commission. We believe that at this stage a national commission is something that ought to be pursued and that we ought to make very clear in Geneva

what our serious problems are with the human rights and humanitarian situation in Chechnya.

I flew. I left the President in India, went to Geneva to speak not only about China, but Chechnya myself in Geneva. It is the first time a Secretary of State has made that kind of an appearance before the Human Rights Commission.

Senator MCCONNELL. So, that means we do not support the international tribunal of inquiry that Ms. Robinson is asking for.

Secretary ALBRIGHT. We are studying the best way to try to get the Russians to cooperate with what must happen, which is an investigation of what has been happening in Chechnya.

Senator MCCONNELL. Milosevic's troops systematically burned and looted villages, raped, tortured, and expelled hundreds of thousands of Bosnians and Kosovars. These crimes caused his indictment at the Hague as a war criminal. Russian troops have systematically waged the same kind of brutal assault against Chechen civilians with the same claim that they are trying to eliminate terrorists.

Why should the Russians responsible for what has happened in Chechnya not be indicted like Milosevic and his military leadership?

Secretary ALBRIGHT. First of all, I do think that these are not exactly similar situations, that the kinds of activities that Milosevic was involved in was a determined government policy to ethnically cleanse. I think that if one studies the Chechnya situation carefully, that there are different issues going on. My understanding or my analysis of this is that it is not a determined government policy to cleanse ethnic Chechens. They have created terrible mayhem there. There is no question about it. There have been bombings.

Senator MCCONNELL. Isn't the outcome for the civilians indistinguishable?

Secretary ALBRIGHT. I think it is very hard to have gradations of humanitarian suffering, but I do not compare what happened in Bosnia and Kosovo.

But this does not excuse what is going on in Chechnya. I do not want that to be misunderstood. It is a terrible humanitarian catastrophe. What the Russians are doing is unacceptable. We have made that clear, and we are supporting calls for inquiries as to how these violations of human rights have been taking place.

Senator MCCONNELL. Shifting to another part of the world, what steps do you intend to take now that Preval has blocked the second scheduled election date of April 9? In particular, are you considering the suspension of aid and visas for senior officials? Are you reviewing the option of freezing bank accounts or taking similar measures which we implemented when officials obstructed the democratic process in Haiti in the past?

Secretary ALBRIGHT. Well, first of all, what is now happened is they have announced elections for May 21 I believe, and we hope very much that they will go forward with those elections. Lots of people have, in fact, registered for elections in Haiti. We are going to continue to press them to have those elections. We believe that it is essential to see the parliament by the appropriate date in June. We have had conversations with them on a number of levels. And clearly, we are disappointed at what has been happening in

Haiti and are considering a number of ways to make that disappointment clear. But at this stage, they have scheduled elections for later in May.

Senator MCCONNELL. Let me ask you what I asked Secretary Talbott earlier. Other than the expenditure of \$2 billion, can you name any way in which you think the situation in Haiti is better today than it was before we went in there in 1994?

Secretary ALBRIGHT. Absolutely. First of all, I think we have to remember why we did what we did in Haiti. In 1994, there were thousands of Haitians who were being tortured, who really subjected to horrendous things. I know one of the disgusting things one heard about was that people had their faces ripped off, that horrendous humiliations and economic depravations were going on, and thousands of Haitians were on rafts coming to the United States and drowning on the way, or when they got here, trying to find a way of having a life here. And it was a very difficult situation, and I think people need to remember that.

While things are certainly problematic in Haiti, I think there is a marked difference in what is happening there. There are huge difficulties. I am not going to deny that, but I think we have to remember what it was like and what we have gained there. I think that we have gained the fact that there are these millions of voters who have registered, but there is no quick fix for the decades of terrible governance in Haiti. There is no question.

This is probably my last appearance before you, but I really believe the important point here, Mr. Chairman, is that the problems that we have to deal with are not quickly soluble. We have to have, I think in addition to your three C's, is stick-to-it-iveness. There is no way that I can tell you that by putting in American influence and time and even money that you can get a solution immediately. All I can tell you is that if we do not pay attention to problems such as Haiti or Kosovo or Montenegro or you name it, then we will have more problems later on.

Senator MCCONNELL. You are applying a standard that I am not applying to Haiti. I am not saying that there is a quick fix or that this is an easy problem. I just cannot find any independent observers who believe that anything is better than it was 5 years ago.

Secretary ALBRIGHT. Well, I dispute that because I think that we have managed to alleviate hunger. There have been some institutions built. There is increasing access to education and health care. There has been some progress on dealing with the environmental problems and developing some civil society. The civilian police force, although there clearly are problems with it, is a vast improvement over earlier forces. I think that while I certainly would not give them a good grade, I really do think that if you look at it carefully, there have been improvements. They have a long way to go and we are unhappy with the way a large part of the Haitian evolution is working. I am not going to deny that.

Senator MCCONNELL. Last week the head of Radio Haiti was shot dead as he arrived at work—showing that political assassinations continue—and he is one of many who have been threatened by Aristide. I do not want to spend any more time on Haiti, but let me just say we have to agree to disagree on this. I cannot see any discernible signs of progress.

I am going to ask one more question and then let Senator Leahy begin.

Peru is on the front page this morning. It is clear now that there is going to be a runoff election, which I gather will relieve some of the tension in the streets. But if the results in Peru are not determined to be free and fair, does the administration intend to suspend assistance? What steps might be taken if, at the end of the process here, it is not widely considered by international observers to have been a free and fair election?

Secretary ALBRIGHT. Well, first of all, we are encouraged by the fact that there has been a determination to have a second round. When I was asked about this 2 days ago, I said that it was very important that there was this problem and discrepancy between what the government was saying and what independent observers were saying, and that it would hurt in the long run the credibility and legitimacy of the Fujimori government if they did not take into consideration what the international observers were pointing out. So, we are heartened by the fact that there is going to be a runoff.

Obviously, we are going to look at this very carefully and make the determination once there is a decision—or the elections have been held. And I think it is very important for us to keep stressing the urgency and importance of having a fraud-free election and we will make our determinations after that.

Senator MCCONNELL. Senator Leahy.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you. I agree with the chairman, fortunately the Fujimori government decided, notwithstanding all the fraud that they seem to have perpetrated during the election, to finally accept what the people of Peru knew very well—there has to be a runoff.

I also am concerned, as is the chairman, about the excruciating choices we are going to have to make in this budget. As wealthy as we are, I cannot help but think that future generations will look back and wonder how we could have been so shortsighted.

I know, Madam Secretary, you said nice things about the Global Health Act, and I do appreciate that.

I would just note something that Dr. Foege said at the hearing the other day. He talked about the great success we had when the United States and other countries came together in the 1970's to eradicate smallpox. It took an enormous amount of effort. It was expensive. But together we eradicated smallpox, one of the great plagues of history. His point, though, was that had we not had the courage to come together at that time, if we had waited another decade, we could not have eradicated smallpox. The reason is that with the rise of AIDS, you could not immunize millions of people whose immune systems have been destroyed by HIV. We would have lost that opportunity. We cannot afford to lose other similar opportunities.

I agree with you about President Pastrana being a courageous person. He has impressed me in the meetings I have had with him. I am very impressed with his ambassador here. I am not convinced, though, that we should approve the Colombian aid. At least the administration has not convinced me, but then again nobody has

taken the time to convince me. I assume that the administration has been too busy talking with their supporters here on the Hill to take time with me on this issue.

Now, Chechnya. I am very concerned about Russia's refusal to let Mary Robinson visit the sites she wanted to. There are NGO's there now who desperately need help and support from us, and I think the United States ought to be giving them support.

I want to applaud you for the strong, principled position you have taken on human rights in Turkey, and I hope that continues even though they are now talking about buying billions of dollars of helicopters. There are reports that things are better there, but the Turkish Government has not taken adequate steps to protect human rights.

I mentioned Peru earlier. I will keep a careful eye on the situation there. After all, this is the country where, after the Peruvian Supreme Court ruled that President Fujimori could not run for a third term, he fired the court.

I would hope that we might move forward with the Madrid Protocol Implementation Act to conform our procedures for registering a trademark so we have a one-stop international trademark registration process. The dispute over voting rights of the EU that has held up our joining the Protocol has now been resolved. This is not before this committee, but it is something that we should look at.

The administration has an advantage with Senator McConnell and I because we both support the concept of foreign aid. Unfortunately, we are also severely restricted by the size of our budget. We are going to need the administration's help and others' in the Congress to be able to get what you need.

I would ask you—and you may want to submit this for the record—we are going to be asked about Kosovo in the Foreign Operations bill. Can you submit what the Europeans have contributed in aid and troops compared to the United States? Not what they have pledged, but what they have actually contributed.

Secretary ALBRIGHT. Let me go through some of the points that you have raised. We actually did have and will continue to have conversations about Colombia hopefully, you and I. I find that you and I agree so often on things, that I do not find it much fun to disagree with you on Colombia. So, let me make my pitch here on this.

I believe that President Pastrana has put together a comprehensive plan for dealing with Colombia's very deep problems and they obviously have to do with the huge problem of the growing of coca and narco-trafficking and the fact that the Government of Colombia does not have, yet, total control over all its territory in the south, the Putumayo area, and that the people who run Colombia, the team that President Pastrana has, is in danger all the time in terms of carrying out its plans. I thought that the column that Tom Friedman had a couple of days ago about how brave the people are to be judges and to take a part in this government is something that we need to appreciate.

But the comprehensive Plan Colombia—

Senator LEAHY. I do appreciate that, and I have told President Pastrana that several times personally.

Secretary ALBRIGHT. I think that he is a remarkable person and as a result of his being elected, in contrast to his predecessor, we felt that it was important for us to give whatever support to his plan.

So, the plan itself is one which we think is well balanced in terms of what it is supposed to do. The biggest problem is the narco-trafficking, and so the largest proportion of the Plan Colombia goes, in fact, towards the police and towards new military battalions that have been created according to the Leahy law where everybody has been vetted individually case by case to make sure that there are not human rights abuses. So, the military is there in order to provide a security environment for the police to be able to do its job.

Money is also devoted to alternative economic growth, to the peace process, and to dealing with human rights generally.

I think they have a huge job. It is important to us because of the drug trafficking that comes into this country, and it is important to the region.

I have tried very hard, Senator, in dealing with the limited funds we have to focus ourselves as much as possible on certain countries. I have chosen four countries that really are important for what is going on in them individually and regionally. Colombia is one of them. And the supplemental is essential because, as President Pastrana himself said, he needs the money now. He cannot wait any longer, and we need to support him. The Europeans are supporting him. The World Bank and the IMF are supporting him, and the Colombians themselves are putting up large amounts of money for Plan Colombia.

Senator LEAHY. We had a hearing before the full committee on Colombian aid. You were not at that hearing. I was singularly unimpressed by it. We did have at least one witness suggest to the chairman of the full committee and others like myself that we obviously did not understand Plan Colombia and probably were not capable of understanding the concerns the United States should have there, but would we please just give them the money. I thought that was a novel approach. Of course, it would make everybody's life easier if we just did that, but I am old-fashioned enough to want to know where the money is going to go.

I have yet to have anybody come in and answer some of the very specific questions I have. I would just repeat what I have said for about 2 months. If somebody has got some time—I know it is very, very busy down there, and this is not something you should be doing, Madam Secretary. But if somebody in the administration has a half hour, an hour free on their schedule that they could squeeze me in and answer the specific questions that I have asked over and over again—what the long-term cost are, what we expect to achieve, in what period of time, I would love to hear it. They can call me at home, if they want. I have a listed home phone number. I am probably the only Senator who does.

I can tell you right now if the administration does not, they will not get my vote for 1 cent of Colombian aid. I just thought I would mention that.

Now, the independent inquiry into actions of the United Nations during the 1994 genocide in Rwanda issued its report. It concluded



that the United States knew of the potential for genocide before the killing started, that U.S. officials played an active role in discouraging an international effort to halt the genocide once it began. The President has apologized for our inaction. I understand there has been no formal investigation. The administration has not made key documents or officials available to the U.N. commission investigating the genocide. Should we be looking into U.S. actions during that period?

Secretary ALBRIGHT. Can I get back to that and answer your question first on Kosovo?

Let me say that we are, just as you are, very concerned about how the contributions on Kosovo are working. I spend a great deal of time talking to my European counterparts to make sure that they, in fact, continue to contribute. They have pledged about two-thirds of all assistance for Kosovo, and they announced that at two pledging conferences last year. We have limited our contributions to 15 percent. We are concerned about the length of time that it has taken to get the money there.

The European commission has disbursed almost \$30 million in budget support to UNMIK in March and thereby they helped to overcome the cash crunch that was going on. They are making their contributions across the board and we keep pressing them.

Part of the problem here is that if we do not have—this gets to be a vicious circle because we are not putting up the money that we get in there because we are not going forward with the Kosovo sup as the chairman has said. Therefore, it is an Alfonse Gaston act here. It concerns me a great deal, but every phone call that I make to them, they ask me the same question. But they are in fact paying the lion's share on this, and we can get you the exact disbursements.

Senator LEAHY. We paid the lion's share of the war, though.

Secretary ALBRIGHT. Well, nobody is disputing that, and that is why I am saying they need to pay that.

Senator LEAHY. Understand, I support the things we are doing in Kosovo, but I am just saying we are not going to get that money through the Congress unless we can show that they are doing their share.

Secretary ALBRIGHT. And I think we will do that.

Senator, I can assure you that we will all spend all the time that is necessary to talk to you about Colombia. I know your phone number and I use it fairly frequently.

Senator LEAHY. I am not saying that you should have to do that, but somebody ought to take the time.

Secretary ALBRIGHT. I agree with that.

On Rwanda, let me say that I spent 4 happy years at the United Nations following instructions and doing my share of creating policy. I was very unhappy with the instructions that I had on Rwanda. I have made that quite clear in a number of places.

But we are about to run into a similar problem. One of the things that I am asking for in this budget is funding for operations in Sierra Leone and the Congo. One of the reasons that the Rwanda process was slow was that because we were concerned about how money was spent by U.N. peacekeeping operations, we kept

asking questions about what the mandate was, was there a force, could we afford it? These are the very serious questions.

Now, as it turns out, when one looks back on Rwanda, there was an explosion. It was very hard to deal with. There were not forces that wanted to go. I do not think the U.S. role was the problem. I think the problem was that the system was not prepared to deal with it.

But we are going to have similar problems other places if we cannot deal with providing our fair share of peacekeeping funds.

#### PREPARED STATEMENT

Senator LEAHY. You are absolutely right, and I agree with you on that.

Thank you, Mr. Chairman.

I am glad to hear you mention Sierra Leone. I think that is one that really does require enormous—

Secretary ALBRIGHT. Thank you, and thank you for your initiative on the vaccines.

Senator MCCONNELL. Thank you, Senator Leahy.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Madam Secretary, I won't take a lot of time, but I want to welcome you here and I look forward to discussing a number of issues with you.

We face the same difficulties as in past years, in getting the resources we need for Foreign Operations. Each year, we have to make excruciating choices—choices which a country as wealthy as the United States with so many interests around the world should not have to make.

I cannot help but think that future generations will look back and wonder how we could have been so short-sighted.

We need your help in trying to get the resources we need. I think Chairman McConnell and I feel the same way about this.

There are many pressing issues that I and other Senators will want to discuss today—the Middle East, North Korea, China, Russia, Colombia, and Kosovo.

I want to mention several others, which may not get as much attention:

The first is Chechnya, which was the focus of a hearing in this Subcommittee two weeks ago. We are very concerned about Russia's refusal to let Mary Robinson, the U.N. High Commissioner for Human Rights, visit the sites she wanted to, and the reluctance of the Administration to support a U.N.-sponsored Commission of Inquiry into reports of atrocities.

There is no doubt in my mind that the Russians committed war crimes in Chechnya, and I think it is important that we say so.

Second, is Turkey. Two years ago, the Turkish Government pledged to meet basic, specific, human rights benchmarks. The Administration said it would not support sales of certain military equipment until Turkey meets those benchmarks.

I strongly support Turkey's role in NATO and want to see closer U.S.-Turkish relations. But I also want to be sure that after taking a strong, principled position on human rights—for which I applaud you, we do not back away from that position.

Third, Peru. All indications are that there was a flagrant attempt by President Fujimori to rig the election, and to steal it when it appeared that he would not receive enough votes to avoid a runoff.

It actually began some years ago. When the Peruvian Supreme Court ruled that President Fujimori could not run for a third term, he fired the court.

I want to be sure there is no ambiguity in our policy. We should make it very clear that if the runoff election is stolen the United States will take strong action to isolate Peru, both politically and economically, and work to restore democracy to that country.

Finally, Madam Secretary, I have worked both in the last Congress and in this one for passage of the Madrid Protocol Implementation Act, to conform our procedures for registering a trademark to the terms of the Protocol in anticipation of our eventual ratification of it.

This treaty will give important help to American businesses by creating a “one stop” international trademark registration process. The dispute over voting rights of the E.U. that has held up our joining the Protocol has been resolved, so I hope it will be forwarded without delay to the Senate for ratification.

Madam Secretary, I want to see a strong foreign policy. But that takes resources, and despite Chairman McConnell’s and my best efforts we have not received the budgets we need. We are faced with enormous global challenges—in health, the environment, peacekeeping, nuclear disarmament, missile proliferation, and the growing gap between rich and poor which threatens the stability of many countries, yet we are unable to exert the leadership the world needs and expects from the United States.

It is foolhardy, and we are paying a price for it. But the real losers will be future generations of Americans.

Senator McCONNELL. Senator Campbell.

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman.

I would like to talk a little bit more about Colombia to start with. I appreciated Senator Leahy’s comments, and I do not know, Madam Secretary, if you read yesterday’s article in the Washington Times, for whatever it is worth. It mentioned our assistance to Colombia, including dozens of Black Hawk helicopters and military assistance, that kind of thing. I think a lot of Americans are kind of worried after Vietnam about our involvement, as you might guess.

But I noted with interest you said the Colombian administration does not have total control. I have to tell you that if we do not give them some help, they are not going to have any control. It is almost out of control now. So, I support, certainly within some parameters, if we knew a little bit more about the end game, what you are asking for for Colombia.

But I guess I am kind of from the old school, having been a former policeman and a volunteer prison counselor, and I used to run a halfway house for ex-convicts that had drug problems. I am absolutely convinced that we are not going to win that war until we recognize the law of supply and demand exceeds our efforts here in Congress. And we put more and more effort, it seems, into trying to cut off the supply in Colombia and not enough in trying to cut off the Americans’ appetite for the cocaine that is coming from Colombia.

I happen to Chair the Treasury Subcommittee, as you know, so I work very closely with General McCaffrey. In the last 3 years, at his request, we put over a half a billion dollars into a national ad campaign directed toward youngsters trying to get them to reduce drug use, and I think it is having some effect. I think it is going down; according to his statistics, it is.

I know we have to attack it from all sides, but I am a little bit concerned that we have several agencies now involved in it, the State Department, the Treasury Department, the Department of Defense. I would like you to give the committee at least some peripheral insight on how you are working together to try to reduce this in Colombia.

Secretary ALBRIGHT. First of all, let me say that I think that clearly it is a question of supply and demand. When we have talked to any country that is involved in narco-trafficking, they say, well,

your demand problem is part of the issue here and you have to deal with it.

I believe that General McCaffrey is doing a terrific job in pushing forward the program, both domestically and internationally. We work very closely with him obviously. We each have a portion of the budget and we all coordinate our efforts. I think that given the magnitude of the problem, we do a pretty good job.

The whole thing that we are trying to do, the end game in Colombia, is to, obviously, deal with the fact that they need some kind of alternative economic development so that the farmers there do not find it more lucrative to grow coca rather than something else. So, that has worked actually in Bolivia and Peru. Part of the problem is that the success there has created—because of the demand has in fact created the possibility of more sales of drugs.

Now, interestingly enough, the reason that the Europeans are ready to contribute to Plan Colombia is because they also are having problems with drugs coming into western Europe. So, they see that as a national interest issue for them.

You mentioned, Senator, about Vietnam and analogies. I think that everybody is concerned about that. The people that are in Government now have all gone through Vietnam in one form or another, so I think people are aware of the dangers. We are watching that very carefully not to have that kind of a commitment, to make clear what our commitments are. As I said, our assistance to the military there is purely in order to provide this protective pocket for the police to do the job. I believe that it is in the U.S. national interest to try to do everything we can to work with this Colombian Government that is determined to make it work.

But again it is a tough problem. We have to stay with it and we have to do something about demand in the United States.

Senator CAMPBELL. I thank you.

Let me, along that line, ask a little bit about organized crime. I am a co-chair of the Helsinki Commission, as you know, the Organization for Cooperation and Security in Europe. We went to Russia last year. And I introduced a proposal calling on the OSCE to intensify their efforts to combat corruption and organized crime and was accepted by their international assembly. I know the close work between that commission and the State Department led to the inclusion of specific language in the Istanbul OSCE charter and the declaration of corruption and organized crime.

I would just like you to give us a little update on the State Department's efforts in trying to reduce international organized crime.

Secretary ALBRIGHT. I am very glad that you mentioned it, Senator, because this has a lot to do with some of the initial comments that the chairman made in terms of the different kinds of issue that foreign policy involves now.

We have spent a lot of time in pressing for international approaches to how to deal with corruption, bribery, organized crime and use a variety of venues to talk about it, whether it is in the ASEAN forum or at the OAS or, as you mentioned, OSCE. I will get you a detailed follow-up on this, but I just want to tell you that your initiative on this is very important and it dovetails completely with the kind of thing we are trying to do.

Senator CAMPBELL. Well, I see my time is about up. I did have some questions also on corruption in Bosnia and Kosovo and costs too. I would like to send those to you in writing, if I could, and get some information back.

Secretary ALBRIGHT. Certainly.

Senator CAMPBELL. Thank you. Thank you, Mr. Chairman.

Senator MCCONNELL. Thank you.

Senator MURRAY.

Senator MURRAY. Thank you very much, Madam Secretary. Good to see you here this morning.

As you know, one of my constituents has been searching for her missing husband for almost 5 years now. Her husband, Don Hutchins, was kidnapped in the disputed Kashmir region, along with several other westerners, 5 years ago. It is my understanding that President Clinton raised his case during his visit in Pakistan with General Musharraf and that you were in that meeting.

Can you describe for me what that meeting was and any pledges that Pakistan made on behalf of trying to solve this?

Secretary ALBRIGHT. The meeting was one, obviously, in which a lot of issues came up about Pakistan's government and its cooperation, their necessary cooperation on proliferation issues, as well as on the issue of Kashmir. The President did raise the issue, and General Musharraf said that they would take a look at it. They understood it. But he did raise the issue and made very clear how important it was and how much it determined our whole view of what is going on in the region.

Senator MURRAY. Did they give you any response back that would indicate that they would continue to pursue it?

Secretary ALBRIGHT. They said they would, but I will get for you exactly what—

Senator MURRAY. I would appreciate that. Thank you.

As you know, my State that I represent, Washington State, is very engaged in Asia. Trade matters a lot to Washington State, but we're also home to many of our defense assets that are prepositioned for any military conflicts in Asia. So, I am very interested in following closely the announced talks between North Korea and South Korea. I wanted you to talk a bit about what role you think the United States will play in supporting those talks and what you think some of the implications might be from that.

Secretary ALBRIGHT. Well, first of all, I think you know that we have been very concerned about developments in North Korea for some time and have considered it, obviously, one of the most dangerous places in the world, which is why we have 37,000 troops in South Korea and why we have worked so hard on the agreed framework to freeze their nuclear programs at Yongbyon and have sought access to their sites and have worked with them in terms of getting a missile testing moratorium.

One of the integral parts of what we have been trying to do all along is to get a dialogue between North and South in order to work for peace and stability on the peninsula.

When President Kim Dae Jung came into office, he was the father of the Sunshine Policy in which he really has pressed very hard for engagement, dialogue with the North Koreans. These talks have been announced for June and I think that they are very im-

portant. We will obviously follow them closely and, at the same time, continue with quite a unique relationship that has now developed on all these issues among us, the Japanese, and the South Koreans so that is a bilateral dialogue. There is this trilateral constant work on all the issues of concern to us. Then we have the four-party talks which are also a very important venue. So, we think this is an important step forward.

This is a carrying out of an agreement that Kim Il Sung actually was going to have a summit. He died before he could have it, so Kim Jong Il is going to have this. It is historic that they are going to get together. It will be more historic if they can come to some agreements on some very serious issues.

Senator MURRAY. We will be watching that closely, and I look forward to continuing to talk with you after June and see where we go.

On another topic totally, you mentioned family planning in your statement sort of tangentially. I just wanted you to elaborate further on that. As you know, many of us were deeply disturbed by last year's language that was agreed to in the final negotiations, and if you could just talk to us about where you see that going this year, I would really appreciate it.

Secretary ALBRIGHT. Well, I think that I have had to make a lot of hard decisions and compromises, and this one troubled me a great deal. I had said all along that I felt that the issue of family planning and pro life or pro choice is a huge issue and one of major discussion in this country. It should not have been attached to obligations that we have to fund the United Nations or any foreign policy issue. It should be debated on its own, and that is what we were all suggesting.

So, this agreement was made, but the President has come back and said he wants family planning funded back at the 1995 levels without restrictions because we have made quite clear that it is un-American, un-democratic I think to have this kind of a gag rule. So, we believe that family planning should be funded at its full level.

Senator MURRAY. Thank you. I appreciate that.

My time is almost up, but I did want to quickly touch on PNTR. You talked about it in your statement and the importance of it. We are talking a lot about it here. The debate seems to be what will happen if we do it. Can you talk a little bit about what would happen in China in terms of stability if we do not pass PNTR this year?

Secretary ALBRIGHT. Well, I think that the whole purpose of our China policy is basically they are a huge country with growing power, and we believe that it is more important to engage them—not endorse everything that they do but to engage them—and work with them on a whole host of issues that are important to us—regional stability, nonproliferation issues—and to work with them in a way that makes them understand the value of being part of the international system.

I think that PNTR offers us the opportunity to—economically it is a lay-down because basically what happens is that we will have access to their market, the same way that they have access to ours.

On the economic issue, if we do not do PNTR, when they get into WTO, we will not have the advantages of that. The other countries will, we will not. We will have given up on a very important economic aspect.

On the strategic aspects of this, I think that it will, in fact, give solace to hard-liners in China. China is going through massive changes. Clearly every country makes its own decisions about how it evolves, but for us to have an influence on this I think we need to be able to engage with them. We will have shown that we cannot follow through, and I think we will have given up on that relationship.

On human rights, I know this is of major concern to people. It is of concern to me. While PNTR is not being done for human rights reasons, we have taken this to the commission in Geneva where I spoke personally about this and where we are getting increasing support. There is no question that there will be human rights benefits to PNTR because it will open up China. We are already seeing that in terms of trade relationships, and we are giving up American influence if we do not pass it.

Senator MURRAY. Thank you very much. I appreciate that.

Senator MCCONNELL. Thank you, Senator Murray.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman.

Madam Secretary, you have been before us before, and I have shown you pretty pictures and I am going to do it again today.

The Russian economy, of course, is suffering and the Russians are anxious to sell whatever they can to whomever they can. I understand that and I applaud that, but here is a destroyer that they have put on the market. It was delivered to China in February. OK, so they are selling a destroyer, but each one of those destroyers carries eight of these missiles, the SS-N-22 Sunburn missile. We have recently found out that, along with the conventional high explosive warhead, the missile has a nuclear capability of 200 megatons, or roughly 15 to 20 times the size of the weapon that was dropped on Hiroshima. It is supersonic and represents a significant threat.

There is a drawing as to how it works, and if you would put up the drawing. The missile takes off in a horizontal fashion so that it flies low to avoid radar, then goes up and comes down vertically, and represents a fairly significant threat.

Now, the reason I say threat to the U.S. Navy is this quote that ran less than 30 days ago in a relatively small, but I understand highly influential Russian newspaper read by the elite, owned by an individual who is very close to President-elect Putin. It says that we would point out that an air-naval formation compromising these destroyers with fighters and new long-range radar aircraft is fully capable of fighting as equals with the U.S. Navy aircraft carrier formation. And these ships are now being sold to China.

And then to add to my concern—and I was not aware of this when I was putting this presentation together—this morning's Washington Times, the headline is Beijing Delivered Missile Technology to Libya, U.S. Says. And it discloses quoting General Michael Hayden, who is the Director of the National Security Agency, on the missiles that are being sold to Libya by China.

So, here we have a trade chain that starts in Russia, whose economy is in difficulty. They need all of the foreign exports they can get. They are selling this kind of technology and weaponry to the Chinese, and then in this morning's paper, we find that the Chinese are selling weaponry to the Libyans.

Later on in the story, Secretary Cohen is quoted in one of his speeches saying that Libya is trying to develop long-range—it says Libya has chemical capabilities and is trying to buy long-range missiles. That is the quote from Secretary Cohen.

So, that is the background for my questioning here this morning. Have you raised the issue of ship and missile sales with Moscow?

Secretary ALBRIGHT. First of all, let me say that in all our arms control discussions with Moscow, we raise our concerns about sales, transfer of technology. This is part of our discussion and of concern to us. No question about that.

At the same time, we believe it is very important to go forward with our arms control discussions with them because this is the only way that we will ultimately get control over all of this. As I mentioned earlier today, in the Duma they are working on ratifying START. At the same time, we have discussions at all levels with them on all these issues.

I am not going to say we are not concerned about what is going on. The Chinese are modernizing their military and we are following this very closely. But it goes without saying that the U.S. military is fully capable of dealing with these issues.

On Libya, I think that it is known that Libya possesses 300 kilometer range Scud missiles and is actively pursuing acquisition and development of even longer-range systems. As we have said before, the United States views Libya's efforts to do this as a serious threat to the region and our nonproliferation interests. We have engaged in a number of ways in extensive efforts to impede the proliferation of missile equipment and technology to Libya.

We take all these reports seriously. I read the paper this morning. And we have raised our concerns with the Chinese and we are concerned about this. But I am not going to comment on intelligence matters.

Senator BENNETT. President Putin will be meeting with the Chinese President Jiang fairly soon. Are there any further arms deals in the works that they might be discussing that you might be willing to talk about?

Secretary ALBRIGHT. I would have to check on that. I will have to get back to you.

Senator BENNETT. I would appreciate that.

Finally, have you seen any indication that Russia and China are collaborating on cyber warfare or the Russian specialists are independently assisting China's cyber warfare program?

Secretary ALBRIGHT. Again, Senator, I will get back to you on that.

Senator BENNETT. Thank you. I may have some written questions to supplement these. I appreciate it.

Thank you, Mr. Chairman.

Senator MCCONNELL. Thank you, Senator Bennett.

Senator Lautenberg.



Senator LAUTENBERG. Thanks, Mr. Chairman. I ask consent that my full statement be included in the record.

Senator McCONNELL. Without objection.  
[The statement follows:]

PREPARED STATEMENT OF SENATOR FRANK R. LAUTENBERG

Mr. Chairman, I appreciate the opportunity to hear from Secretary Albright on the President's budget request for fiscal year 2001. Madam Secretary, thank you for your continuing strong leadership of America's foreign policy.

I think we all understand what the challenges of exercising global leadership in a complex world.

Madam Secretary, when you testified before the Senate Budget Committee, you heard many encouraging words of support for providing the resources necessary to meet these challenges and seize opportunities to promote America's values and interests abroad.

I am deeply disappointed that the Budget Resolution adopted by the majority party here did not reflect that priority.

The Budget Resolution Conference Report which we will consider later today sets International Affairs spending levels for fiscal year 2001 more than thirteen percent below the President's request. Our only hope is that the 302(b) allocations to Appropriations subcommittees are more realistic.

Mr. Chairman, I hope we can work together to ensure that the Foreign Operations subcommittee receives an allocation sufficient to maintain America's global leadership role. Otherwise, we will face very difficult decisions about which critical programs to underfund or even eliminate.

Mr. Chairman, in my view, responsible funding for American foreign policy must begin this year by fulfilling the President's requests for supplemental appropriations.

I am particularly concerned that, having won the war over in Kosovo, we do not have the resources to win the peace there. The Europeans need to fulfill their commitment to take the lead, but we need to do our part as well.

Another priority this year—at the turn of the millennium—is debt relief for the Heavily Indebted Poor Countries. Americans are protesting at the World Bank and IMF meetings because these institutions are not doing enough to ease crushing debt burdens through the HIPC initiative. But the House didn't even provide a mere \$210 million as America's contribution to the HIPC trust fund for multilateral debt relief within a \$13.2 billion supplemental appropriations bill. We should do our part now, while helping developing countries manage their finances and ensuring that the United States and International Financial Institutions never again lend countries more than they can ever hope to repay.

While we may have different ideas about how best to help Colombia—and America—overcome the scourge of narcotics trafficking, I hope we can all agree that this crisis must be addressed without further delay.

There are many priorities that deserve full funding next year.

We should sustain our support for peace in the Middle East, particularly for our ally Israel. While America must stand ready to support implementation of peace agreements in the Middle East, I believe it would be premature to discuss aid levels or make commitments before the parties themselves commit to a more peaceful future.

We should help our new NATO allies and aspirants bring their forces up to NATO standards, so they will be better able to help us when we need them.

We should strengthen global health programs, even beyond the President's request in some areas. In particular, we should restore funding for the United Nations Population Fund to \$35 million and expand bilateral family planning programs, because unchecked population growth prevents sustainable economic development and threatens the quality of life on our planet. We should not only increase funding to combat the scourge of HIV/AIDS, but also make a more substantial contribution to international efforts to counter the growing tuberculosis epidemic.

We should also begin paying down our arrears to the Global Environment Facility to help developing countries join the global effort to counter global climate change.

Of course, as I noted earlier, these and many other worthy programs can only be funded if this subcommittee gets an adequate allocation of funds.

I appreciate the opportunity to hear from Secretary Albright on these and other issues.

Thank you, Mr. Chairman.

Senator LAUTENBERG. Madam Secretary, I am glad to see you and see that you are still looking so fit after your arduous schedule. I must say that in my memory I do not think that there was any Secretary that worked harder at the task than you have. How you endure it raises interesting questions. You will have to tell me about your diet or something one day.

But you deal with evermore complex problems in ever more places, and you deal with them, I think, very, very well. If there are glitches along the way, I think it would be fair to say it would be almost inhuman not to have that happen, but they are rare and far between.

One I want to talk to you about briefly is Iran. I think that you know that I was not enthusiastic about the trade emerging from non-essential products, caviar and rugs and things of that nature, to help move the situation with Iran along. I would love to see some basis for getting them to stop their production of weapons and exporting problems as they so conveniently seem to do.

Even as we talk to them, we see a situation where they are taking several of their citizens, including 13 Jewish people, putting them on trial with the possibility of death sentences coming forward. I wonder how do we get serious discussions going as they pursue their policies of terrorism, as they pursue their policies of inhuman treatment of their citizens without letting them know that we take these things very seriously. We are not going to stand by and let them conduct those kinds of affairs and encourage them that trade is coming along with America and that relationships can improve under these conditions.

Secretary ALBRIGHT. First of all, thank you for your kind words.

If I might just take a minute because the chairman started out this way. I think that there is no question that life is more complicated now in foreign policy.

Senator LAUTENBERG. You almost wish for the days when we had one large enemy out there.

Secretary ALBRIGHT. Well, it was dangerous but simpler, but I have no nostalgia for that.

What I do think, however—and today's discussion has already shown it that the subjects a Secretary of State now deals with are quite different. I don't think we talked about corruption or drugs or health. Those were not normal foreign policy issues. They are now what we do every day because they are the kinds of things that affect U.S. national interests in addition, obviously, to missile issues, as Senator Bennett has raised.

But it is quite different and I think that what has to happen is that we need to look at challenges and opportunities from every country across the board. The cold war froze everything and now things are defrosted and a lot of issues that were hidden are now out there.

It means that we have to look at countries individually and try to figure out if we are better off at using sticks or carrots and when to use what. It requires us I think to spend a lot more time analyzing change in particular countries than I think was necessary before. Before our foreign assistance programs were used to try to bring countries into "our camp." Now we have the responsibility of

analyzing how they fit into an international scene and what U.S. national interests are.

So, to get to Iran, we have had a relationship for 25 years with Iran that has isolated us from them and them from us for good reason. I gave a speech recently which went through the history, some of which was difficult from our side, some from their side, and I will not repeat all that.

But we do see some changes going on in Iran that I think we need to at least explore, which was the purpose of my suggestion of the lifting of the sanctions, which is a very small step. We are waiting to have mutually balanced steps to see if there are any possibilities for having a different kind of relationship with Iran and whether there is a way to help support the reform movement. The sanctions that were lifted had to do primarily, even though they sound like luxury goods for us, are ones that have an effect on the middle class in Iran.

On the specific question of the Iranian Jews, however, it is an issue that has been of huge concern to me. I have raised it with the countries that do have relations with Iran, that they need to make that point very clear when they go to Tehran. I am on the phone daily now with foreign ministers because there is a resolution that we are sponsoring in Geneva that makes clear that the treatment of the Baha'i and the Iranian Jews is unacceptable.

This morning we got news that the trial has been postponed until May 1. That is one possible step in the right direction, though some of the things we are still hearing about how the trial may be carried out are not acceptable. But it is on our radar screen, or more than that frankly. We are making very concerted efforts through those that do have dialogue with Iran about the importance of this issue.

[The information follows:]

U.S. DEPARTMENT OF STATE,  
Washington, DC, April 14, 2000.

Hon. MITCH MCCONNELL,  
*Chairman, Subcommittee on Foreign Operations, Committee on Appropriations,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: Secretary Albright asked that I update a response she gave to Senator Lautenberg at the April 13 hearing before the Senate Appropriations Foreign Operations Subcommittee. The question asked about the latest developments in the trial of 13 Jews in Iran, and the Secretary reported that after convening the trial, the Judge had ordered a delay in the proceedings to a scheduled resumption date of May 1. She noted that it was our hope that such a delay would contribute to prospects for a favorable outcome in the case.

When she returned to the State Department, the Secretary was informed of new reports that at the initial hearing on April 13, the Judge claimed that four of the Jews had previously "confessed to their crime" and had petitioned the court for leniency. This claim was disputed, we are told, by defense attorneys, who seek to declare any such "confessions" inadmissible, as they appear to have been made long before the proceedings and without the presence of attorneys. The dispute as to whether such "evidence" will be allowed by the Judge appears central to whether the Jews will be able to successfully defend themselves against these allegations.

These reports, which indicate a bias on the part of the Judge, reflect the lack of fairness and transparency that has characterized the Judiciary's handling of this case. The declaration that the trial would be off-limits to the public or press is a further worrisome sign. While the Secretary continues to hope that the delay announced in the trial will prove favorable to the defendants, she asked that I emphasize to you our profound skepticism and concern regarding the procedures followed in this case by the Iranian government.

We will continue pressing foreign governments to urge Iran to ensure well-being of these individuals and to ensure that they receive due process in keeping with accepted international standards.

Sincerely,

BARBARA LARKIN,  
*Assistant Secretary, Legislative Affairs.*

Senator LAUTENBERG. Mr. Chairman, if there is time for one more question. I have others I will submit in writing.

Senator MCCONNELL. Okay. Thank you, Senator Lautenberg.

Senator LAUTENBERG. I really appreciate it.

Numerous war criminals indicted by the international tribunal remain at large in the Bosnia, Republika Srpska, and elsewhere in the former Yugoslavia. We applaud the French for arresting Krasnic, but Karadjic and others still remain at large in their sector. How do you feel about our assistance to countries and communities in Bosnia using the carrot and stick to motivate the arrest of those indicted for those terrible crimes? If we want to pursue that policy, I would have to understand why did the United States agree to the EBRD funding for a bridge in Foca, which is reportedly a nest of war criminals and other thugs despite restrictions that I authored on providing aid to communities harboring war criminals.

Secretary ALBRIGHT. Well, first of all, I do think that the arrests of the war criminals, the indictments, and the war crimes tribunal are essential to the work that needs to happen if we are going to ultimately get peace and justice in Bosnia and Kosovo. I think we have been working very hard to be of as much assistance on this as possible.

I think that the problems here are that we are trying to use a carrot and stick approach on this in terms of determining where our assistance can be helpful in terms of having cooperation with the war crimes tribunal and where it cannot. We have been as discriminatory as we can be in terms of targeting our assistance to the areas where we think they can be most helpful.

Senator LAUTENBERG. Well, I hope that we will pursue those criminals as arduously as is possible and let them know that that is a principal issue.

Secretary ALBRIGHT. Yes.

Senator LAUTENBERG. Thank you very much.

Senator MCCONNELL. Thank you, Senator Lautenberg.

Secretary ALBRIGHT. Senator, I would like to thank you so much for everything that you have done to help get our budget because we cannot do the job without the money. I fully understand that not everything that we have done has come to fruition quickly, but part of our problem is that I have come here, now my fourth year, asking for more resources. It is very hard to make the kinds of choices where you have to triage basically in order to be able to carry out our foreign policy and we need it. Thank you for your help.

Senator LAUTENBERG. If I may respond, Mr. Chairman, just to say that I believe there is a price that you pay for leadership. The medium with which to settle accounts is either aid in the form of funding, advice and programs as opposed to a military response, and I think that having financial aid of sufficient proportion to pro-

tect our leadership in the world is far less a price than taking up weapons one day in the future.

I am sorry, Mr. Chairman. Thank you.

Secretary ALBRIGHT. And, Mr. Chairman, you had said that there would not be a supplemental and that it would probably be in some bill that you hoped the President would sign. I have to say that I hope it is something the President can sign, but if it does not include our requests that have to do with Kosovo and Colombia and Mozambique, it is very hard to do it within the budget resolutions that have been passed.

Senator MCCONNELL. Right. Well, picking up on that, you seem to be saying that most of the problems are money related. That is sort of the theme through your whole presentation this morning. In Kosovo, you said the supplemental was essential to our success. Yet, we have committed more than any other donor. More importantly, of the \$150 million that we gave you last year, the Department is holding back \$20 million, so if there is a shortfall, it is not for lack of congressional support.

Second, you said there was not enough for peacekeeping to address problems in Africa. Last year you asked for \$130 million. We gave you \$153 million.

So, I do not agree that the problems are driven by congressional failure to fund.

Having said that, as I indicated, we plan to move the foreign operations bill early in the process. It is going to include a number of things that you have asked for and hopefully the President will sign it if it is desperately needed, as you indicated that it is.

I want to turn to an area that you and I have a shared interest in and that is Burma. May the 26 is the 10th anniversary of the election of Aung San Suu Kyi. I am wondering if you can give us any signs of hope whatsoever. I notice that SLORK has recently changed its name, but I am sure it has not changed its approach. Any signs of progress anywhere? Any interest in ASEAN in this problem?

Secretary ALBRIGHT. First of all, I agree with you. This is an issue that you and I have both spent a lot of time on and feel strongly about. Several things are happening, though not fast enough as far as I am concerned or, more importantly, Aung San Suu Kyi is concerned.

In ASEAN, we have raised the issue a number of times. I think that there is somewhat more interest in it. Thailand that is now chairman of ASEAN has a more active approach to this and is more interested, and Kim Dae Jung's presence has also helped in terms of the way that the Koreans have looked at it. So, there is somewhat more support, though a lot of it is not moving fast enough for sure.

Secretary-General Kofi Annan has named a new person whom I know, Mr. Rozali, a Malaysian, that I am about to be in touch with. He is somebody that I knew well when I was in New York.

But I am dissatisfied. We are also working on another resolution in the General Assembly. But it is pathetic, the lack of international action on this. I agree with you completely.

Senator MCCONNELL. Well, you will be pleased to know I am not blaming that on you. I just think it is an exasperating situation and the lack of interest in the region continues to astonish me.

Let me conclude by saying last July you complained to several Senators that I was holding up \$10 million for the Kosovo women's initiative which was to be run by UNHCR, and that was entirely true. Given UNHCR's miserable record in delivering aid, I wanted a full explanation of how the funds were to be spent before they were transferred.

In deference to the Senators' pleas that the funds were urgently needed to provide rape counseling and related services, I released the funds.

In December, I pressed to find out how the funds were being spent, with little or no luck. I have now learned that instead of providing direct support to groups in Kosovo, the State Department agreed to allow three international groups to manage the money. As of this week, about half a million dollars had actually been received by groups in Kosovo, and that is certainly good news.

The most successful Kosovo women's organization, which has a long history of helping victims of abuse and violence, has not received any money at all. United States officials in Pristina describe the program as "not particularly effective." It is providing aerobics and sewing lessons. An individual with longstanding interests in women's issues in Kosovo described the program as a big waste of money. Most of the women here are really angry. Is there anything you can do about this disaster?

Madam Secretary, why are we providing aerobics classes instead of rape and abuse counseling? After pressing to get the funds released last summer, I am curious as to why the groups in Kosovo have received so little.

Secretary ALBRIGHT. I am not aware that we are providing aerobics.

But let me just make the following point. We have provided money for this women's initiative, and the initiative links national and international organizations to provide educational, vocational and income generation, micro-credit and other assistance. When I have been to Kosovo and met with women's groups, they seemed to be satisfied with—or asking for more help but not dissatisfied with the way that this program is working. This KWI program is working to try to develop, formulate the programs that they want to have.

The Department provided an additional \$900 million to fund—I am sorry—\$900,000 to fund two ongoing programs to train a group of local medical professionals to provide assistance, with particular emphasis on victims of gender violence. We also provided \$3.5 million to fund three projects aimed at children and adolescents.

I will look into your specific report to find out who said it and why because I do not want to come here and ask for money and have it misused. Obviously, we are on the same wavelength on this.

Senator MCCONNELL. On the question of the Colombia funding and the Kosovo funding, as I indicated to you earlier in the hearing and on the phone last week, let me repeat that I am going to try to help you on both those fronts. I am more open to the Colombia

approach than my colleague, Senator Leahy. It is in all likelihood going to be a part of the foreign operations bill which is going to move early in the process. I hope you will work with us to get a presidential signature, and the sooner the President signs it, of course, the sooner you will have the funds to pursue these initiatives which you indicate are so needed.

I also want to take this opportunity to congratulate you on your service as Secretary. In spite of our feisty exchanges from time to time, I admire you greatly. I think you have done a fine job, and you have got some months left here in this position and I look forward to working with you to try to solve as many of these problems as you can on the way out the door.

Secretary ALBRIGHT. Thank you very much, Mr. Chairman. Working with you is and has been a pleasure, and I actually think that the direction of your questioning always sharpens my brain and I appreciate it.

I think the hardest part is, as I look back on what my predecessors dealt with, what we are missing here is the consensus that our two branches of Government have to have. We are going through particularly complicated times in terms of assessing American national interests and how the American public understands what we are doing. I plan to spend a lot more time while in office working with all of you but also explaining more to the American public where our national interests lie. They are different than they were for 50 years and we can recreate enemies, we can decide that Russia or China are our major enemies, or we can look for opportunities.

I hope very much that we will have a chance to work together in these months and beyond. Thank you very much. You have been great.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator McCONNELL. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED TO HON. MADELINE ALBRIGHT

##### QUESTION SUBMITTED BY SENATOR MITCH McCONNELL

*Question.* For several years, Congress conditioned assistance on privatizing at least 3 of the 9 government-owned enterprises. What is the status of privatization of the 9?

*Answer.* Privatization has proven highly controversial in Haiti, facing opposition both from within the government and from popular groups such as labor unions. Since the debut of the Modernization Program in 1996, only two firms have been sold. On October 14, 1997, then-Prime Minister Rosny Smarth signed a contract to sell 70 percent of the flour mill to a consortium of Continental Grain, Seaboard Marine, and Unifinance (a Haitian investment firm) for \$9 million. Legal transfer of the mill, delayed by an employee revolt, took place on May 22, 1998. The mill resumed operations in mid-November 1998 after being non-functional for nearly six years. It now employs roughly 300. The cement factory was privatized on May 7, 1999 to a European/Latin American consortium. At year-end it had not yet resumed operations but is expected to do so shortly.

Donor-funded preparations for privatization or modernization of the telephone company, the airport, and the seaport were completed in 1999, as was IDB-funded work on the electricity sector. We have urged the Preval government to privatize

these institutions with a minimum of delay, but it is now virtually certain that no further privatizations will take place until after the presidential elections scheduled for November 2000.

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QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

*Question.* Secretary Albright, recently you have stated that “aside from Russia, Ukraine is the largest and most influential of the New Independent States. The whole region will be affected by whether it slides backward, or continues up the democratic path.”

I understand that you are making a visit to Ukraine in the near future. Please comment on the status of U.S.-Ukraine relations, and the progress Ukraine has made towards democratic growth. Additionally, in the Administration's view, what roadblocks exist which are precluding Ukraine's “graduation” from Jackson-Vanik?

*Answer.* We believe that Ukraine's success is key to the future of the independent countries in transition to democracy that emerged from the collapse of the Soviet Union and for that reason have made it a priority in our foreign policy since 1991. The U.S. and Ukraine are strategic partners. Our strong relationship is symbolized by the annual U.S.-Ukraine Binational Commission meeting (Gore-Kuchma) and many other high-level interactions, including my April 14 trip to Kiev, the May 8–9 visit of Ukrainian Prime Minister Yushchenko to Washington, and the President's June visit to Kiev.

By designating Ukraine a priority country, I wanted to be sure that Ukraine continued to get all the attention and support it deserves. Ukraine's size, location, and potential make its success an important U.S. foreign policy objective, and we remain committed to helping it make a successful transition to democracy, market economy and integration with Euro-Atlantic structures. That is the message I delivered publicly and privately in Kiev, and is the message that President Clinton will reiterate during his June visit.

Ukraine has many problems, including continued economic decline, but it has also achieved a great deal in nine years as an independent country in developing democratic institutions and an embryonic civil society. Ukraine was the first of the former Soviet states to peacefully transfer executive power from one president to another and its elections, though not always consistent with international standards, have consistently represented the will of the people. The presidential election of last year—though flawed—did result in a renewed popular mandate for reform and integration with the West. However, another message I delivered in Kiev was that it is important to Ukraine's Euro-Atlantic aspirations that democracy and human rights be further strengthened, especially with regard to media freedom.

Ukraine is in full compliance with Jackson-Vanik, and the Administration supports its eventual “graduation.” We have told the Ukrainian government that graduation is a Congressional decision and warned them that Congress looks at many factors—including human rights, democracy, economic reform, and relations, with the U.S.—in deciding whether to “graduate” a country. We have encouraged Ukrainian officials to talk to interested groups in the U.S., such as the American Jewish community, about Jackson-Vanik graduation. Both President Kuchma and Prime Minister Yushchenko respectively met with leaders of the Jewish community during their most recent trips to the United States.

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QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

*Question.* Is there any indication, no matter how slight, that Chinese technicians are assisting the nuclear programs of Pakistan or any country on the Terrorism list?

*Answer.* We continue to closely monitor China's nuclear nonproliferation policies and practices. At this time, we have no reason to conclude that China has changed its willingness to implement its multilateral and bilateral nuclear nonproliferation commitments. Since joining the NPT in 1992, we believe China has taken significant steps to put into place a comprehensive export control system covering both nuclear and dual-use goods. China has declared publicly that its regulations prohibit assistance to activities related to nuclear explosive devices in addition to assistance to unsafeguarded nuclear facilities.

China does provide assistance to Pakistan's safeguarded nuclear program, most notably the supply of the Chasma nuclear power reactor that is nearing operational status. Given China's earlier assistance to Pakistan's nuclear weapons program, it is possible that residual contacts between Chinese personnel and entities involved in Pakistan's unsafeguarded nuclear program could occur. But at this time, we have



no basis to conclude that China has changed its commitment to adhere to responsible nuclear nonproliferation norms.

With respect to other countries on the Terrorism List, China has provided assistance to safeguarded nuclear programs in Iran and Syria. In Iran, China is now completing two longstanding nuclear projects—neither of which raises proliferation concerns. China assured the United States in 1997 that these projects would be concluded and that no new nuclear projects with Iran would be undertaken. In Syria, China provided a small nuclear research reactor—a miniature neutron source reactor—and its fuel in the early 1990s; the reactor became operational in 1996 and is under IAEA safeguards.

*Question.* Is there any indication, no matter how slight, that China or Chinese companies are assisting the biological warfare programs of any country on the terrorism list?

*Answer.* Trade between Chinese entities and countries around the world, including terrorism list countries, in dual-use biological materials continues. It is unclear how much of the trade the Chinese government is aware of. A good deal of this trade in dual-use biological materials is undoubtedly for legitimate commercial purposes.

Further details would be more appropriately discussed in a classified setting.

*Question.* The Chinese Army's newspaper Liberation Army Daily on March 22 stated that the SS-N-22 missiles China has purchased from Russia "can carry nuclear warheads." Is it true that the SS-N-22 can carry a nuclear warhead?

*Answer.* The SS-N-22 is a 65 nautical mile range anti-ship cruise missile (ASCM). While the Russians designed the SS-N-22 to carry both nuclear and conventional warheads, there is no indication that the version to be transferred to China will carry a nuclear warhead.

*Question.* On March 15 the Moscow Nezavisimaya Gazeta stated that the Sovremenny-class destroyers, the Su-27 aircraft and the "long range radar aircraft" they have sold to China could make "an air-naval formation" which is fully capable of fighting as equals with the U.S. Navy aircraft carrier formation." Is this true?

*Answer.* We do not believe the Sovremenny destroyers sold to China, even in conjunction with Russian-provided aircraft, will have a significant impact on the balance of power in the region. However, we keep close watch on any capabilities that might, at some point, pose a challenge to U.S. forces, and we continue to discuss regional security issues with Russia, including the impact of its arms sales on regional stability.

*Question.* In the past five years, have you raised the issue of arms sales with Moscow? Could you please provide a chronology of your discussions on this issue? What was the response?

*Answer.* Indeed we have. The U.S. maintains an active dialogue with Russia on the issue of arms sales, reflecting our concern about regional stability. We discussed the issue most recently at the April ministerial.

The Russians understand the potential impact of their sales on Asia-Pacific regional security, particularly in the Taiwan Strait, and hope to continue discussing a broad range of regional security issues with us.

*Question.* Have you asked Moscow not to deliver any more A-50 AWACS-type aircraft to China?

*Answer.* We have no information that indicates Russia has ever transferred A-50 type aircraft to China. However, we have raised with the Government of Israel our concern about Israel's proposed sale to China of an A-50 modified with the Israeli PHALCON radar.

The U.S. maintains an active dialogue with Russia on the issue of arms sales, reflecting our concerns about regional stability.

We will continue to monitor closely Russian arms sales to China and raise them in a manner consistent with our overall security interests.

*Question.* President Putin and President Jiang will meet soon. Are they likely to agree to additional arms sales?

*Answer.* We have no specific information on military transactions that the Chinese and Russians might discuss or conclude during their upcoming summit.

We are aware, however, of the challenges posed by an increasingly cooperative Russia China relationship. In particular we closely monitor military cooperation (including arms sales) between the two countries.

We believe, however, that both Russia and China take essentially pragmatic stands and, indeed, they continue to have important differences in their perceived national interests. That said, we will still continue to address with both Moscow and Beijing the issue of expanding arms sales and their potential impact on regional stability.

*Question.* Is there any indication, no matter how slight, that the Russian government or Russian technicians operating independently are assisting the Chinese cyberwarfare program?

*Answer.* We have checked with appropriate Intelligence Community components, and they report no evidence suggesting such assistance. We remain watchful of foreign capabilities in this area that could pose a threat to the interests of the United States.

*Question.* Is there any indication, no matter how slight, that Chinese technicians are assisting the nuclear programs of Pakistan or any country on the Terrorism list?

*Answer.* We continue to closely monitor China's nuclear nonproliferation policies and practices. At this time, we have no reason to conclude that China has changed its willingness to implement its multilateral and bilateral nuclear nonproliferation commitments. Since joining the NPT in 1992, we believe China has taken significant steps to put into place a comprehensive export control system covering both nuclear and dual-use goods. China has declared publicly that its regulations prohibit assistance to activities related to nuclear explosive devices in addition to assistance to unsafeguarded nuclear facilities.

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*Question.* Is there any indication, no matter how slight, that China is using Cuba as an electronic listening post targeted at the United States?

*Answer.* This question will be responded to promptly at the classified/codeword level, marked to the attention of the SAC/FO staff.

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

*Question.* When can we expect to see the Initial Report as required by the Baumel legislation, Public Law 106–89?

*Answer.* The report is undergoing final review and will be transmitted to Congress in the next few days.

*Question.* Please share with the subcommittee what the most recent developments are and what progress has been made over the past 150 days.

*Answer.* The report will soon be transmitted to the Congress pursuant to Public Law 106–89.

*Question.* Has the administration—including the President during his discussions with President Assad—raised the Baumel issue during any of the recent Israel–Syria peace talks? Have the Syrians demonstrated a willingness to resolve this issue?

*Answer.* The President and I have raised this issue repeatedly with officials at the highest levels in Syria. It will continue to be a regular part of our dialogue with Syria.

*Question.* What role does the long-running Baumel issue play in achieving a peace agreement between Israel and Syria?

*Answer.* The United States will continue to pursue every serious lead to ascertain the fate of IDF MIAs Zachary Baumel, Yehuda Katz and Zvi Feldman.

We deeply sympathize with the pain of all the families of the missing soldiers and with their determination to continue the search for their sons. We will continue our efforts to help them.

We are in close contact with the Israeli Government and the families of the MIAs to help resolve this important issue. The President and I have raised this issue repeatedly with officials at the highest levels in Syria.

*Question.* Do you think that a meaningful peace accord between Israel and Syria can be reached without the successful resolution of the Baumel issue?

Answer. As the Middle East Peace Process moves forward we expect that these issues will be easier to address. The President and I have raised this issue repeatedly with officials at the highest levels. It will continue to be a regular part of our dialogue with all relevant parties.

#### EUROPEAN CONTRIBUTIONS

There have been news accounts about our European allies' not living up fully to their obligations in Kosovo.

*Question.* What is the U.S. doing to rectify this unsustainable situation? Have these efforts been successful?

Answer. News accounts of the slow pace of disbursement of assistance pledged by Europeans for Kosovo are outdated. Our European partners seem to disburse their pledges more slowly than we do for two reasons: first, most European states and institutions, including the European Commission, have fiscal years that start in January. One quarter into U.S. Fiscal year 2000, most European donors had just begun processing their own expenditures.

Second, European money has been slower to reach Kosovo because European donors are undertaking most of the long-term reconstruction assistance, while the U.S. has responsibility for many short-term tasks of peace implementation. Reconstruction projects typically have a long implementation period and a correspondingly more measured disbursement rate. This division of labor became long implementation period and a correspondingly more measured disbursement rate. This division of labor became necessary when the fiscal year 2000 FOAA prohibited the U.S. from undertaking large-scale physical infrastructure reconstruction in Kosovo.

European countries and Canada provide roughly 73 percent of KFOR troops on the ground and almost 80 percent if we count the Russian Federation (compared to approximately 13 percent for the U.S.). Our European allies have already disbursed \$113.6 million, tantamount to more than 85 percent of their pledge, to support UNMIK's civil administration.

In March 2000 alone, the European Commission disbursed euros 30 million in support for the Kosovo Consolidated Budget, which is administered by UNMIK to run the government services of Kosovo.

Bernard Kouchner, the Special Representative of the Secretary General for Kosovo, acknowledged this progress in a letter to Senator Warner dated March 18, in which he writes, "Existing donor pledges have now been honored."

Moreover, the European Reconstruction Agency of the European Union has already opened tenders for more than \$115 million in reconstruction projects, to be paid by funds allocated less than three months ago. This is a blistering pace for movement of funds that the European Commission is legally bound to obligate within three years.

Continuous action of the Administration through repeated *démarches* and constant pressure by the President and the Secretary of State contributed to this good performance.

*Question.* Has the Administration raised the issue of corruption and organized crime with President Putin?

Answer. The Administration has raised the issue of organized crime and corruption with Russian President Putin and the Russian government on numerous occasions.

The President and other high-level Administration officials have spoken about the detrimental effects which crime and corruption have on fledgling democracies and market economies like Russia.

President Clinton most recently raised these issues in a letter to Putin last month.

Secretary Albright in her speech at Carnegie Endowment in September called upon the Russian government to make fighting corruption a priority.

The Vice President hosted a major Global Forum on Fighting Corruption last year that included high-level Russian participation. The results of the Forum, including a compendium of best or effective practices for combating corruption, have been disseminated to the Russian public through a variety of media.

We are also engaged with the Russians in bilateral and multilateral efforts to combat crime and corruption.

Putin has said he will make fighting corruption a key priority.

*Question.* To what extent do issues of corruption and organized crime factor into U.S. relations with Russia and the other former Soviet states?

Answer: The vast majority of Russians and citizens of the other New Independent States (NIS) are deeply concerned with the crime and corruption that has emerged

in their countries over the last several years. They realize that these activities drain capital, sap energy, and undermine investor and other confidence.

Corruption weakens the development of democratic institutions and the ability of the governments of Russia and the other NIS to conduct normal business on a day-to-day basis in an effective and efficient manner.

In our dialogue with the NIS, we have made clear the negative effects which crime and corruption have on the development of democracies and market economies, including the obstacles they pose to trade and investment.

We have also been working with Russia and other NIS for several years now, both bilaterally and multilaterally, to combat organized crime and corruption.

Our bilateral programs focus both on the development of rule of law and on law enforcement training. In addition, we are building working relationships between U.S. and NIS law enforcement counterparts which allow us to cooperate effectively on specific criminal cases, and we are working to institutionalize our cooperation through the negotiation of law enforcement agreements that allow us to share information and cooperate in investigations, prosecutions, and the prevention of crime according to internationally accepted standards.

We have also been working on anti-corruption efforts, particularly in the area of good governance and transparency, in the NIS.

Multilaterally, the Russians have been part of discussions in the G-8, U.N., OSCE, and COE. They, along with some of the other NIS, attended the Vice President's Global Forum on Fighting Corruption in February 1999.

Progress in the NIS depends upon the willingness and ability of these countries to pass fundamental anti-corruption and anti-money laundering legislation, increase transparency and competition in the economy, strengthen law enforcement mechanisms, and establish regulatory and oversight mechanisms that allow for efficient investigation and prosecution of corruption.

*Question.* When we think of corruption and organized crime we often think of the economic costs. There are obvious security implications as well. How would you assess the export safeguards in place in the NIS to ensure that potentially threatening weapons systems are not diverted to rogue states, including through corruption and organized crime?

*Answer.* Ensuring safeguards are in place in the New Independent States (NIS) to deter, detect, and interdict illicit weapons trafficking is in U.S. national security interests. We actively engage and provide assistance to the NIS to improve their border security and export control laws, infrastructure and capabilities to prevent the proliferation of WMD materials and technologies and advanced conventional weapons, and will continue to do so.

Our export control and border security assistance has played a substantial role in helping the NIS develop effective export control laws and procedures.

Unfortunately, in the NIS, as elsewhere, there are entities and individuals that seek to evade these laws. As a result, a key aspect of our assistance efforts is to help the NIS prevent export control violations from occurring at the practical level, and to deal more effectively with those that seek to evade the law. Anticorruption training is an essential component of this effort.

This effort will take time. Still, we have recently seen clear indications that our border security and export control efforts in the NIS are paying off. For example, Uzbekistan's border guards recently seized radioactive cargo in an Iranian truck bound for Pakistan with the aid of radiation-detection pagers provided as part of the DOD-Customs counter-proliferation program. We have established a position in our Embassy in Tbilisi to coordinate export control and border security assistance to Georgia.

Despite these and numerous other successes, we have made it clear that, if necessary, we are prepared to impose trade penalties against NIS entities that engage in proliferation activity.

The State Department, in cooperation with other agencies, is working to expand our export control, and related border security training and equipment assistance programs, including radiation detection equipment for Russia, Ukraine, Georgia, Armenia, Azerbaijan, Uzbekistan and other NIS countries as part of the Expanded Threat Reduction Initiative (ETRI) and the Nonproliferation, Antiterrorism, Demining and Related Activities (NADR) account.

*Question.* Earlier this year, you identified Ukraine as one of four democracies deserving of particular attention this year (the others are Colombia, Indonesia, Nigeria). Ukraine's new reformist Prime Minister is reportedly taking steps to reverse the dismal economic situation and undertaking genuine free-market reforms, and I think we all realize that he has a difficult task ahead of him. Among the challenges facing Ukraine is corruption. I understand that you will visit Ukraine sometime in the near future. Will this issue be on your agenda? What is the Administration

doing to encourage rule of law in Ukraine and how are you working with Kiev to combat corruption and organized crime?

Answer. Corruption is a major obstacle to genuine reform in Ukraine, and indeed throughout the former Soviet Union. It is also a major reason why Ukraine has failed to attract needed foreign investment, despite its well-educated populace, abundant resources, and favorable location. I raised the issue of corruption during my April 14 meeting in Kiev and with Prime Minister Yushchenko during his May 8–9 visit to Washington. It was also discussed at some length during our Binational Commission meeting with Ukraine last December.

Much of our assistance is targeted to help Ukraine's growing civil society, which over time will make the government more accountable, and to developing an independent legal system, without which corruption will remain unchecked. However, the primary responsibility for combating corruption lies with the Ukrainian government itself. President Kuchmal's program of radical reforms cannot succeed if his government lacks the trust of the Ukrainian people.

*Question.* To what extent did you address issues of democracy and human rights during your recent trip to Central Asia?

Answer. My trip to Central Asia focused on two broad sets of U.S. interests in the region: promotion of democracy and economic reform; and fostering regional security and stability. We believe that these interests are interrelated.

In Central Asia, I met with the presidents of the three countries which I visited. I was frank with them on the need to guarantee their citizens' fundamental human rights, including, following flawed elections in these countries, the right to peacefully change their governments.

In our discussions, I emphasized that a truly democratic society is the best defense against the extremist threats facing the region. Democratization and market liberalization may be difficult initially, but they are essential to ensure long-term stability and prosperity.

Also in these countries, I met with a broad spectrum of political figures, NGO's, students and human rights defenders, as well as independent media to demonstrate support for the development of democracy and civil society.

*Question.* What is your perspective on reaching a Free Trade Agreement (FTA) with Jordan?

Answer. King Abdullah has taken extraordinary steps on behalf of the peace process and economic reform. The Administration believes an FTA would help the King show the Jordanian people that doing the right thing on peace and economic reform pays off and is acknowledged by Jordan's friends.

An FTA would also promote economic growth and stability in Jordan, and Jordan's stability is critical to ensuring lasting and stable peace in the entire region. Finally, an FTA would provide Jordan trade parity with Israel and the Palestinians, given their own free trade arrangements with us.

We anticipate that the economic impact for the U.S. of an FTA with Jordan would be minimal. Jordan's exports to the U.S. were \$16 million in 1998; U.S. exports to Jordan were \$353 million in 1998. However, the significance for Jordan would be great.

*Question.* Can you please share with the Subcommittee what—if any—progress has been made recently in negotiating a new trade agreement with Jordan?

Answer. The Government of Jordan (GOJ) first raised an FTA with the Administration in August 1999. At that time, we informed the GOJ that accession to the World Trade Organization (WTO) was a critical first step toward a bilateral FTA. We worked closely with the GOJ in its effort to complete WTO negotiations quickly, including providing the GOJ a full-time WTO technical advisor through USAID. Concluding its negotiations in near-record time, Jordan officially acceded to the WTO in April 2000.

The Administration has over the last several months been consulting with Members of Congress on the feasibility of entering into FTA negotiations with Jordan.

We also recognize that police can play a key role in fighting these problems. To that end, we have worked with the United Nations' International Police Task Force (IPTF) to establish professional responsibility units in both entities to help monitor police standards and ethics and investigate alleged police misconduct. These units play a key role in deterring police corruption and addressing it when it does occur. We also are beginning work on developing stronger anti-organized crime capabilities within the police in Bosnia-Herzegovina. Two TDY FBI agents currently are in the country to assist in this effort.

In addition, Bosnia-Herzegovina and the other Southeast European states made the commitment to implement the Stability Pact's Anti-Corruption Initiative, which identifies concrete steps the states of the region must take to combat corruption and carry out internal reforms. Carrying out such reforms is an integral part of the bar-

gain under which the West will assist the countries of Southeast Europe to integrate into Euro-Atlantic Institutions if those countries take the needed steps to make such integration possible. We and our European allies will be monitoring this process carefully.

In Kosovo, UNMIK Police still have not reached their full strength. However, they recognize that organized criminal activity poses a serious threat to stability and security and have established a unit to begin addressing the problem. We are working closely with key allies and UNMIK on an initiative to enhance UNMIK's capabilities in this area. Our goal is to attack this problem in Kosovo before it becomes more sophisticated and entrenched. As the new Kosovo Police Service is created, we also will ensure that its organization includes an appropriately staffed professional responsibility unit.

*Question.* Rampant corruption and uncontrolled organized criminal activity in the former Yugoslavia are undermining efforts by the international community to create some semblance of the rule of law. Nearly five years after the Dayton Agreement, the American head of the OSCE mission in Bosnia recently cited corruption as the number one obstacle to implementation of the accord. What concrete steps is the Administration taking to combat this major predicament in Bosnia and Kosovo?

*Answer.* We take organized crime and corruption as serious threats to stability and to the development of legitimate institutions in the Balkans, and around the world. We are working with international organizations and our allies to address these threats.

In Bosnia, corruption and misuse of public funds are serious problems, but U.S. investigations have shown that U.S. assistance, and other bilateral and multilateral assistance, is distributed under effective controls that minimize the risk of loss. Where there have been losses, we have taken legal steps to recover assets, such as foreclosing on secured reconstruction loans. We and other anticorruption themes ranging from the necessary legal framework, to election financing, including internal oversight mechanisms.

The Department of State has also been active in pursuing anticorruption activities within other multilateral European organizations. We cooperated closely with the European Union to develop an Anticorruption Initiative as part of the Stability Pact for Southeast Europe, and are participating in the committee that will continue its implementation. This initiative calls for those states that have not done so to become parties to the two conventions on Criminal and Civil Law Against Corruption, and the monitoring mechanism (the "GRECO") for them, developed by the Council of Europe. The U.S. is considering whether to join the GRECO and become party to this Criminal Law Convention.

The Paris-based organization for Economic Cooperation and Development manages the continuing process of monitoring implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Department of State promotes active U.S. participation in other OECD groups concerned with ethics in public service.

The Department of State, in consultation with other concerned agencies, is participating for the U.S. in the Organizing Committee established by the Netherlands to assist in preparations for the May 2001 Second Global Forum on Fighting Corruption. This follows up the February 1999 conference in Washington hosted by Vice President Gore, who committed the U.S. to cosponsor the follow-up meeting. In March, the Department assisted Romania to host a regional ministerial conference on fighting corruption for twenty Central and East European governments, in preparation for the Second Global Forum.

All members of the U.N. will be invited to the Second Global Forum; Romania and the European Commission are also participating with the U.S. in the Dutch Organizing Committee. In April, the U.N. Crime Commission transmitted a resolution to the fall U.N. General Assembly that will define procedures for the U.N. to begin to work on a new global instrument against corruption. The Department also is consulting closely with European and other governments concerning this new global initiative. Finally, in its substantial international crime control and criminal justice training and assistance programs, the Department of State and U.S. law enforcement agencies are providing substantial assistance to countries in Central and East Europe to develop and implement aspect of their national anticorruption programs.

*Question.* What is the State Department doing to ensure fighting corruption remains a top priority within the OSCE and other multilateral organizations in Europe?

*Answer.* You have previously noted that the Department of State and Helsinki Commission, which you Co-Chair, worked closely together to introduce into the Istanbul OSCE Charter and Declaration language addressing the importance of combating corruption. Specifically, the Declaration charged the OSCE's Permanent

Council with reporting to the 2000 OSCE Ministerial on how best to contribute to efforts to combat corruption. The Chairman-in-Office has created a working group that will address this question and draft a report to the 2000 Ministerial.

On March 3 the Department organized an interagency team, led by the Office of the Vice President, and including a member of your staff, that traveled to Vienna and briefed the OSCE anticorruption working group on the results of the 1999 Global Forum on Fighting Corruption. The team's presentations focused on how best to combat corruption among public officials, and outlined a series of meaningful contributions the OSCE could make donors are conditioning our aid on measurable progress in rooting out corruption, creating a climate conducive to private enterprise, breaking down barriers to flows of goods and people, and promoting human rights and the rule of law.

We are working with the Office of the High Representative (OHR) to implement significant financial reforms. In addition, the OHR's Comprehensive Judicial Reform and Comprehensive Anti-Corruption Strategies were developed with U.S. Assistance. The Anti-Corruption Task Force, led by Ambassador Robert Frowick, coordinates our efforts with OHR and the EC's Customs and Fiscal Assistance Office. We have focused our resources in a number of specific areas: (1) cleaning up the customs services; (2) reforming tax administration and public sector accounting; (3) privatizing the banking system; (4) re-designing key aspects of the BiH Courts; and (5) providing for a transparent privatization process. We recently have undertaken to increase our efforts by augmenting the personnel resources of the Anti-Fraud Unit with new hires of international investigators, auditors and prosecutors to work in the field with their Bosnian counterparts.

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#### QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

##### GLOBAL ENVIRONMENT FACILITY

*Question.* Last year, the Foreign Operations Appropriations bill provided only \$36 million for the Global Environment Facility, even though those skeptical of the Kyoto Protocol should be among the strongest supporters of environmental measures in underdeveloped and developing countries. What contribution could the GEF make to promoting environmentally sustainable development if the U.S. would begin paying down our arrears, as the President's budget requests?

*Answer.* Paying down our arrears will help the Global Environment Facility (GEF) promote sustainable development practices by conserving species, restoring the ozone layer and assisting developing countries to deal with environment problems. The atmosphere, the oceans and species protection are all global in nature. Nothing we do here at home can protect these resources from permanent damage caused elsewhere. Unsustainable development practices in Asia, Latin America and Africa pose an increasing threat to the global environment. Unless these regions adopt cleaner and more environmentally "friendly" approaches to economic development, their practices could negate all the combined efforts at environmental protection and conservation efforts of the U.S. and other industrialized countries. However, the developing world cannot afford the full cost of the changes necessary. For that reason, the GEF is designed to pay only the incremental costs associated with protecting the global environment. GEF projects promote more responsible paths toward economic development and seek to make utmost efforts to involve the private sector as well as all relevant stakeholders in civil society.

While the GEF is the financial mechanism for the U.N. Framework Convention on Climate Change, it is not entrusted with serving as the financial mechanism for the Kyoto Protocol. Nevertheless, payment of our arrears to the GEF will enhance the ability of developing countries to address climate change through cleaner and more efficient energy development, including through the utilization of renewable sources of energy, and by identifying and preserving sinks for greenhouse gases through forest preservation and more efficient land management and agricultural practices.

In sum, through the GEF's efforts in promoting environmentally sustainable development across the range of its focal areas, we will be helping to ensure that the earth's bounty will be passed on to our children as intact as possible.

Madam Secretary, I understand you will soon be leaving for Ukraine. I wish you every success in your mission, because a stable and democratic Ukraine is central to our shared goal of a Europe whole and free.

*Question.* What are the prospects for Ukraine implementing economic reforms on a more aggressive timetable?

Answer. A decisive majority of the Ukrainian people clearly demonstrated in the last election that they want a Western path for their country. They reelected as President Leonid Kuchma, a man associated with reform and western integration. President Kuchma's renewed mandate provides a window of opportunity for Ukraine to move forward with the reforms needed to grow its economy and cement its place in Europe. He made a good start in choosing as his Prime Minister Viktor Yushchenko, and together they have taken some bold steps to reform Ukraine's economy and improve its relations with the West. In particular, efforts to streamline the government and deregulate the economy can help create a favorable climate for investment.

However, much remains to be done to reach the critical mass of reforms needed to turn the economy around. Energy and agricultural reform and privatization are priorities. We remain committed to Ukraine's success, and will provide assistance, both political and material, in support of genuine reform efforts.

*Question.* What does President Putin's rise to power in Russia mean for Ukraine's security and independence? Are you concerned that Russia will continue to use its economic leverage over Ukraine to prevent closer relations with the West?

Answer. The Ukraine-Russia relationship is central to the future of Europe. The U.S. is committed to the successful transition of both countries to peaceful, stable free market democracies. Ukraine and Russia have made great progress in resolving difficult bilateral issues connected with the break-up of the former Soviet Union, including division of the Black Sea fleet and other military equipment, the status of Crimea and other border issues, and the status of the Russian minority in Ukraine. We hope to see current and future issues between these two countries, such as energy relations, resolved in the same spirit of cooperation and friendship, and with due respect for each other's independence and sovereignty. The U.S. strongly supports Ukraine's and Russia's aspirations to integrate more closely with the Euro-Atlantic community, and we will remain engaged to this end. The pace and extent of this integration should depend on each country's readiness and willingness to associate itself with the values and responsibilities of the West.

*Question.* I know the Poles have been eager to assist Ukraine follow the path to democracy and a market economy under the rule of law. Have they been helpful?

Answer. The United States and Poland share similar objectives with regard to Ukraine. We both want to see a successful market democracy in Ukraine that can help stabilize the region and make a positive contribution to the peace and prosperity of Europe. Through the Poland-America-Ukraine Cooperation Initiative (PAUCI) we are working closely with both Poland and Ukraine to facilitate the transfer of the important lessons learned from Poland's successful embrace of market economics to its neighbor. The Polish-American Freedom Foundation will also help disseminate Poland's experiences. Poland also serves as an important bridge for Ukraine into Euro-Atlantic institutions. Ukraine's participation in KFOR since April 1999, an important symbol of its western orientation, will be continued in partnership with Poland starting July 1 when elements of the Polish-Ukrainian Peacekeeping Battalion arrive in Kosovo. Poland and other allies will help us finance to motivate and direct action by individual governments in this regard.

Also, the April 11-14 OSCE Economic Forum in Prague included, as a result of our efforts, a special Anticorruption Session. The 16-member U.S. delegation to the Forum was led by Assistant Secretary of Commerce Patrick Mulloy, and again included a member of the Helsinki Commission's staff. The theme of the Forum was Post-Conflict Rehabilitation, and Assistant Secretary Mulloy's opening statement focused on the grave threat corruption poses to all OSCE activities in rebuilding post-conflict economies and societies.

Further, the Department introduced during the Forum a pilot proposal, for which we will provide \$75,000 in funding, to have the OSCE's Bosnia Mission undertake a public education and journalist training program focused on corruption and its corrosive impact on the political process. We are currently working with the Bosnia Mission on this proposal and hope to attract matching funds from other OSCE participating States.

We also succeeded at the Forum in having "Transparency, Good Governance, and Economic Issues" adopted as next year's Economic Forum Theme. This will allow us to highlight at the Forum, and at the preparatory seminars leading up to the Forum.



## QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

*Question.* Have you considered appointing a high level envoy—someone with the stature of former Senators George Mitchell or Paul Simon—to lead U.S. efforts to resolve the Armenia Azerbaijan conflict?

*Answer.* The Administration will bring to bear whatever diplomatic resources are required to help resolve the conflict. I appointed our current Special Negotiator Carey Cavanaugh because of my confidence in his abilities and high estimation of his extensive experience both with the Nagorno-Karabakh conflict and with mediating other regional disputes. Ambassador-designate Cavanaugh enjoys the confidence of the parties and of America's OSCE Minsk Group Co-Chair partners. The current Minsk Co-Chair Process is moving in a promising direction.

Clearly, for the peace process to succeed, it will require intense, sustained effort at a high level, involving not only Armenia, Azerbaijan and the Karabakhs but also Russia, France, Turkey, and other OSCE members. We intend to engage with President Putin on this issue at the Moscow Summit in June, convinced that our cooperation is crucial to finding a viable solution.

*Question.* What steps need to be taken to end the trafficking of women in the United States? What tools do you need to prevent these women from being brought here? Are international agreements necessary—or is it more a matter of stronger law enforcement and penalties?

*Answer.* The U.S. anti-trafficking strategy established by the 1998 Presidential Directive has a three-tiered focus on prevention, protection of victims and prosecution. In order to combat the trafficking of women into the United States, we must root out trafficking at its source by providing economic alternatives to populations that are vulnerable to the wiles of traffickers and with publicity and education campaigns. We must also provide protections for victims including funding for shelters, medical treatment and safe reintegration.

Domestically, we need comprehensive legislation with punishments for perpetrators and a range of protections for victims. We also need the resources necessary to implement legislation as well as to fully realize the potential of our anti-trafficking strategy. We need additional resources to work with other governments supporting their efforts to prosecute traffickers, by training their police and immigration officials on how to apprehend them, giving their lawyers the tools to prosecute them and their legislatures the know-how to draft tough laws to punish them. We must continue our support of international efforts through our cooperative partnerships with other countries to fight trafficking.

In the U.S., no comprehensive law against trafficking immigration Officials on how to apprehend them, giving their lawyers the tools to prosecute them and their legislatures the know-how to draft tough laws to punish them. We must continue our support of international efforts through our cooperative partnerships with other countries to fight trafficking.

In the U.S. no comprehensive law against trafficking exists. Currently, our laws do not provide protection to trafficking victims and there are gaps in our criminal laws that make it difficult to prosecute and punish traffickers. We must enact legislation that will strengthen and institutionalize advances made as well as obtain new and necessary tools to combat trafficking and protect victims. Due to the economic difficulties in some countries traffickers lure victims with promises of employment in the U.S. It is important that new anti-trafficking legislation address economic assistance.

New legislation must not, however inflict mandatory sanctions on foreign governments, as some have proposed, because such sanctions will make the problem of trafficking in persons worse, not better. Sanctions would thwart the cooperative multilateral efforts, such as the proposed U.N. protocol on trafficking, that are the best way to solve what is a transnational problem; undermine the crucial efforts of NGOs working to help victims abroad; and have the unfortunate effect of cutting off U.S. foreign assistance, including law enforcement training. Sanctions could also exacerbate economic conditions in certain countries and hurt potential trafficking victims who are lured into trafficking due to economic desperation.

International efforts and agreements are an essential weapon in the fight against trafficking because trafficking is a global problem. An estimated 50,000 women and children are trafficked into the U.S. annually—a number that does not even include the many men that are trafficked as well. These victims are primarily from Southeast Asia but increasingly from the New Independent States and Latin America. International cooperation is necessary especially with source countries to effectively prevent trafficking in the U.S. The Asian Regional Initiative Against Trafficking (ARIAT) conference cosponsored by the United States and the Philippines is a good example of the benefits of a cooperative partnership with other countries. Delegates,

who included government, U.N. and NGO representatives, developed and endorsed a regional action plan against trafficking in persons, especially women, within, from and through the Asia-Pacific region.

Negotiations will resume in June on the draft U.N. trafficking in persons protocol supplementing the U.N. Convention against Transnational Organized Crime which the U.S. sponsored. To be successful, the Protocol requires agreement from all participating nations. There appears to be broad support among participating nations for a protocol that includes trafficking in all its forms. Upon completion, the Protocol will be an historical instrument of international cooperation to fight trafficking and protect victims. We also need stronger law enforcement and penalties as part of our comprehensive initiatives to combat trafficking.

#### CONCLUSION OF HEARINGS

Senator McCONNELL. That concludes our hearings. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 12:07 p.m., Thursday, April 13, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

## FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2001

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

### NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses. The statements and letters of those submitting written testimony are as follows:]

#### PREPARED STATEMENT OF ROTARY INTERNATIONAL

Chairman McConnell, Senator Leahy, 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 (U.S. AID). As you know, 2000 is a water shed year in the battle to eradicate polio. The penultimate goal of the international polio eradication initiative, the interruption of polio transmission, is within our grasp. We remain on track for our primary target: certification of eradication by 2005. This monumental effort, toward which countless millions have endeavored, has required the commitment and fortitude of a climb to Everest's peak. As we near our goal—a world free of polio—we cannot become complacent. We cannot allow the daunting challenges that lie before us to diminish our resolve. As with an expedition to scale Everest, the most difficult stage of our journey, the stage most fraught with the risk of failure, is the final push to the summit.

I would like to take this opportunity to thank you Chairman McConnell, Senator Leahy and members of the Subcommittee for your tremendous commitment to this effort. Without your support of U.S. AID's polio eradication activities, the battle against polio would be impossible. We appreciate the long-term investment you have made through U.S. AID to strengthen the basic health care infrastructure of many polio-endemic countries. This solid infrastructure has provided the foundation on which the polio eradication program has succeeded. Additional support of the polio eradication program further strengthens this infrastructure because it gives confidence to the health care workers, provides dramatic assistance to families who no longer suffer the ravages of polio, and provides hope that other diseases can also be eliminated.

The global eradication strategy is working. In 1985, when Rotary began its PolioPlus Program, 100 nations around the world suffered under the burden of polio. The Western Hemisphere has now been polio-free for nearly 9 years, and today polio is confined only to Sub-Saharan Africa, parts of the Middle East, and South Asia.

Thanks to the polio eradication efforts over the last decade, approximately three million children who might have been polio victims are walking and playing normally. Tens of thousands of public health workers have been trained to investigate cases of acute flaccid paralysis and manage immunization programs. Cold chain, transport and communications systems for immunization have been strengthened. A network of more than 140 polio laboratories has been established.

Significant challenges lie before us. Continued political commitment is essential both in polio endemic countries, to support the acceleration of eradication activities, and in donor countries, so that the necessary human and financial resources are made available. Access to children everywhere is needed, particularly in countries affected by conflict. Truces must be negotiated if National Immunization Days are

to proceed in these countries. The continued leadership of the United States is critical if we are to overcome these challenges.

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 160 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.

In the United States, Rotary has formed the USA Coalition for the Eradication of Polio, a group of committed child health advocates that includes 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. These organizations join us in expressing our gratitude to you for your staunch support of the international program to eradicate polio. Over the past four years, you have recommended that \$25 million be appropriated for the polio eradication activities of U.S. AID. This investment has helped to make the United States the leader among donor nations in the drive to eradicate this crippling disease. We remain on target for certification of eradication in 2005.

#### FISCAL YEAR 2001 BUDGET REQUEST

For fiscal year 2001, we are again requesting that your Subcommittee specify \$25 million for global polio eradication in U.S. AID's budget. These funds will support U.S. AID's delivery of vaccine and the development of the infrastructure necessary to maintain its Polio Eradication Initiative. This would maintain funding at the same level as the past four years, providing much-needed stability to the program and ensuring that the U.S. remains a leader in the global polio eradication effort. In addition, we are seeking report language similar to that included in the fiscal year 2000 Committee report, specifying that this funding is meant to be in addition to the resources for the regular immunization program of U.S. AID, and is intended to supplement other related activities. It is important to maintain this level of funding due to the increased costs of the accelerated eradication program recently approved by the World Health Assembly. These funds will be applied to the most challenging countries, such as Angola, India, Nigeria, Bangladesh and Democratic Republic of the Congo.

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

In 1998 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 United States was a major force behind the successful eradication of the smallpox virus, and the GAO concluded that the eradication of smallpox has saved the United States some \$17 billion to date. 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 poliovirus, in addition to its investment in international polio eradication. Globally, over \$1.5 billion U.S. 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 leadership in appropriating funds, the international effort to eradicate polio has made tremendous progress.

- Since the global initiative began in 1988, 3 million children in the developing world, who otherwise would have become paralyzed with polio, are walking because they have been immunized.
- The number of polio cases has fallen from an estimated 350,000 in 1988—of which 35,000 were reported—to approximately 6,000 reported cases in 1999. More than 180 countries are polio-free, including 4 of the 5 most populous countries in the world (China, U.S., Indonesia and Brazil).
- Almost 2 billion children worldwide have been immunized during NIDs in the last 5 years, including 147 million in a single day in India. During 74 National Immunization Days, 16 Sub-National Immunization Days and 7 Mopping-up activities conducted in 1999, over 450 million children received oral polio vaccine.

This represents nearly 75 percent of all the world's children under the age of five.

- Approximately 6,000 confirmed polio cases were reported to WHO for 1999. The annual increase in reported cases since 1996 is expected because of the intensified global eradication efforts. This increase does not reflect a lack of progress in polio eradication. Rather, the increase is caused by substantial improvements in the quality of surveillance, particularly in India. As surveillance has improved, a higher percentage of polio cases occurring are identified and reported.
- Of the three types of wild poliovirus, Type 2 is on the verge of extinction, with the known pockets of circulation localized to northern India and Bangladesh.
- All polio-endemic countries in the world have conducted NIDs—most recently in Sierra Leone and Democratic Republic of the Congo. The achievement of successful NIDs and implementation of APF surveillance in Somalia and Sudan shows that polio eradication strategies can be implemented in all countries.

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

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

- U.S. AID 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, U.S. 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. U.S. AID developed the monitor in conjunction with a private U.S. firm at the request of WHO and UNICEF. The monitor is now used on every vial of oral polio vaccine used worldwide.
- Through technical assistance projects and financial support to international organizations, U.S. AID supports national and sub-national immunization days (NIDs and SNIDs), mop-up campaigns, surveillance, the laboratory network, and the training and social mobilization that make these programs succeed.
- U.S. AID joined forces with Voice of America (VOA) in 1997 to take advantage of their radio broadcasting network to raise awareness of polio eradication and to expand community-level participation. To date more than 900 broadcasts supporting eradication have been heard in 22 countries, reaching scores of listeners in remote areas. These broadcasts include radio dramas and contests of various kinds, all in local languages. In 1998, WORLDNET TV received funds to add TV broadcasts to further spread the message about polio eradication and the importance of routine immunization.
- U.S. AID is supporting Surveillance Medical Officer positions in Bangladesh, India, and Nepal; and the officers already in place have had a significant and rapid impact. The quality of laboratory sample collection and testing has also markedly improved.
- U.S. AID is supporting NIDs, surveillance, labs, social mobilization, microplanning, training, monitoring and evaluation in Africa and India, and surveillance and labs in Latin America.

#### 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. NIDs have been used as an opportunity to give children essential vitamin A, as well as polio vaccine. 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 estimates that \$1 billion is needed from donors for the period 2000–2005 to help polio-endemic countries carry out the polio eradication strategy. The estimated shortfall for the years 2000–2001 now stands at approximately \$300 million. In the Americas, some 80 percent 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, and Italy are among those countries that have followed America's lead and have recently announced special grants for the global Polio Eradication Initiative. Japan has also expanded its support to polio eradication efforts in Africa. Germany has made major grants that will help India eradicate polio by 2000. In December 1999 the United Kingdom announced two grants totaling U.S. \$94.6 million for polio eradication efforts in India and Africa. The Government of India will receive U.S. \$62.6 toward its Pulse Polio Initiative over the next two years. In addition, the U.K. will grant a total of U.S. \$32 million to African nations that are poliovirus reservoirs, affected by conflict or both. These nations include Nigeria, Ethiopia, Somalia, Sudan, DR Congo and Angola.

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, \$373 million has already been allocated for polio vaccine, operational costs, laboratory surveillance, cold chain, training and social mobilization in 120 countries. 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.

Polio eradication is the most cost-effective public health investment, as its benefits accrue forever. The world will begin to “break even” on its investment in polio eradication only two years after the virus has been vanquished. We are on the brink of eradication, but we are not there yet. The most difficult challenges still lie before us. These include countries in conflict and reservoir countries such as Angola, India, Ethiopia and Bangladesh. By fully funding U.S. AID, you will ensure our success.

When we reach the summit, we will be able look out upon a world in which the scourge of polio is a thing of the past. This will be our gift to the children of the twenty-first century.

Thank you for this opportunity to testify.

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#### PREPARED STATEMENT OF THE AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

Mr. Chairman and members of the Subcommittee, the American Society of Tropical Medicine and Hygiene appreciates the opportunity to present its views on fiscal year 2001 priorities relevant to programs under the Subcommittee's jurisdiction. ASTMH is a professional society of 3,500 researchers and practitioners dedicated to the prevention and treatment of infectious and tropical infectious diseases. The collective expertise of our members is in the areas of basic molecular science, medicine, vector control, epidemiology, and public health.

The Society thanks the members of this Subcommittee for their previous commitment and support for the programs administered by the U.S. Agency for International Development (U.S. AID) targeted to combating the global burden of tropical and infectious disease. Your support for these important programs has resulted in tremendous progress in combating disease. World health experts estimate that U.S. AID'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.

Despite this progress, we are sure every member of the Subcommittee would agree that the global burden of tropical and infectious diseases remains staggering and poses a tremendous threat to us all. According to the World Health Organization, infectious diseases account for more than 13 million deaths a year. Over the course of an hour, the WHO reports that 1,500 people will die from an infectious disease—over half of them children under five.

The WHO has identified the seven infectious diseases that caused the highest number of deaths in 1998. HIV/AIDS, TB, malaria, and hepatitis B and C are either spreading or becoming more drug resistant, while lower respiratory infections, diarrheal diseases, and measles appear to have at least temporarily peaked. Malaria alone 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. Tragically, every 30 seconds a child in the world dies of malaria.

Most of these deaths occur in developing countries where there is extreme poverty and lack of access to basic health care and essential drugs. However, with the enormous volume of travel and trade today and the interconnection of the world economies, infectious diseases do not respect borders.

In June 1996, President Clinton issued a Presidential Decision Directive calling for a more focused U.S. policy on infectious disease. The State Department's Strategic Plan for International Affairs lists protecting human health and reducing the spread of infectious diseases as one of the U.S. strategic goals, and Secretary Albright in December 1999 announced the second of two major U.S. initiatives to combat HIV/AIDS. The unprecedented U.N. Security Council session devoted exclusively to the threat to Africa from HIV/AIDS in January 2000 is measure of the international community's concern about the infectious disease threat.

A January, 2000, unclassified report from the CIA's National Intelligence Council entitled "The Global Infectious Disease Threat and Its Implications for the United States," suggests that infectious diseases are likely to account for more military hospital admissions than battlefield injuries. The report assesses the global threat of infectious disease, stating "New and reemerging infectious diseases will pose a rising global health threat and will complicate U.S. and global security over the next 20 years. These diseases will endanger U.S. citizens at home and abroad, threaten U.S. armed forces deployed overseas, and exacerbate social and political instability in key countries and regions in which the United States has significant interests."

U.S. AID programs targeted to the prevention, treatment and control of tropical and infectious disease are now more important than ever to the nation's foreign policy objectives and U.S. strategic interests.

#### U.S. AID CHILD SURVIVAL AND DISEASE FUND

The ASTMH strongly supports U.S. AID's Child Survival and Disease Programs which have long been at the forefront of international efforts to alleviate morbidity and mortality among the world's most vulnerable populations—children under five years of age. These programs include critical activities in developing nation's to prevent and treat infectious diseases, such as vector control strategies, improving the capacity of the public health infrastructure through training programs and technical assistance, providing immunizations, oral rehydration therapy, vitamin A supplementation, and HIV/AIDS prevention and treatment activities.

The Society is pleased that the President has recognized the importance of these programs by requesting a slight increase for the Child Survival and Disease Fund, resulting in a total budget of \$659 million in fiscal year 2001. Within this account we also support the President's call for increasing funding for HIV/AIDS health activities by \$54 million above the fiscal year 2000 level, resulting in an allocation of \$244 million for HIV/AIDS activities in fiscal year 2001.

The ASTMH urges the Subcommittee to at least support the President's request and respectfully urges the Subcommittee to do better. The ASTMH has endorsed The Global Health Act of 2000, legislation calling for an additional \$1 billion above fiscal year 2000 levels for federal programs that support activities targeted to child survival, the health and nutrition of pregnant mothers, and combating infectious diseases including HIV/AIDS and malaria. This legislation specifically calls for an additional \$475 million targeted to prevent, control and combat infectious diseases including HIV/AIDS and malaria, and would authorize an additional \$325 million to help child and family survival through nutrition and health advice for pregnant women and mothers, along with programs for child survival and infant care, such as immunizations.

We believe an increase of this magnitude for these important activities is a cost-effective, sound investment towards improving global health and protecting the health and well-being of Americans at home and abroad, given the enormous human

and economic costs we face as a nation with the spread of emerging and re-emerging infectious diseases and the burden of disease on developing countries. We urge the Subcommittee to provide the highest possible funding level for the U.S. AID Child Survival and Disease Fund programs to help achieve this goal.

#### MILLENNIUM VACCINE INITIATIVE

The ASTMH also asks the Subcommittee to work with your colleagues and the Administration in supporting efforts to encourage research and development on vaccines and drugs to combat malaria, tuberculosis, HIV/AIDS and other infectious diseases causing more than 1 million deaths annually and to ensure that these products are accessible to populations in developing countries most impacted by these diseases. These efforts, that are embodied the President's Millennium Vaccine Initiative and legislation pending before Congress, fosters partnerships with federal agencies, industry, non-profit organizations, the World Bank, and other international organizations to combat the scourge of infectious diseases.

Specific initiatives proposed to provide incentives to accelerate the research, development and production of vaccines and drugs include enhance R&D tax credits and new tax credits for sales of vaccines, contributions to international organizations such as the Global Alliance for Vaccines and Immunizations (GAVI) for the purchase and distribution of vaccines and drugs in developing countries, and measures that will improve the public health infrastructure in developing countries in order to expand immunizations, prevent and treat infectious diseases, and build effective delivery systems for basic health services.

The Society would specifically like to thank Senator Kerry for advancing these important initiatives through the introduction of S. 2132, and we wish to thank the members of this Subcommittee who have been strong and tireless advocates for efforts to improve access to vaccines and therapies in the developing world.

The Society believes that through this Subcommittee's support, U.S. AID will play an important leadership role in this critical multi-lateral efforts. These initiatives represent a necessary first step to marshal the collective will and resources of government, industry, foundation, international organizations, and individuals to make the kind of commitment necessary to bring these deadly diseases under control until we have them totally conquered. The Society urges your strong support for this unique and important opportunity.

We know you understand the need for greater resources to be directed to tropical and infectious disease programs, and we understand that you face many difficult decisions as you develop the funding priorities that will be reflected in your fiscal year 2001 bill.

As we begin the 21st century we find ourselves with many opportunities to expand our efforts at controlling and preventing tropical and infectious diseases. Control of global infectious disease threats is not just a development issue, it is also a national security issue for the United States and a health concern for every American. Investments in global infectious disease programs are clearly a win-win for the country—by helping others we are also launching the best defense to protect the health of our nation.

The American Society of Tropical Medicine and Hygiene appreciates the opportunity to present its views. Thank you for your consideration of these requests.

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PREPARED STATEMENT 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

Chairman McConnell, Senator Leahy 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.

#### 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 follow the lead set by Congress and publicly call for the immediate demilitarization of Cyprus.



## TURKEY

I am also pleased to note certain improvements in the general stability of the Southeast European and Eastern Mediterranean regions as well as in the wider Middle East. These include a PKK-declared cease-fire inside Turkey, better relations between Greece and Turkey, new opportunities for progress in the Middle East, and the strengthening of the reform forces in Iran.

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. The decision of the Administration finally to eliminate aid for Turkey was due, I am convinced, in substantial part because of the role of the Congress.

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. Designed as an incentive to Turkey to reform its domestic structures and resolve international problems, aid did not achieve its purposes. Instead of resolving international problems, Turkey continued an intransigent approach with regard to the Aegean, Cyprus and Armenia. On the domestic front, successive reports by the State Department including the 2000 report issued February 25, 2000, have shown that Turkey has failed to curb the power of its military and has continued a pattern of gross human rights violations.

Against this background of Turkey's resistance to reform, AHIPAC has argued that U.S. military and economic support for Turkey rendered our country an accessory to Turkey's massive ethnic cleansing and genocidal actions against its 20 percent Kurdish minority and aggression against Cyprus. It has made the U.S. complicit in Turkey's human rights abuses generally against its citizens, including widespread torture. AHIPAC is very pleased that with regard to Turkish aid policy this sad chapter in U.S. relations with Turkey has at long last come to an end.

## YEAR 2000 GREEK AMERICAN POLICY STATEMENTS: THE POSITIVE ROLES OF GREECE AND CYPRUS

As the committee considers appropriations for overall U.S. policy in the region for the future, we hope you will take full advantage of the positive opportunities deriving from the close U.S. relationships with Greece and Cyprus. As the Year 2000 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. During his visit to Athens in November 1999, President Clinton described Greece as the "powerhouse of Southeast Europe." In a speech on February 2, 2000 Under Secretary of State for Political Affairs Thomas Pickering described the U.S. relationship with Greece in the following terms:

"Greece is the region's wealthiest country, with the strongest economy, one now on the threshold of joining the European Union's Economic and Monetary Union. Greece can serve as an economic locomotive for the region, demonstrating by example and by deed the rewards of privatization, competitive markets, private sector investment, and job creation. Greek companies can be a driving force in regional reconstruction and development. We want to work closely with Greece."

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. These negotiations made significant progress throughout 1999. Cyprus meets the key EU targets for joining the European Monetary Union. By basing its policies in Southeastern Europe on close ties with Greece and Cyprus, the U.S. could materially advance its interests in regional stability, economic development, and increase in democratic institutions.

Together, Greece and Cyprus offer the key relationships for the advancement of American interests and values in the region.

## TURKEY: A NEGATIVE ROLE

By contrast, Turkey represents a negative factor in Southeast European and Eastern Mediterranean affairs. It has failed to submit its unilateral territorial claims

against Greek sovereign territory in the Aegean to binding international arbitration; it continues to block progress on Cyprus; and, as the 1999 State Department Human Rights Country report on Turkey makes clear, it continues its gruesome record of domestic human rights abuses.

Turkey's depredations against the Kurds in a war in which the Turkish military has killed over 30,000 Kurds, scorched 3,000 villages and created 2,500,000 refugees inside Turkey far exceed those of Russia in Chechnya.

Sadly, and to the grave detriment of U.S. interests and values, the Administration operates a double standard toward Turkey. I noted vigorous condemnation of Russia's actions by Deputy Secretary Strobe Talbott, you and Ranking Member Senator Leahy in a recent exchange before the Committee, but the Administration turns a blind eye to Turkey's obstructionism and abuses. Its policies toward Turkey amount to gross appeasement. The Congress should step in to reverse this counterproductive policy and to insist that U.S. policy in the region is based around the positive roles being played by Greece and Cyprus rather than on Turkey's a negative role. A policy of this kind would much better reflect American values and interests.

In its decision of December 10–11, 1999 to accept Turkey as a candidate for accession subject to certain criteria, the European Council recognized the need for Turkey to make substantial improvements before accession negotiations can begin. In addition to requiring Turkey to conform to the same accession criteria as all other candidate states, the EU identified three areas of especial concern: the Aegean, Cyprus, and human rights. Turkey has accepted that it must comply with these requirements, but has made no progress to date. Attached as Exhibit 2 is my speech of March 11, 2000 which discusses this subject in detail.

#### THE NEED FOR CONGRESSIONAL LEADERSHIP TO REVERSE THE ADMINISTRATION'S COUNTERPRODUCTIVE POLICY OF APPEASEMENT

The immediate reaction by Congress with regard to Turkey should be to mandate an immediate halt to all arms sales and transfers to Turkey. Turkey is in the process of selecting tenders for a \$4 billion sale of advanced attack helicopters. There is no external military justification for this purchase. Instead the helicopters will be used in Turkey's war of terror against its Kurdish minority and in its ongoing oppression of its own people.

In addition to an arms ban, the Congress should eliminate any trade preferences or other benefits for Turkey, freeze any loan programs for Turkey and instruct U.S. representatives in multinational agencies to vote against any aid or loans for Turkey. I urge the members of this committee to take the lead in such efforts and to call for hearings on a critical review of U.S.-Turkey relations.

#### HUMAN RIGHTS IN TURKEY

In addition to national interest consideration, the case for a critical review of U.S. policy toward Turkey is based on fundamental American principles and values. Turkey's appalling human rights record and general lawlessness has been on record for many years. We derive no satisfaction from restating certain of the salient points here.

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 State Department's 1999 Human Rights Country report 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."

The 52-page country report on Turkey in the 1999 State Department Human Rights Report, released on February 25, 2000, offers discouraging proof that Turkey has made no progress in improving its dismal human rights record. Much of the language is carried forward from earlier reports. The first paragraph highlights the pervasive and anti-democratic role played by the military in Turkish governance, saying that "the military exercises substantial influence over government policy and actions."

Subsequent sections list a catalogue of violations of basic human rights and democracy, torture, minority persecution, infringements on religious freedom and civil

and press liberties, and abuses of women's issues. Some of the prominent examples under these headings are:

- Abuses by the security forces: "Members of the security forces, including police 'special teams,' other Turkish National Police personnel, village guards and Jandarma committed serious human rights abuses."
- Torture: "Torture, beatings and other abuses remained widespread, at times resulting in deaths."
- Infringements of civil liberties: "Limits on freedom of speech and of the press remained a serious problem—at least 18 journalists remained imprisoned at year's end—the police and Jandarma continued to limit freedom of assembly and association. The police harassed, beat and abused and detain a large number of demonstrators."
- Minority persecution: "The situation in the southeast remained a serious concern. The [Turkish] government has long denied the Kurdish population, located largely in the southeast, basic political, cultural, and linguistic rights."
- Freedom of the press: according to Turkey's Human Rights Foundation, at year's end approximately 60 journalists were under arrest or had been convicted
- Religious persecution: "The Authorities monitor the activities of the Eastern Orthodox Church and their affiliated operations. The Ecumenical Patriarchate in Istanbul consistently expressed interest in reopening the seminary on the island of Halki in the Sea of Marmora. The seminary has been closed since 1971 when the state nationalized most private institutions of higher learning. Under current restrictions, including a citizenship requirement, religious communities remain unable to train new clergy"
- Women's issues: "Spousal abuse is serious and widespread—beating in the home is one of the most frequent forms of violence against women." Some abuse of children, and child labor remain serious problems. Discrimination against women persists."

This report shows that Turkey has a record of human rights abuses that is comparable with that of a rogue state like Iraq, an isolated Third World country such as Burma or a communist state such as China. It is remarkable that these abuses are taking place in a country which is a NATO ally.

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.

Other independent human rights organizations such as Amnesty International in its statement of March 3, 2000 and the comprehensive November 1999 report "Arming Repression: U.S. Arms Sales to Turkey During the Clinton Administration," produced jointly by the World Policy Institute and the Federation of American Scientists, have drawn attention to the fundamental moral unacceptability of treating Turkey as a normal ally of the United States.

#### 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 involving Turkey's horrendous human rights record and genocidal war against the Kurds in Turkish Kurdistan.

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 close to 30,000 Kurds, death squads have assassinated hundreds of Kurdish leaders, scorched earth military campaigns have destroyed over 3,000 Kurdish villages removing by force over 2,500,000 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. This is a matter of intense national shame to American values and principles.

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. De-

spite 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 U.S., NATO, YUGOSLAVIA, TURKEY AND CYPRUS: A DOUBLE STANDARD

In making the case for action against Serbia, President Clinton and others cited the need to oppose aggression. Once again NATO member Turkey is guilty on that count.

Turkey's invasion of Cyprus and occupation of 37.3 percent of Cyprus in 1974 is external aggression and a violation of the U.N. Charter preamble and Article 2 (4), and the North Atlantic Treaty preamble and Article 1, and customary international law. Further, Turkey violated U.S. laws because it illegally used U.S. supplied arms and equipment in its invasion of Cyprus. This clear, unambiguous violation of international law eclipses in its implications for international order the internal action taken by Serbia in Kosovo.

Ever since 1974, the U.S. and NATO have tolerated and appeased the Turkish military's ethnic cleansing and crimes against the Greek Cypriots in Cyprus.

The actions of the U.S. and NATO regarding Cyprus from 1974 to date are a stain on the honor of both, particularly because of the U.S. accessory role in Turkey's 1974 invasion of Cyprus which the State Department has been attempting to cover-up ever since.

The parallel between Turkey's invasion and occupation of Cyprus and Iraq's invasion and occupation of Kuwait is clear. The U.S. should be as forceful in ridding Cyprus of its aggressor, Turkey, as it was in Kuwait. At a minimum, NATO should suspend Turkey from the alliance until Turkey is in compliance with the North Atlantic Treaty and the U.N. Charter.

#### THE TWO PRIME DETERMINANTS OF U.S. POLICY ON TURKEY

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 small group 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 destabilizing 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 from Turkey's several 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. Turkey has recently entered into a \$1.8 million contract with a group involving former Congressmen Bob Livingstone, Gerald Solomon and Stephen Solarz to lobby support for arms sales to Turkey.

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 U.S., 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 and Defense Departments.

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 percent 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 failure to apply U.S. and international law to Turkey's periodic bombing of Kurds in Iraq;

(4) the failure to apply U.S. and international law to Turkey's continuing occupation of 37.3 percent 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's 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's 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 U.N. 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 AND CYPRUS

We have long called for a NATO force on Cyprus under U.N. 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 U.N. 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 U.N. 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 follow Congress' lead and 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 in the Aegean and 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 U.N. Charter Preamble and Article 2 (4) and the NATO Treaty Preamble and Article 1.

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, freeze any loan programs for Turkey, instruct U.S. representatives in multinational agencies to vote against any aid or loans for Turkey, and should consider economic sanctions against Turkey.

5. The Senate Foreign Relations and Armed Services Committees should hold hearings on a critical review of U.S.-Turkey relations.

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, the Defense Department and on the NSC to deny this is to deny reality.

Thank you, Mr. Chairman.

## EXHIBIT 1.—AMERICAN HELLENIC INSTITUTE, INC.

## 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

The policies set forth herein are based in each case on the question of what is in the best interests of the United States.

*Section 1.—Overview and main themes*

1. The political, security and economic landscape in Southeast Europe and the Eastern Mediterranean regions underwent significant changes in 1999. At its December 10–11, 1999 Helsinki Council, the European Union decided to grant candidate status to Turkey under conditions which, in effect, require Turkey to resolve the Aegean and Cyprus issues. As a result of this important decision the resolution of these problems becomes an integral part of the EU's institutional agenda. The G8 and U.N. sponsored a new initiative over Cyprus leading to proximity talks in

New York and Geneva. Further rounds are to take place later this year. The Kosovo crisis underlined Greece's pivotal regional role. In the wake of the tragic earthquakes in Greece and Turkey the pace of contact between Greece and Turkey has accelerated, including an exchange of visits by the two foreign ministers which resulted in a series of agreements for mutual cooperation. There are now hopes of better relations between the two countries.

2. These changes underline the enduring validity of the policy themes advocated by the American Hellenic Institute since its founding in 1974 and reiterated in successive Greek American Policy Statements about U.S. interests in Southeastern Europe and the Eastern Mediterranean and their relation to U.S. values. These are that:

- These interests are best served by applying the rule of law in international affairs in the same manner as we apply it in domestic affairs;
- U.S. values and principles must remain paramount;
- Aggression against Cyprus must not be allowed to stand just as Iraq's aggression against Kuwait was reversed;
- Any eventual Cyprus settlement should not reward aggression but be based on democratic norms and U.N. resolutions;
- Greece is the pivotal nation for U.S. interests in the Southeast Europe and Eastern Mediterranean regions;
- Cyprus is an important partner for U.S. strategic interests in the Eastern Mediterranean; and
- Turkey should be treated in the same way as other countries and should not be the beneficiary of U.S. double standards on the rule of law and human rights.

3. These positions rest on the critical insight that the Southeast Europe and Eastern Mediterranean regions are 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.

4. 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. By 2001 Greece expects to be a full member of EMU. 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. Its role in the December 10–11, 1999 EU Helsinki summit was positive and responsible.

5. We call upon the United States to take advantage of this positive reality by developing a "special relationship" with Greece for mutual benefit and commensurate with the latter's potential to advance U.S. interests. U.S. Ambassador to Greece Nicholas Burns has articulated Greece's importance to the U.S. in the region. He also influenced President Clinton's reference to Greece in his November 1999 visit as the "powerhouse of Southeast Europe."

6. 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. This is the position adopted by the U.S. House of Representatives and also by the EU. We call upon the U.S. to repudiate any unilateral challenges to Greek sovereign territory.

7. The Administration and Congress must put aside the failed policies of the past years and in their place embrace rational and sensible policies aimed at making the most of the regional opportunities for progress. The principal requirement for the U.S. is to expand and deepen its relationships with Greece and Cyprus. Both are vigorous and stable democracies with rapidly modernizing economies. 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 and by 2001 will be a full member of EMU. With difficult conditions likely to continue in the southern Balkans, Greece's investment capital and commercial expertise will be critical.

8. Cyprus' stature as a regional center of international business and finance continues to grow. Its accession negotiations with the EU, which started substantively on November 10, 1998, are progressing smoothly and at its Helsinki summit the EU committed itself to admitting Cyprus irrespective of a settlement of the Cyprus problem. Alone of the current applicant countries Cyprus meets the full criteria for EMU entry. By basing its policies in Southeastern Europe on close ties with Greece and Cyprus, the U.S. could materially advance its vital interests in regional stability, economic development, and increase in democratic institutions.

9. By contrast, Turkey has failed to respond to the improved regional climate. It continues to impede regional progress. It has played a negative role and is the

prime cause of many of the region's problems. In drawing attention to Turkey's negative role, AHI and other Greek-American organizations stress that their dispute is not with the Turkish people but with Turkey's military-controlled government and its political and diplomatic agents. We support the efforts of the brave Turkish citizens seeking to promote democracy, establish the rule of law and secure human rights for all Turkish citizens.

10. Turkey's failure to adhere to normal international standards 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. In a landmark speech in September 1999, Chief Justice Sami Selcuk of Turkey's Supreme Court of Appeal described this constitution as having "almost no legitimacy" and stated that it "was an obstacle to democracy and it had to be changed." He said that "Turkey could not enter a new century with a constitution whose legitimacy was almost zero."

11. Turkey has continued and extended its illegal territorial claims against sovereign Greek territory, introduced new and unacceptable conditions for negotiations about Cyprus, continued its harassment of the Ecumenical Patriarchate, and further stained its already notorious human rights record against pro-democratic forces and ethnic and religious minorities inside Turkey. In the words of the State Department's own 1999 Annual Country Human Rights Report, "extrajudicial killings, including deaths in detention from excessive use of force, 'mystery killings,' and disappearances continued. Torture remained widespread."

12. In its decision to accept Turkey as a candidate member, the EU recognized these deficiencies and set out firm criteria to be met by Turkey before accession negotiations can start. The U.S. should recognize the full implications of the EU decision and state that the main impediment to progress on the region's problems lies with Turkey and its military-controlled government. Within Turkey, the EU decision confronts the country with far-reaching questions about whether it is ready to undertake the profound political, constitutional, societal and economic restructuring necessary for Turkey to become a democracy and join the international mainstream.

13. On separate occasions in 1999 President Clinton apologized for excessively close past U.S. relationships with the Guatemalan and Greek militaries. The time is long overdue for the U.S. to apologize for its actions in supporting Turkey's invasion of Cyprus in 1974 and to distance itself from the Turkish military.

14. The U.S. must conduct a thorough review of U.S. policy toward Turkey where successive administrations have ignored the rule of law and basic American values. In place of this failed approach, a new policy is needed which holds Turkey to the same standards of democratic governance and human rights observance as other countries. 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 their approach to Turkey.

15. 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.

16. We have long called for a NATO force on Cyprus under U.N. 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 U.N. 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 U.N. peace-keeping force. If Turkey refuses to cooperate, NATO should consider appropriate action to bring Turkey into compliance.

17. The continuing progress in Cyprus' accession negotiations with the EU and the EU confirmation that a solution of the Cyprus problem is not a precondition for Cyprus' EU accession 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. A new initiative under G8 and U.N. auspices is underway. 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, does not reward aggression and accords with normal constitutional principles. We call upon the U.S. not to exert pressure on the Cyprus government for further concessions, for example to recognize the occupied areas as a equal sovereignty.

18. 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 failed to materialize, primarily because its military-controlled government and constitution inhibit Turkey's evolution as a modern, democratic state. In addition to its continuing intransigence on the Cyprus problem, Turkey has engaged in a series of destabilizing actions toward Greece and Cyprus and continues to violate international law.

19. In its December 10–11, 1999 Helsinki decisions, the EU required Turkey to undertake fundamental changes, including resolution of the Aegean and Cyprus issues. The U.S. must follow this approach. For too long the U.S. 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 retarded the reform forces within Turkey working to modernize the country. By its past and continuing military and economic assistance to Turkey the U.S. has distorted the balance of power in the region and encouraged new patterns of Turkish belligerence and intimidation. The U.S. has acted as an accessory in these and other acts by Turkey against the rule of law in national and international affairs.

20. The favorable circumstances in Greece and Cyprus provide an opportunity to reverse this approach. Within Turkey itself reform-minded forces are beginning to make themselves heard. The U.S. must support these forces. 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.

21. Pending the outcome of this review we call upon the Administration to halt all arms sales and transfers to Turkey, to 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.

22. Turkey's violations of international law and human rights have caused immense damage in terms of human loss and suffering and of material loss. The European Court of Human Rights (ECHR) has already determined that Turkey must compensate those who have suffered property losses as a result of its illegal 1974 invasion and continuing occupation of parts of Cyprus. The U.S., EU and the world community must insist that Turkey comply with the ECHR's decisions and judgments. Further, as Turkey prepares to join the family of democratic nations, consideration should be given to require Turkey to compensate the victims of earlier acts of ethnic cleansing, crimes against humanity and genocide. We call upon the Administration to open appropriate negotiations with Turkey on behalf of any such victims who are now U.S. citizens.

#### *Section 2.—Legislative priorities*

We call upon the Congress:

1. To pass legislation endorsing the positive role played by Greece in regional affairs and mandating the Administration to strengthen U.S.-Greece ties;

2. To pass legislation endorsing the EU application of conditionality to Turkey's status as a candidate member and requiring the Administration to make regular reports to Congress of Turkey's progress or otherwise to meet this conditionality;

3. To pass legislation mandating the Administration to pursue a settlement of the Cyprus problem in strict accordance with the existing framework established by U.N. resolutions and without seeking to extract unfair concessions from the Cyprus government;

4. To hold hearings on a critical review of U.S. policy toward Turkey;

5. To hold hearings on the State Department's cover-up of its role in supporting Turkey's invasion of Cyprus in 1974;

6. 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;

7. To pass legislation similar to Amendment 19 to H.R. 2415 passed by unanimous voice vote in the House of Representatives on July 21, 1999 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;

8. To pass legislation enforcing the provisions of S. 1067 "The Code of Conduct on Arms Transfers Act" and H.R. 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 U.N. Charter, the NATO Treaty, the 1949 Geneva Convention and relevant treaties and agreements with specific reference to Greece and Cyprus;

9. To pass legislation similar to HR 1361, the Turkish Human Rights Act, introduced in the House on April 17, 1997 by Representatives Rob 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 international assistance to Armenia; and has ceased its restrictions on religious freedom;

10. 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 U.N. 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 normal democratic principles; and

11. 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.

#### *Section 3.—List of issues and supporting details*

A detailed discussion of the issues facing the U.S. of particular concern to Greek Americans is set forth on our web site at [www.ahiworl.org](http://www.ahiworl.org). The issues include: Aegean, Cyprus, Greece, Ecumenical Patriarchate and the Halki Patriarchal School of Theology, Arms sales and transfers to Turkey; Turkey, and other issues including: Albania, Armenia, Former Yugoslav Republic of Macedonia (FYROM), Kurds, and NATO.

#### *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 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 commend the EU for making a settlement of Turkey's unilateral claims against sovereign Greek territory in the Aegean a precondition for the start of accession negotiations with Turkey and 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.

4. 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.

5. We call on Congress to pass legislation similar to Amendment 19 to H.R. 2415 passed by unanimous vote in the House of Representatives on July 21, 1999 expressing the sense of Congress that:

(1) the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 Convention between Italy and Turkey, including the Protocol annexed to such Convention, are the borders between Greece and Turkey in the Aegean; and

(2) any party, including Turkey, objecting to these established boundaries should seek redress in the International Court of Justice at The Hague.”

6. 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.

7. Turkey has repeatedly violated these agreements and continues to do so today, 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 adhere 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.

8. 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.

9. 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.

10. We call on the U.S. government, in its own self interest 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.

11. 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. This is the position adopted by the EU.

12. 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 of the Cyprus problem 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 residential 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 EU decision of December 10–11, 1999 that a resolution of the Cyprus problem is not a precondition for Cyprus' accession to the EU. Cyprus' accession to the EU would confer economic, 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 cease 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 in a speech on July 28, 1999 marking the 25th anniversary of Turkey's illegal invasion of Cyprus that:

"Last week nearly two thousand people joined in a symbolic human chain around the Capitol to mark the 25th anniversary of the Turkish occupation of northern Cyprus and to demand a peaceful and just settlement to the Cyprus problem. For me it was a very moving occasion.

"Everyone, including our State Department officials, understands that the impasse on Cyprus is caused by the position of Ankara and of Denktash.

"I believe that the Administration, including the President should use all the influence at our disposal to convince the Turkish side that they must return to the negotiating table and that a refusal to do so will have consequences for Turkey's relations with the U.S."

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) and 1251 (1999) and 1283 (1999);
- 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 under U.N. auspices of the illegal Turkish colonists;
- 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 to the government of Cyprus under United Nations auspices 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 call on the U.S. to supply sufficient arms and equipment to the Republic of Cyprus to deter any potential attack by Turkey.

9. 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.

10. 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 percent 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.

11. 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 eyewitness 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 to take steps to ensure the apprehension and trial of the perpetrators.

12. 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 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 1,619 Greek Cypriots who have been missing since the Turkish invasion.

#### *Greece*

1. We call on the United States to develop a “special relationship” with Greece as it has with the UK 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 1999 Greece played an important role in the diplomatic and military efforts with regard to the Kosovo crisis. Greece is now playing a key role in the Balkan reconstruction program.

2. Greece, a proven ally since WWI, 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. Despite warming relations between Greece and Turkey, the security threat against Greece from Turkey remains real. 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.

#### *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:

—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 U.N. 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.

#### *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 ongoing negotiations to sell advanced weaponry, including attack 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 percent of Cyprus, now in its 26th 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 grass roots 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 U.N. 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 military 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.

#### *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 controls foreign and national security policy as well as strongly influencing domestic policy. When combined with Turkey's excessive military strength, this strong military influence threatens regional stability. Turkey's continuing violations of international law and unreliability as an ally require a critical review of U.S.-Turkey relations.

2. The facts about Turkey's violations of international law and internal human rights abuses are set out in numerous reports including the November 1999 report "Arming Repression: U.S. Arms Sales to Turkey During the Clinton Administration" produced jointly by the World Policy Institute and the Federation of American Scientists and the State Department's 1999 Country Report on Turkey which stated "extrajudicial killings, including deaths in detention from excessive use of force, 'mystery killings,' and disappearances continued. Torture remained widespread."

3. 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.

4. We offer the following recent actions by the Turkish government as reasons for such a review:

- Throughout 1999 Turkish officials raised unacceptable new demands with regard to Cyprus;
- 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 1999 senior Turkish officials made repeated territorial demands against sovereign Greek territory in the Aegean;
- Throughout 1999 and 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
- 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).

5. 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.

6. We call for legislation to halt all arms sales or transfers to Turkey; 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 Organization 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 U.N. resolutions, the North Atlantic Treaty, the Helsinki Final Act of the Conference on Security and Cooperation in Europe, the U.N. 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).

7. We cite the compensation paid by the government of Germany to holocaust victims and to the state of Israel and by the government of Japan to victims of its actions in Asia before and during World War II. We call for compensation from the government of Turkey:

- to the victims of Turkey's illegal invasion of Cyprus in 1974;
- to the owners of property in Cyprus illegally taken, occupied and used by the Turkish authorities since 1974;
- to the victims of the September 1955 Turkish pogrom against its Greek citizens in Istanbul;
- to the Greek and Jewish citizens of Turkey who were damaged by the Varlik capital tax imposed by Turkey in the 1940s;
- to the victims of the Turkish genocide against the Pontian Greeks; and
- to the victims of the slaughter of innocent civilians in Smyrna by the Turkish army in 1922.

#### *Other regional issues*

##### *Albania*

1. We continue to be concerned about the threat to the Greek Orthodox community in Southern Albania (also known as Northern Eperus) by denying and restricting the full legal, educational (including Greek language instruction), religious, voting and employment rights guaranteed to the minority by international agreements signed by Albania. We continue to be concerned about the personal security of the Greek minority population which is regularly victimized through kidnapping and ransom demands.

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 in 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."

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, ethnic cleansing 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.

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 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 in its own best interests 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 percent Kurdish minority, while claiming equality for the 18 percent 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 and of retired military personnel as technical advisers) against the Kurdish minority and its massive violations of 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, World Policy Institute and the Federation of American Scientists, Human Rights Watch, and Amnesty International which highlight Turkey's use of U.S. weapons in committing human rights violations against its Kurdish citizens. We call on the United States government to stop supplying arms to the government of Turkey based on the stated reports.

7. 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.

8. We are saddened that the U.S. military and economic assistance to Turkey over the past fifteen years of Turkey's ethnic cleansing against the Kurds makes the U.S. an accessory to Turkey's crimes against its Kurdish minority.

*NATO*

1. We have long called for a NATO force on Cyprus under U.N. auspices and acting in full respect of Cyprus' sovereignty as a component of a settlement of the Cy-

prus 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 U.N. 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 U.N. 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 Treaty. 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 U.N. Charter article 2 (4) and international law.

EXHIBIT 2.—REMARKS OF EUGENE T. ROSSIDES, AT THE LEGISLATIVE POLICY CONFERENCE, PRESENTED BY THE AMERICAN HELLENIC INSTITUTE IN COOPERATION WITH THE AHI-BOSTON CHAPTER, AND CO-SPONSORED BY THE ORDER OF AHEPA AND THE FOUNDATION FOR HELLENIC STUDIES

THE EUROPEAN UNION SUMMIT: IMPLICATIONS FOR U.S. POLICY TOWARDS GREECE, CYPRUS AND TURKEY AND THE CHALLENGES FOR THE GREEK AMERICAN COMMUNITY

It is a great pleasure to be in the City of Boston where the American Revolution started, which resulted in the Declaration of Independence passed by the Continental Congress on July 4, 1776 and Later the adoption of our Constitution and Bill of Rights. These are the most important documents in modern political history. It is the values and principles set forth in these documents that we are fighting for today regarding the Cyprus and Aegean issues.

#### *The European Union Helsinki Summit*

The American Hellenic Institute endorses the European Union Council's decision at its December 10–11, 1999 meeting in Helsinki to accept Turkey as a candidate for EU accession status subject to certain conditions being met by 2004. AHI applauds the EU's imposition of these conditions and urges that they be strictly applied.

The conditions are that:

1. Turkey's unilateral claims in the Aegean are to be referred to the International Court of Justice at The Hague "within a reasonable time;"

2. EU accession talks with Cyprus will continue and that Cyprus' accession will not be contingent on a settlement of the Cyprus problem; and

3. Turkey's candidacy of the EU will not enjoy any special favors or derogations, but Turkey will be expected to satisfy all of the 1993 Copenhagen accession criteria covering issues such as human rights and democratic governance. Turkey will also have to adhere to the entire corpus of EU law and regulations (the *acquis communautaire*).

The AHI welcomes these conditions and congratulates the EU for its insight and insistence—greatly in contrast to the U.S.—that Turkey must undertake substantial changes in its internal and external policies before it can commence accession negotiations.

The Helsinki EU Council actions are historic for a number of reasons:

First, the EU resisted U.S. pressure and held firm to the conditions required for Turkey to be considered for accession status. The conditions are applicable to all states seeking accession status. In the December 1998 EU Summit, the U.S., led by Ambassador Richard Holbrooke openly pressured the EU to accept Turkey for accession status without conditions. The EU held firm then and in December 1999. It is ironic and a sad commentary on U.S. diplomacy when the EU is upholding basic American values against pressure from the U.S. to disregard them for Turkey.

Second, as a result, Turkey had to accept the EU conditions if it wanted to get into the EU. The conditions are known as the Copenhagen Criteria, which were set forth in the 1993 Copenhagen European Council meeting. As stated in Copenhagen, membership in the EU requires that the candidate country has achieved:

- stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union;
- the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union; and
- has created the conditions for its integration through the adjustment of its administrative structures, so that European Community legislation transposed into national legislation is implemented effectively through appropriate administrative and judicial structures.

The Luxembourg European Council (December 1997) also underlined that “as a prerequisite for enlargement of the Union, the operation of the institutions must be strengthened and improved in keeping with the institutional provisions of the Amsterdam Treaty.”

Third, the conditions for candidate status for Turkey adopted at Helsinki require Turkey, in effect, to resolve the Aegean and Cyprus issues.

Fourth, as a result of this important decision the resolution of the Aegean and Cyprus problems have become an integral part of the EU's institutional agenda.

Fifth, Turkey voluntarily accepted the conditions, which are based on the Copenhagen Criteria. Turkey no longer can complain that it is being mistreated and discriminated against. And it has no alibi for non-cooperation because of rejection from the EU.

Sixth, Greece can no longer be charged with preventing Turkey becoming a candidate for accession status.

Seventh, It also gives support to the efforts of AHI to have Congress pass legislation concerning the Aegean and Cyprus, which place conditions on Turkey similar to the EU conditions.

While the conditions are clear in intent they could be more specific in wording, particularly regarding Cyprus. Regarding the Aegean, the Helsinki decision mentions referring it to the International Court of Justice at The Hague “within a reasonable time.” Regarding Cyprus, the Helsinki decision states positively that Cyprus’ accession will not be subject to a political settlement of the Cyprus issue. By implication and reference to the Copenhagen Criteria, Turkey will have to resolve the Cyprus issue if it wants to achieve accession status. The language regarding Cyprus is not as direct as it could be.

The Helsinki decision gives Turkey until 2004 to make changes sufficient to accord it accession status, which means accession negotiations could begin.

The EU outcome is positive but implementation is the crux. Turkey's progress regarding the conditions it committed to voluntarily must be analyzed and carefully monitored. And this is where the Greek American community has an important role to play.

#### *The Challenge for the Greek American Community*

The challenge for the Greek American community is:

(1) to monitor and analyze Turkey's actions and conduct regarding the Helsinki conditions, and

(2) to keep the Congress, the Executive Branch, the media and the academic community informed as to the status of progress or lack of progress by Turkey.

Our motto should be trust but verify as President Ronald Reagan stated in his dealings with the Soviet Union. In my judgement Turkey will do everything possible to gain admission into the EU without meeting the EU's conditions.

AHI stresses that those who have supported Turkey's candidacy now have a heavy responsibility to ensure that Turkey honors these conditions. This responsibility falls especially on the U.S. All too often the U.S. has accepted Turkey's promises, for example in 1978 to negotiate seriously about Cyprus in exchange for the lifting of the arms embargo, only to see Turkey go back on its word. Also, there was a virtual pledge that if the embargo was lifted, that Varosha would be returned to the Government of Cyprus under U.N. supervision for the immediate resettlement of 35,000 refugees.

And of course, in 1974 Turkey said it invaded Cyprus to restore the status quo ante in accordance with the Treaty of Guarantee. And today Ecevit, who initiated the 1974 invasion, says Turkey solved the Cyprus problem in 1974.

Another example of Turkey's readiness to break solemn undertakings is its failure to respect its promises given to Secretary of State Madeleine Albright in Madrid on July 8, 1997 to pursue a policy on non-aggression and non-belligerence with respect to its relations with Greece.

More currently, Mr. Kevin McKiernan, in an article in the Los Angeles Times on March 3, 2000, page A17, wrote the following:

"Last month, Turkey blocked an EU delegation from visiting Leyla Zana, the imprisoned Kurdish member of parliament who has received the EU's peace prize. Then a Kurdish educational foundation was indicted on criminal charges of 'inciting separatist propaganda' because it advertised a scholarship in an Istanbul newspaper for students who could 'read and write in Kurdish.'

"Two weeks ago, the government ordered a CNN television affiliate off the air for 24 hours because a reporter asked a guest whether history might one day regard Ocalan as a Turkish version of South African revolutionary Nelson Mandela.

"A few days later, Turkey arrested the Kurdish mayors of three cities on vague charges of separatism. Subsequently, authorities arrested hundreds of supporters who were peacefully protesting the detention of the mayors."

With regard to Turkey's accession to the EU, the U.S. adopted an irresponsible attitude toward conditionality, placing pressure on the EU to give special favors to Turkey. The Helsinki decision embracing an impartial approach as to all applicant countries has rightly rejected this approach. In the future there must be no repetition by the U.S. of this pattern of appeasement.

AHI proposes to monitor Turkey's compliance or lack thereof with the EU conditions and will publish periodic reports on this subject which will be sent to the Congress, the Executive Branch, the media, the academic community including think tanks, our members and the Greek American community.

We will work with the grass roots and in particular with AHEPA to have them keep their elected representatives and senators informed. AHI will do it from Washington and it is most important that the grass roots community does it throughout the nation.

Helsinki has not changed the pro-Turkish attitudes by career officials in the State and Defense Departments and on the NSC. The U.S. is the main country that can apply adequate pressure on Turkey to comply with the Helsinki conditions. It is up to the Greek American community in the interests of the U.S., to see to it that the U.S. does apply such pressure on Turkey.

The U.S. must signal firmly to Turkey that the U.S. stands behind the EU conditions, that it will actively support their implementation and that any non-fulfillment by Turkey would have adverse consequences for its relationship with the U.S.

The U.S. should urge Turkey to dispel doubts about its good faith by taking immediate steps with regard to Cyprus and the Aegean. Although of long-standing duration, neither of these matters is in essence complicated. In each case Turkish aggression and intransigence is the root cause.

Regarding Cyprus, proximity talks started on December 3, 1999 in New York and new talks will take place in Geneva on Monday, January 31, 2000. The EU decision removes any excuse for intransigence or obstructionism by the Turkish side. The U.S. should inform Turkey that it expects rapid progress, including a specific timetable for the early removal of its armed forces from Cyprus.

Regarding the Aegean, the U.S. should press Turkey to take its claims to the International Court of Justice at The Hague for binding arbitration within 6 months.

By taking these actions, the U.S. would signal to Turkey that it is abandoning its decades-long policy of appeasement and double standards toward Turkey and that it now has the political will to achieve early settlements of the Aegean and Cyprus matters. This would greatly benefit the U.S. interest in achieving region-wide peace, stability, democracy and prosperity.

Thank you

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#### PREPARED STATEMENT OF NEW YORK UNIVERSITY

After the Allies' victory in World War II the United States faced an enormous challenge of rebuilding in Europe and Asia. Through the Marshall Plan and other creative public policies and programs a foundation was laid for the peace and prosperity that has developed in the second half the 20th-century. Now having defended its democratic system and won the Cold War the United States faces a new challenge of encouraging the development of democratic political systems and market economies around the world. The struggle for democracy and economic freedom will require new weapons, but success in this battle may depend as much on American ingenuity and technological superiority as did our previous victories.

Today, the United States government has many programs that support democratic and market economy capacity building. Through its direct aid programs, its Fulbright and other scholar exchange programs, the Muskie and Ron Brown fellows programs, and through various foreign visitor programs, our government is making a strategic investment in developing leadership around the world. Indirectly, Amer-

ica's investment in higher education has paid off in international dividends: American universities are the destination of choice of more students who leave home to study than any other education system to the world. During their stay and time of study in U.S. these international students are exposed to American institutions, American values, American freedom, which they can take with them when they return to their homes.

Preparing professionals to design, plan and manage the delivery of public services in such fields as health and other social services, housing, education, public safety, transportation, the environment is central to the mission of the Robert F. Wagner Graduate School of Public Service at New York University. And, we are seeing a significant increase in interest from other countries in American approaches to public service delivery and public policy. One of the most diverse graduate schools of public service in the country, Wagner's growing international student population comes from 43 countries, including Argentina, Azerbaijan, Belgium, China, Colombia, Denmark, France, Indonesia, Italy, Mexico, Russia, South Korea, Spain and Thailand. And Wagner's presence, in turn, through programs and exchanges, has reached countries like Colombia and Chile and former Communist countries like the Ukraine and Albania.

Building on its strong presence throughout the world and its reputation as a premier center for the training of public service professionals, Wagner is ready to launch a new initiative—the International Center for Democratic Public Service. The aim is simple yet profound: to help strengthen democracy throughout the world. We have a proven track record in doing just that.

#### PROGRAMS AND ACTIVITIES OF THE WAGNER SCHOOL

Reflecting the increasingly global connection among governments at all levels, the Wagner School's International Initiative has allowed students, scholars, policymakers, and officials—here and around the world—the opportunity to deepen their understanding of public administration, health policy management and urban planning. The Wagner School curriculum is continually evaluated in order to incorporate a global perspective, and thus better address the ever-changing professional needs of our students. We also have a series of international academic partnerships with the National Institutes of Public Administration/University programs in Public Administration to develop capability for “in-country” executive development and faculty and student exchange programs.

In addition, we have formal degree granting programs with École Nationale des Travaux Publics de L'état (ENTPE), Lyon, France; Escola Superior d'Administració i Direcció d'Empreses (ESADE), Barcelona, Spain; Instituto Tecnológico Autónomo de México (ITAM), Mexico City, Mexico; Korea University, Seoul, Korea; and Universidad de Santiago de Chile, Santiago, Chile.

We are using the Internet and telecommunications technologies extensively in our partnerships with universities around the world. Building on our experience using televideoconferencing in courses with Europe, Latin America, and Asia, we are now introducing this technology in our work with Mozambique. By substantially avoiding the time and money costs of faculty and student travel in educational partnerships, we believe modern distance learning technologies will enable the Wagner School to dramatically widen and deepen the reach of its professional educational programs committed to building capacity for democratic public service in the nations of the world and for the international organizations serving the people of those nations.

#### MASTERS OF SCIENCE IN MANAGEMENT OF INTERNATIONAL PUBLIC SERVICE ORGANIZATIONS

A big part of the load of responding to humanitarian crises around the world and of civil society capacity building in support of health, education, social services, human rights protection, and electoral reform is carried by a wide range of international public service organizations. International NGOs, many based in the United States, had become major players on the world scene. Over the past decade these organizations have grown in scope and scale at a remarkable pace. In the same period of time the service delivery parts of the United Nations system, such as UNICEF and the Department of Peacekeeping Operations, have been given new and more complex assignments. At the same time funders are demanding greater evidence of successful performance and imposing more rigorous standards of accountability. Drawn from all regions of the world, managers of these organizations need to be equipped with the intellectual and professional tools that allow them to respond flexibly, sensitively and creatively to rapidly evolving demands to manage the delivery of services, sometimes in emergency or crisis situations. For this, they will need intellectual and professional tools of the highest caliber.

Building on its well-established program of management education for professionals in the public and non-profit sector, the Wagner School offers a Masters of Science in Management of International Public Service Organizations—the only one of its kind in the country—designed to address the need of the international community for well-trained managers. This year's class includes students from 17 countries in Asia, Africa, Latin America, the Middle East, Central Europe and the former Soviet Union, as well as staff from United Nations agencies such as UNICEF, UNHCR, UNDP, and UNIDO.

The MS program incorporates the best of the Wagner management curriculum, including strategic management, information management and financial management, with international perspectives and examples that will prepare students to become effective and efficient managers of global organizations that must understand and respond to the needs of local populations. Our clinical approach and New York location allow participants to immediately apply their knowledge, either through part-time work with their own organization or through internships with the U.N. and New York based international NGOs.

#### AMERICAN INTERNATIONAL PUBLIC AFFAIRS INSTITUTE

To prepare international university students interested in public administration in the United States, Wagner's American International Public Affairs Institute (AIPAI) offers a one-month intensive program to introduce these students to American culture and institutions at the local, state and federal level so that they can gain a greater understanding of the role of public policy and public service management in the U.S. and, in some instances, prepare them for graduate studies in public service in the U.S. service. Serving 25–30 students per summer, AIPAI is designed to prepare international students coming to the United States to study public administration, public policy analysis, management, urban planning and international affairs at the graduate level.

The program involves total immersion in English through lectures by distinguished faculty and public officials as well as discussion sessions, presentations, debates, negotiation exercises, extensive writing experiences, and social activities. Students benefit from the wide array of political and cultural organizations available in New York City and get a first hand view of American governmental institutions through a study week in Washington D.C.

#### CAPACITY BUILDING

The Wagner School faculty is contributing to a range of public service capacity building projects worldwide. For example, Wagner faculty have worked with the University of Tirana, Albania, to establish a graduate program in health administration, and with the Albanian Ministry of Health to develop a policy analysis unit. We have helped identify, encourage, and support successful efforts of public management innovation in Colombia.

Our leadership development program in Ukraine will bring 50 government leaders to the United States and to the European Union over the next year, and our faculty development partnership with Edouard Mondlane University in Maputo will introduce a new curriculum in public policy analysis of the next two years. Our Muskie and Freedom Support Act Fellowship programs provide scholarships for graduate students from Central and Eastern Europe who aim to pursue careers in the public, private, and nonprofit sectors. These fellowship programs, administered by the Soros Foundation, support highly qualified men and women pursuing a Master of Science degree in management in all three of Wagner's principal programs. For the 1999–2000 academic year, the School is hosting five fellows from Estonia, Georgia, Kazakhstan and Latvia.

#### THE INSTITUTE FOR PUBLIC ADMINISTRATION

Wagner is affiliated with the Institute for Public Administration, an organization that for over 90 years has provided technical expertise to governments worldwide. IPA's recent projects include: An Infrastructure Study of four metropolitan cities: Tokyo, London, Paris and Los Angeles for the New York/New Jersey Port Authority, and Urban Land Use and Management in China, in which IPA helped formulate recommendations concerning China's transformation of a communal system of urban land ownership to a market system.

#### NYU—A GLOBAL UNIVERSITY

Wagner's strong links internationally fit well within the overall direction of New York University, which has fully established itself as a global university. With aca-

demographic programs in Athens, Dublin, Florence, London, Madrid, Nanjing, Paris and Prague, NYU is also the founding institutional member of the League of World Universities, an organization that brings together the leaders of 47 great urban universities from all five continents to address issues of higher learning worldwide. More international students enroll in NYU than any other University in the country. NYU Law School has a Global Law Program, NYU/Mt. Sinai Medical School has a Global Health Center, and the international business department of the Stern School of Business is world-renowned.

Finally, location is destiny. NYU is located in a heart of what is arguably the capital city of the world. New York is the international center for media, commerce, banking, NGOs and home to the United Nations. We use these real world resources to prepare future leaders and managers for real world situations.

#### INTERNATIONAL CENTER FOR DEMOCRATIC PUBLIC SERVICE

Building on the Wagner School's existing programs and seeking to bring together its expertise and resources in one enterprise, we are proposing to create an International Center for Democratic Public Service. Through the establishment of this Center, Wagner will strengthen its own educational and research programs and seek to play a catalyzing role by bringing together major actors and stakeholders including academics, business leaders, public servants, NGO leaders and students to focus on the major health and social issues facing the global scene today. The International Center for Democratic Public Service will offer a constellation of activities and programs, designed to foster debate, dialogue, creative exploration of solutions and sharing of research and field experience in a pro-active setting designed for learning and doing. Under the auspices of such a Center, Wagner intends to undertake the following types of activities and programs described below:

- Capitalize on distance learning and communication technology capabilities, to form academic partnerships with selected academic and research institutions around the world. This provides another means to facilitate dialogue and exchange and to engage in capacity building across national borders. This collaboration with other academic institutions will strengthen and build upon the current knowledge and the various global perspectives of each institution. Such partnerships will allow Wagner to develop new curricula, to explore and test distance learning and to increase the capacity of partners to prepare students for public management internationally and within their own countries.
- Expand the MS degree in the Management of International Public Service Organizations in response to growing demands for managerial efficiencies and accountability for the U.N. system and the growing NGO sector that is taking on increasing responsibility in the provision of services to populations worldwide. Already a large number of staff from U.N. agencies and NGOs have enrolled in the MS program. Under the Center, we will be able to better serve greater numbers of these individuals, teaching them how to meet the growing demands of the United States and the international community for more effective and transparent management.
- Offer a wide range of intensive executive development courses varying in duration to meet the specific needs of managers of programs, heads of departments and divisions, such as health professional managers, senior international staff from the U.N. system and other executives in the public service domain. The advanced management program provides management skills in any or all of the following: managing people, resources, finance, assets, information, programs and strategic management. The program can lead to an MS degree or advanced professional certificate in finance management or policy analysis in health, the nonprofit or governmental sectors and understanding. Alternatively, managers can select from over 100 courses to meet their specific needs.
- Sponsor for thematic issues to bring together leading thinkers and practitioners in the health and social sectors with the goal of strengthening strategy and practice on social sector development in the face of the pressures of the market and economic mandates. These will include major stakeholders in the global arena and, through televideo hookups with locations across the globe, students, the next generation of leaders, as well as academics from partner universities. It will provide these practitioners and researchers with reliable information on social trends, give access to the most up-to-date research and literature on social development and relevant public service activities, and enable a dialogue with social innovators and entrepreneurs from around the world. It will aim to create the networks and alliances to foster sustainable social development.

- Bring distinguished visiting scholars and practitioners to New York University to address the most pressing and contemporary issues of the day through master classes, short programs, seminars and semester-long courses.
  - As more countries grapple with emerging public service issues, we will use our partnership with the Institute of Public Administration (IPA) to provide technical assistance and consultation on these issues on a greater scale.
- The Wagner School is uniquely positioned to develop the International Center for Democratic Public Service.
- The Wagner School has developed a strong international focus in its curriculum. Our International Initiative allows students the opportunity to deepen their understanding of public service through international comparisons and experience.
  - The Wagner School has a proven record of expertise with capacity building in emerging democracies. There is becoming a growing need for these services.
  - The location of the Wagner School in New York provides additional comparative advantages including its proximity to the headquarters of the United Nations as well as numerous international NGOs and headquarters of some of the world's major private sector firms. With Washington DC only a few hours away, the offices of the major multi-lateral institutions, embassies and the offices of other government personnel are within easy reach as well. Access to the intellectual resources of these organizations—as well as top-level government officials—provides opportunities for collaboration for learning and research purposes as well as for internships, debates and other joint activities. The presence of a large internationally-oriented population of potential students and course participants and finally, the marketing power of its campus in the heart of one of the most diverse and captivating cities in the world, attracts student from abroad as well as from the U.S.
  - The Wagner School is a part of New York University, which is quickly being recognized as a “Global University” and offers the opportunity for close partnership with some of the most widely respected law, medical and business programs in the world.

To launch and sustain the Center, the University is seeking funding from a wide variety of sources: corporations, foundations, and private donors. We are requesting funds in the amount of \$5 million from the federal government to create “smart” classrooms capable of the most advanced use of telecommunications and data delivery, which will enable us to support exchanges of international scholars and institutional partnerships needed to develop effective public service practice and scholarship worldwide. Furthermore, we would like to use a significant portion of funding to expand our executive development, degree granting and fellowship programs to provide leaders from countries in need with the skills they need to effectively lead their agencies and organizations.

The demands on public servants today do not respect national boundaries. They include the spread of disease, the movement of people, the organization of crime, new threats to the environment, and economic crises. In the same way, no nation has a monopoly on solutions, and the availability of “best practices” has dramatically increased as technology has shrunk the world and the global economy has homogenized cultures. The knowledge, understanding and skills on which public service depends are increasingly linked in a world-wide web of communications and relationships. The International Center for Democratic Public Service can serve as a catalyst for these communications and relationships, to contribute to the spread of effective and responsive democracy throughout the world.

Thank you for your consideration of this important initiative.

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#### PREPARED STATEMENT OF FLORIDA STATE UNIVERSITY

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for this opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University.

Florida State University is a comprehensive Research I university with a liberal arts base. The University's primary role is to serve as a center for advanced graduate and professional studies while emphasizing research and providing excellence in undergraduate programs. Faculty at FSU have been selected for their commitment to excellence in teaching, for their ability to perform research and creative activities, and for their commitment to public service. Among the faculty are numerous recipients of national and international honors, including four Nobel laureates and eight members of the National Academy of Sciences. Our scientists and engineers do excellent research, and often they work closely with industry to commercialize their results. Florida State ranks third this year among all U.S. universities



in revenues generated from its patents and licenses, trailing only Columbia University and the entire University of California system. Having been designated as a Carnegie Research I University several years ago, Florida State University currently exceeds \$100 million per year in research expenditures. With no agricultural or medical school, few institutions can match our success.

Florida State attracts students from every county in Florida, every state in the nation, and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes some 192 National Merit and National Achievement scholars, as well as students with superior creative talent. We consistently rank in the top 25 among U.S. colleges and universities in attracting National Merit Scholars.

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the nation's top public universities.

Mr. Chairman, let me tell you about a project we are pursuing this year involving legal education in developing countries.

Florida State University proposes to design, develop, and deliver a high quality program of instruction in basic legal principles for students and professionals in Central and Eastern Europe, the Newly Independent States of the Former Soviet Union and other emerging democracies with the cooperation of the College of Law of England and Wales and the Open University of Great Britain. The proposed program will:

- Build upon an existing collaboration between FSU and the European leaders in distance education with a long history of excellence in instructional design and educational methodology.
- Enlist the collaboration of the schools to create innovative applications of educational technology.
- Adapt existing course materials for use in the target countries.
- Utilize networks that have been established by other organizations committed to reform of legal institutions in the former Communist countries.
- Deliver programs through existing educational institutions in the countries where the courses will be completed, or through established professional and academic networks and non-governmental organizations.

The proposing institutions have established partnerships and have used important developments in instructional technology and materials-based, supported distance learning which can have an immediate and broad impact on legal education in developing countries. Given this potential, funding will be sought from U.S. AID for \$2 million in fiscal year 2001 that will advance our common goal of assisting emerging democracies in building open societies through improved legal education.

Mr. Chairman, this is just one example of the many outstanding activities going on at Florida State University that will make important contributions to solving some key problems and concerns that we face today. Your support would be appreciated, and, again, thank you for an opportunity to present these views for your consideration.

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PREPARED STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION AND THE  
NATIONAL CORN GROWERS ASSOCIATION

The American Farm Bureau Federation and the National Corn Growers Association appreciates the opportunity to provide the Subcommittee with our recommendations regarding fiscal year 2001 funding for the U.S. Agency for International Development (U.S. AID). Our testimony is focused on the need for additional funding for the agriculture and child survival programs of the U.S. AID.

Over two billion people suffer from malnutrition and dietary deficiencies. More than half of all child deaths, worldwide, are due to malnutrition. Approximately 500 million women suffer from iron deficiency anemia. At least 400 million people have Vitamin A deficiency and of that number, more than 100 million are young children. As many as 3 million children die annually as a result of Vitamin A deficiency and 14 million suffer from clinical eye problems. Some 40,000 people die from malnutrition and hunger related causes every day. Every year, almost 12 million children die before they are five from preventable causes. Much of this human suffering can be alleviated if we were to (1) increase U.S. AID funding for plant genomics and plant biotechnology research to enhance micronutrients in food and to create "edible vaccines", and (2) if we were to target funding for the training of scientists and plant breeders from developing countries in biotechnology.

In the past few years, there have been significant advances in basic plant science, primarily in plant genomics and biotechnology. These advances will allow us to create new hybrids and varieties that will

- Improve human and animal health;
- Reduce worldwide malnutrition by increasing yields and developing more nutritious crops; and
- Reduce environmental problems for crop and livestock growers. The industrialized world has benefited primarily from these advances so far. Any technology to feed the world must be available to the developing countries.

On April 4, 2000, a major breakthrough in plant genomics occurred when Monsanto announced that it had completed a “working draft” sequence of rice. More importantly, Monsanto announced that it would make the entire sequence available to the International Rice Genome Sequencing Project. Releasing this information will accelerate the development of improved varieties of rice and other crops. This was an important “first step” towards bridging the gap between the industrialized and the developing countries. However, much more research remains to be done and we need a significant public effort to build upon the “working draft” sequence of rice.

If biotechnology is ever going to reach its full potential, the developing world must have complete access to the technology and have the ability to use it to solve local problems. U.S. AID should play a lead role in bringing this technology to developing countries. Since one of the major goals of U.S. AID has been to improve child survival, a principal component of U.S. AID’s efforts to achieve sustainable improvements in child survival should be the use of biotechnology to enhance the micronutrient value of foods and to deliver vaccines and medicines through food.

We believe that the agricultural program of the U.S. AID should work with the international agricultural research centers, universities, and the private sector to develop crops that will improve infant and child health and nutrition and reduce infant and child mortality. Using biotechnology to increase the yields and the nutritional value of key food staples of the poor in developing countries can provide an affordable and effective means of reducing malnutrition and increasing child survival in a sustainable manner.

Many of the efforts to improve child survival have not been self-sustaining. Providing vitamin and mineral supplements, increasing detection and treatment abilities, and providing nutrition education do not solve the problems or establish a means by which the problems can be addressed on a continuing basis without the need for huge infusions of cash. We can create a self-sustaining program by using biotechnology to increase critical micronutrients (e.g., Vitamin A, iron) in food crops and alleviate dietary deficiencies. The crops can then be grown on an annual basis and ensure constant access to the essential vitamins and minerals.

For example, providing capsules has been the emphasis of the U.S. AID programs to reduce Vitamin A deficiency. While laudable, this approach will require annual expenditures in perpetuity. A better approach would be to attack the problem at its root, modifying the diet by using today’s technology, plant biotechnology, to develop food that has enhanced Vitamin A. This past year, rice varieties were developed that contained enhanced levels of Vitamin A and iron. These varieties contain enough beta-carotene to supply all of a person’s Vitamin A needs. They are called “golden” because the high beta-carotene level turns the grain a yellow color. This was only a first step and much more research must be done before golden rice will be available for farmers to grow. In addition, we can also use this same process to create high beta-carotene maize, cassava, wheat, banana, canola, or any other crop that is preferred by the poor in developing countries. Once the research is completed and the varieties are in the fields, a self-sustaining program will be in place and scarce resources can be devoted to other high priority needs. Increasing Vitamin A intake is recognized as one of the most cost-effective interventions for child survival. Golden rice and golden maize can provide self-sustaining methods for addressing Vitamin A and iron deficiencies. A critical component of all efforts aimed at incorporating nutrition into child survival activities must include the truly sustainable approach of increasing the micronutrients in food to address specific and general nutrition needs.

In the area of child immunization, U.S. AID focuses on traditional delivery mechanisms that, in turn, require refrigeration, sterile atmospheres and equipment, syringes, vaccine vial monitors that indicate whether the vaccine has been overexposed to heat, and safe injection practices. In many areas, these requirements cannot be met in a satisfactory manner or they are prohibitively costly. In addition, biohazards are created and dealing with bio-hazardous waste becomes a problem. Finally, these methods of delivering vaccines are not self-sustaining as costs associated with handling will continue to rise.

We have opportunities with plant biotechnology to deliver “edible vaccines” without the need for any of these complicated handling procedures, without the need for refrigeration or sterile equipment, and we can deliver them in a sustainable manner through the regeneration of plants. For example, the use of plant biotechnology has

made it possible for significant advances to be made in delivering the Hepatitis B vaccine in bananas and corn and the cholera vaccine in potatoes. Research is underway in a wide range of areas, including edible vaccines for bacterial tooth decay, lung infections, and sexually transmitted diseases. Robust research in these areas will allow us to have self-sustaining programs for vaccine delivery. U.S. AID immunization efforts should include using plant biotechnology for the delivery of the vaccines.

Finally, we recognize that only the scientists and plant breeders working in the developing world understand the specific needs of the poor and local farmers. It is critical that they have the skills in biotechnology to develop varieties and hybrids that meet the needs of the local populations. With sufficient training, in their own country and, perhaps, training in the U.S., they will be able to help meet the needs of the local farmers and the poor in their own countries.

With the significant advancements made in plant genomics and biotechnology, we believe that the U.S. AID should focus on achieving sustainable improvements in agriculture and child survival by using biotechnology to develop sustainable solutions to malnutrition, micronutrient deficiencies, and delivery of vaccines. Specifically, we urge the Subcommittee to include additional funding in the fiscal year 2001 foreign operations appropriations bill the following, managed through the agriculture program at U.S. AID:

- \$30 million for plant genomics and plant biotechnology research grants to international agricultural research centers, universities, and private entities to develop crops with increased content of critical micronutrients aimed at alleviating micronutrient deficiencies and to use biotechnology to enhance yields of local varieties;
- \$10 million for the international agricultural research centers to develop golden rice (i.e., Vitamin A enhanced) and begin work on golden maize for long-term, sustainable solutions to Vitamin A deficiency;
- \$5 million for competitive grants to develop “edible vaccines” where the vaccines are genetically incorporated into food plants; and
- Target funding for training scientists and plant breeders from developing countries in biotechnology to ensure that the full benefits will be available in developing countries.

Biotechnology in medicine has given us the tools to treat heart disease, multiple sclerosis, hemophilia, and acquired immune deficiency syndrome. We believe that foods enhanced with biotechnology will enable the poor in developing countries to receive the proper level of essential vitamins and minerals and much needed vaccines. The U.S. AID should enhance, significantly, its role in ensuring that the developing countries have access to and reap the full benefit of plant biotechnology.

Thank you for this opportunity to present our views.

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#### PREPARED STATEMENT OF THE UNIVERSITY OF MIAMI

Mr. Chairman and Members of the Subcommittee: Thank you for allowing me to appear before you today to discuss an important new initiative at the University of Miami and its Institute for Cuban and Cuban-American Studies.

The Castro era may be coming to an end in Cuba, if for no other reason than geriatric reality. Fidel Castro and his brother Raul are in their 70s with deteriorating health.

The passing of the Castro brothers may ensue in a period of slow and peaceful transition or may lead to fast and violent change. In either case, United States policy makers must be ready to deal with these and other scenarios that may develop in U.S.-Cuban relations. A migration crisis, protracted violence, the emergence of anti or pro-U.S. factions within the transition leadership, all will require careful responses from the United States.

If a pro-U.S. democratic transition regime emerges, the United States tasks may be to provide immediate humanitarian relief and to link humanitarian aid to democracy building. The United States may be called upon to assist in rebuilding civil society and beginning the task of economic reconstruction.

The transition completed and a new government installed through free, internationally supervised elections, the United States would work with other democratic countries to help rebuild Cuba's legislative, judicial, media, and educational institutions as well as to encourage the growth of independent political parties and implement military reforms.

A violent post-Castro transition or a civil war in Cuba may require the United States to deal with migration issues, an activated Cuban-American population,

threats to the United States naval base at Guantanamo, pressures for United States involvement, and, possibly, even the eventual use of American military forces.

It is clear that given the proximity of Cuba to the United States; the role of the Cuban-American community; and our own vital interest in Latin America and the Caribbean region changes in Cuba will have significant impact on the United States. The United States should be prepared to deal with these changes and to respond quickly to problems and opportunities that may arise in the island.

One of the clear lessons from changes in Eastern Europe and the Soviet Union is that we were unprepared to deal with transitions in that region of the world. Unexpecting the depth of change, we were caught by surprise. Not knowing clearly what role we should play, we looked confused and indecisive.

The time to start preparing for Cuba's transition is now. We can best advance our long term goals, in the meantime, by maintaining the present policy; by waiting patiently for a regime in the island that is willing to provide meaningful and irreversible changes and then offering that regime aid, trade, tourism and investments, as a carrot to accelerate change in the island; by assisting nascent independent institutions in Cuba; by studying and learning from other transitions to democracy and by encouraging the Cuban-American community to build consensus around transitional issues.

The University of Miami seeks support to prepare United States government officials for the inevitable transition that will take place in Cuba. The Cuba Transition Project at the University of Miami is designed to provide policy makers, analysts and others with accurate information, incisive analysis and practical policy recommendations.

The Cuba Transition Project will be developed over a three-year period. Clearly, if transition were to take place in Cuba at a fast pace the products of the Cuba Transition Project will be accelerated to meet United States government and Cuba's changing needs. On the other hand if transition is slow the studies and policy recommendations will be completed within the time scheduled and these will remain as the basis for continuous studies and monitoring of the Cuba scene. Regardless of the speed of transition, the studies and the resources developed will be of invaluable assistance to United States policy makers dealing with Cuba.

During the first stage of the project (fiscal year 2001) the following objectives will be accomplished.

- Establishment of a Research Center which will include offices for researchers; facilities for holding briefings and seminars; website; database.
- Organize Research Programs. Four initial research units are planned: 1. socio-economic conditions; 2. statistical database; 3. political system and decision-making; 4. critical issues and emergency needs.
- Organize Task Forces. Priority topics to include: Legal reform, macro-economic issues, agriculture, the future of sugar and tourism, international trade, immigration, multi-lateral financial institutions, privatization, telecommunications, basic education, U.S.-Cuba relations, justice and rule of law, education, the environment, institutional reform, micro- and small-business development, transportation, regulation, utilities and infrastructure, health and nutrition, AIDS, aging and social security, employment, labor markets, and social welfare policy, foreign investment, crime and corruption and the transformation of the value system generated by 40 years of communist rule.
- Organize Study Groups. Priority topics to include: civil-military issues; governability and state reform; civil society development; race, ethnicity and cultural pluralism; political culture and value transformation.

Once transition in earnest takes place in Cuba, and United States policy permits, we will emphasize a professional development and education component. This part of the Cuban Transition Project will be dedicated to direct assistance and advisement to Cuban professionals and potential policy makers. The objectives of this unit will be achieved through seminars, support groups, professional and academic exchange, and direct consulting. A special facility will be established at the University of Miami to provide distance learning capabilities able to train large numbers of Cubans in a variety of subjects. As needed, group seminars will be offered in Cuba and Miami and Cubans will be brought to the University of Miami campus for specialized training. A satellite facility will be established in Cuba as soon as politically and legally possible.

The University of Miami is uniquely qualified to assist the United States government with transitional issues in Cuba. The University is located in a multi-lingual city and community, 90 miles away from Cuba. The University has one of the largest bilingual faculties of Research I university in the nation. Its academic orientation has been, since its founding, toward Latin America and the Caribbean. Its schools of Law, Business, Medicine, and Communications will be key components in

preparing and training future leaders in a democratic Cuba. The University has the finest and most extensive collection of Library materials on Cuba. The Cuban Heritage collection at the Richter Library is considered the best and most comprehensive collection worldwide.

The University of Miami has had a program of Cuban Studies since 1964. The Institute for Cuban and Cuban American Studies directed by Professor Jaime Suchlicki coordinates Cuba related activities of the University, including the Emilio Bacardi Moreau Chair in Cuban Studies; the John J. Koubek Memorial Center and other components related to Cuba and Cuban-American Studies. The Institute offers courses on Cuban history, culture, and international relations, produces publications and sponsors original research and studies. The Institute houses Cuba On-Line, the most comprehensive current and historical database on Cuba and is in the process of becoming the Secretariat of the Association for the Study of the Cuban Economy (ASCE), the most prestigious non-partisan group of academics and researchers studying Cuba and its economy.

For fiscal year 2001, the University of Miami Institute for Cuban and Cuban-American Studies seeks \$5 million through the United States Agency for International Development to establish and develop this important new initiative, the Cuban Transition Project. Our human and physical capabilities as well as our commitment to help the U.S. government develop policy-relevant advice and programs to deal with Cuba's transition, makes the University and its Institute for Cuban and Cuban-American Studies unique to carry out this delicate and important task.

Mr. Chairman, we know that this will be a difficult year as you and Members of the Subcommittee seek to establish funding priorities in your bill. My colleagues and I at the Institute for Cuban and Cuban-American Studies hope that it will be possible for you to support implementation and development of our new and vital initiative, the Cuban Transition Project.

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#### PREPARED STATEMENT OF THE WORLD WILDLIFE FUND

On behalf of WWF's 1.2 million members, I welcome the opportunity to present testimony on the fiscal year 2001 Foreign Operations Appropriations bill. Known worldwide by its panda logo, World Wildlife Fund is dedicated to protecting the world's wildlife and the rich biological diversity that we all need to survive. The leading privately supported international conservation organization in the world since 1961, WWF has sponsored more than 2000 projects in 116 countries.

One of society's enduring legacies will be the strength of our commitment to preserve the complex natural systems we call the "web of life." In only a few decades, growing human numbers and consumption levels have led to wholesale destruction of wild habitats around the globe and an accelerating degradation of the planet's environment.

Many of the programs funded in the foreign operations budget over the years have helped to make conservation of biological diversity a reality. Other worthwhile development programs cannot effectively address global problems without biodiversity preservation. For example, one of the most cost-effective solutions to potable water is keeping intact the world's watersheds and wetlands. Polluted drinking water in turn is a primary cause of the spread of infectious diseases. Medical solutions to current and future diseases depend on plants and wildlife.

In recent years, international conservation programs in the 150 account—especially the bilateral programs—have been stymied by steadily shrinking funds. We applaud you, Mr. Chairman, Madame Ranking Member, and other members of this subcommittee, for your role this past year in inserting committee report language directing U.S. AID to reverse this budgetary decline in the agency's biodiversity conservation work. Congress directed U.S. AID in fiscal year 2000 to restore funding for its natural resource management programs and other biodiversity conservation activities. In addition, this subcommittee appropriated \$13 million to implement the Tropical Forest Conservation Act. As you recall, this law was the brain child of Rep. Rob Portman and Senator Richard Lugar and was passed by the 105th Congress with overwhelming support.

The subcommittee's initiatives in 1999 set the stage for the administration to follow suit with its fiscal year 2001 "Greening the Globe Initiative." WWF strongly supports this request. The initiative proposes \$33 million in additional funds for U.S. AID's biodiversity conservation programs, a total request of \$100 million for this activity. The administration's initiative also requests \$37 million for implementing the Tropical Forest Conservation Act, a three-fold increase. While these funding levels are modest compared to the levels of funding authorized by the law, they are critical to maintain the momentum created by the subcommittee to reinvig-

orate U.S. AID's historic role in setting the standard and inspiring other donor governments to fund global conservation efforts.

Of course, the bottom line is what this funding can achieve to preserve the "web of life."

In Brazil's Atlantic Forest, U.S. AID, in partnership with WWF and other conservation NGOs, is assisting industry and local communities to protect and sustainably manage this globally outstanding forest. The Atlantic Forest—in Brazil, Argentina and Paraguay—is one of the most endangered rain forests in the world, with only seven percent of the original forest remaining. The forest is home to the critically endangered golden lion tamarin. More than 52 percent of the tree species and 92 percent of the amphibians in the Atlantic Forest are found nowhere else on Earth. The forest's major threats are urban development, logging, associated road building and agricultural expansion. The local NGO, Fundacao Vitoria Amazonica, has partnered with WWF and developed a management plan for Jau National Park, Brazil's largest park.

In 1998, Brazil's President Fernando Henrique Cardoso committed to triple the area of Amazonian forest under formal protection. The 62 million acres of new parks and preserves is the largest conservation step ever in the Amazon. Brazil's pledge is in partnership with WWF, the World Bank, and GEF, which will help finance, plan and manage the newly protected forests.

In Namibia, AID supports the Living in a Finite Environment (LIFE) project, which has established a remarkable system of communal conservancies. The Republic of Namibia inherited a legacy of apartheid policies, under which virtually all of the country's natural resources—including the best land—had been directed to the well-off five percent minority. For the first time the rural population, as conservancy members, now legally benefit from the country's natural resources. Individuals and communities, with the help of local organizations, are learning to sustainably manage their natural resources.

In some instances, native species of wildlife have been reintroduced on the conservancy lands. Locally enforced land-use zoning helps protect wildlife from poaching. The program has created income-generating activities such as the production of thatching grass, operating community tourist campsites, and joint venture lodge developments. In one year, the value of benefits more than doubled in the form of cash revenues to conservancies, salaries to conservancy staff, enterprise operators, or in-kind donations (i.e., game donations). The government of Namibia has enacted new legislation under which four million acres have been declared conservancy lands. Namibia's innovative approach will generate income for local communities in a model program that benefits wildlife while meeting human needs.

In the Galapagos Islands of Ecuador, AID funding has resulted in improvements in natural resource management and protection of the island's incredibly rich biodiversity. Remarkably, these islands have retained nearly 95 percent of the biodiversity present a thousand years ago. However, the islands are threatened by overfishing, introduced species that compete with the native wildlife, and a rapid influx of people. WWF has had a long-term presence on the islands, working with local partners to preserve and protect the rich biodiversity.

In 1998, the government of Ecuador passed the "Galapagos Special Law" creating a 40-mile-wide marine sanctuary around the islands and banning "industrial scale" fishing in the area. The law also ensures that tourist revenues go to support island conservation, including combating invasive species and empowering local institutions to have a say in managing the islands' resources.

In Russia, by supporting projects that promote responsible resource management—such as sustainable forestry, creation of protected areas, training programs for scientists and managers—U.S. AID is investing in a long-term program to protect resources that are important not only to Russia, but to the U.S. and the international community. Russia's forests account for one-fifth of the world's timber supply. The country's well-known Lake Baikal accounts for one-fifth of the world's liquid supply of fresh water. The Caspian Sea and parts of Siberia harbor tremendous reserves of oil and natural gas. Thus the role of these and other Russian resources in affecting world-wide environmental and national security issues (climate change, water use rights, etc.) is critical.

With the help of U.S. AID funds, WWF has supported a variety of programs, from anti-poaching brigades protecting Siberian tigers to purchasing fire-fighting and communications equipment to improve on-the-ground management operations.

U.S. AID's support for environmental projects in Russia is enormously beneficial for another reason. Throughout Russia, environmentalists are at the forefront of testing and defining the principles of democracy. Because of their activism, they are perhaps more bold and energetic than any other group in the country in using the media, the court system, the rule of law to force their new-found "democracy" to

work. Examples include former Alexander Nikitin, whose arrest by the KGB for his publication on Russia's disposal of nuclear waste was overturned in federal court; the environmental law organization "EcoJuris," which has repeatedly challenged the Russian government's implementation of forestry and other environmental laws; the NGO "Glasnost Defense Fund" which works to promote free press and protect journalists who exercise this right.

What can happen when biodiversity funding is cut or insufficient? In Nepal, for example, AID is considering cutting funding for community forestry, in effect closing out its biodiversity programs. Community forestry in Nepal is considered to be one of the more progressive and unique approaches to forest management. It is a blend of laws and regulations that address difficult management issues at the core of many forestry projects—land tenure, sustainable forest management, biodiversity conservation, local ownership of forest products, and income generation. Implementation of Nepal's Community Forestry Act began in 1995 and already has yielded impressive results. Species diversity has rebounded in degraded forests and incomes have increased due to marketing of surplus forest products. A number of policy and implementation issues are emerging that seek to undermine the forestry law and regulations. AID's continued technical support and access to decision-makers is currently needed to bolster the long-term sustainability of Nepal's community forestry activities.

The country programs described above are evidence of how AID's support has established innovative solutions to conservation problems. The success of these activities has been a key component in persuading host governments to establish and enact groundbreaking conservation policies, including legally establishing conservancies in Namibia or a marine sanctuary in the Galapagos Islands. These enacted policies—what WWF calls "Gifts to the Earth"—establish permanence for these programs after AID and other donors close out their presence.

As in the Russian example above, an important related benefit of conservation programs in general is institutionalization of democratic processes, as local citizens learn to manage, benefit and demand a say in their communities' resources.

#### MULTILATERAL PROGRAMS TO CONSERVE BIODIVERSITY

*Global Environment Facility (GEF).*—The largest percentage of GEF's projects is devoted to conserving biodiversity. WWF urges the subcommittee to fund the full request for fiscal year 2001 for the U.S. contribution to the GEF. We further hope that Congress will examine the ongoing, important work in global conservation of this relatively young institution, setting aside the political controversy surrounding the Kyoto Protocol.

*International Conservation Programs, Department of State.*—Consumption is a primary driving force for the human assault on the environment. Thus, implementation of the Convention on Illegal Trade of Endangered Species of Flora and Fauna (CITES) is critical in regulating trade in endangered species. WWF urges the subcommittee to direct the Secretary of State to meet the full U.S. contribution for fiscal year 2001 to the core budget of the CITES Secretariat. This contribution is part of the administration's \$5.5 million fiscal year 2001 request for the International Conservation Programs of the State Department's International Organizations and Programs (IO&P) account. The conservation programs fund such critical programs as the Ramsar Convention on Wetlands of International Importance and the World Conservation Union (IUCN).

*International Development Association (IDA).*—As the single most important source of development finance for the world's poorest countries, IDA can address environmental degradation, extreme poverty, and other root causes of political and economic instability. WWF calls on the subcommittee to fund IDA at the requested level of \$835.6 million, which includes \$803.4 million for the U.S. scheduled contribution to IDA-12, plus \$32.1 million to clear arrears.

#### ADEQUATE FUNDING FOR FOREIGN ASSISTANCE

Mr. Chairman and Madame Ranking Member, and members of the subcommittee, I have attempted to show how conserving and managing our natural resources is fundamental to achieving such basic human needs as clean air and water and to provide medicines. Yet one of the first programs AID officials cut due to insufficient funds is biodiversity conservation. The key to long-term development is sustainability of resources. Ignoring sustainability in development is like trying to keep a tree strong while chopping its roots away. Therefore, we urge the subcommittee to appropriate adequate funds for bilateral and multilateral foreign assistance and to ensure that AID's strategic objective of protecting the environment is effectively integrated into its development policies. Cutting foreign aid levels that represent bare-

ly one percent of the federal budget risks maintaining a hobbled foreign aid policy that focuses more on survival than on achievement.

#### PROPOSED LANGUAGE ON BIODIVERSITY

Attached is proposed language on biodiversity conservation that WWF urges the subcommittee to adopt. Language of this nature is essential to maintain the momentum created by this subcommittee.

#### CONCLUSION

Finally, Mr. Chairman, WWF urges subcommittee members to visit conservation project sites to get a first-hand look at the bilateral and multilateral programs that help protect our natural global systems. Restoring the fundamental balance between human enterprise and the biological diversity upon which we all depend is a long-term commitment. The choices our government and other governments make today will have far-reaching consequences for our future generations. We ask for and need your commitment in this and future years.

#### ATTACHMENT

Proposed Committee Report Language to accompany the fiscal year 2001 Foreign Operations Appropriations Subcommittee Legislation:

*The Committee has repeatedly urged that AID make biodiversity a high priority. The Committee therefore welcomes the administration's request to seek \$100 million for biodiversity conservation in fiscal year 2001, including straightlining funding of the Office of Environment and Natural Resources at fiscal year 2000 levels plus additional funding reflective of overall agency increase for biodiversity conservation in fiscal year 2001. It requests the administration to dedicate this total to actual biodiversity conservation activities. The Committee also requests that the difference between the \$100 million and fiscal year 2000 figures should be new and additional funds.*

*AID biodiversity activities should continue to emphasize the use of non-government organizations (NGOs) through cooperative agreements and other innovative, cost-effective financing vehicles.*

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#### PREPARED STATEMENT OF THE MIGRATION AND REFUGEE SERVICES, UNITED STATES CATHOLIC CONFERENCE

The United States Catholic Conference's Migration and Refugee Services (MRS) is pleased to present views on the Migration and Refugee Assistance (MRA) account and the Emergency Refugee and Migration Assistance (ERMA) fund. MRS is proud of the record of the Catholic Church in welcoming refugees and other newcomers to our country. Today, MRS works with 114 Catholic dioceses in 46 states to resettle refugees from all over the globe. In calendar year 1999, MRS helped to resettle 21,500 refugees in the United States, representing 94 ethnicities and 50 nationalities.

Church teaching has long supported the protection of and respect for the right of an individual to live in security and to flee life-threatening situations, particularly those stemming from political oppression and persecution. The principal inspiration for our work comes from the teachings of Jesus and Catholic social teaching, which Pope John Paul II most recently articulated on his trip to the Holy Land:

"Dear refugees, do not think that your present condition makes you any less important in God's eyes! Never forget your dignity as his children! Here at Bethlehem the Divine Child was laid in a manger in a stable; shepherds from the nearby fields were the first to receive the heavenly message of peace and hope for the world. God's design was fulfilled in the midst of humility and poverty. The Church, through her social and charitable organizations, will continue to be at your side and plead your cause before the world."<sup>1</sup>

In line with our teaching, the Catholic Church in the United States has long welcomed immigrants and refugees to our shores. Since the Refugee Act of 1980, MRS, working with our government and diocesan resettlement programs throughout the country, has resettled some 650,000 refugees, more than 32 percent of the total resettled population.

MRS strongly supports the U.S. Refugee Program, which has helped so many refugees over the years. We are gratified that it has done so much good in the world

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<sup>1</sup> Speech of the Holy Father John Paul II, Dheisheh Refugee Camp, Palestinian territories, Wednesday, March, 22, 2000.



and believe strongly that it can and should do even more. We respectfully ask this Subcommittee to continue its own support for a strong refugee effort by appropriating at least \$700 million for the Migration and Refugee Assistance (MRA) account, or \$42 million more than the Administration has requested in its fiscal year 2001 budget submission.

Additionally, the Emergency Refugee and Migration Assistance Fund (ERMA) represents a vital funding source which allows the United States to provide immediate assistance to emergency refugee situations worldwide. Over the past two years, the U.S. government has used the fund to respond effectively to crises in Kosovo and East Timor. In a world which spawns refugee crises on a regular basis, the ERMA fund is necessary to ensure that fleeing refugees receive important life-sustaining assistance. We ask the Subcommittee to approve the \$20 million budget request for ERMA for fiscal year 2001.

#### U.S. REFUGEE ADMISSIONS

Refugees are not unlike other migrants, with one tragic difference. Often driven outside their country, refugees cannot return home for fear of persecution. Having already suffered, sometimes unspeakably, they often face years in crowded, primitive, dangerous refugee camps. For some of these people, whether they be fleeing Bosnia, Burma or Afghanistan, resettlement in a third country may be their only hope for a life of peace, dignity, and hope.

And yet the United States has been curtailing its response to refugees by reducing the number who may come to our country to begin a new life. The annual ceiling for refugee admissions into the United States fell from 142,000 in fiscal year 1992 to 78,000 in fiscal year 1997, a drop of 45 percent. In 1999, our government increased refugee admissions to 85,000, a commendable response to the Kosovo refugee crisis. Over a longer period, refugee admissions have been reduced even more dramatically, from 207,000 in fiscal year 1980 to a proposed 76,000 funded admissions for fiscal year 2001. This reflects a disturbing trend, especially considering the presence of more than 13.5 million refugees in the world today.<sup>2</sup>

A primary concern of the Catholic bishops in the refugee area is that the United States employ a generous refugee program which reflects its humanitarian tradition. Without such a program, our nation cannot provide global moral leadership with regard to refugee protection, leading other governments to reduce their assistance to the world's persecuted and homeless. This Subcommittee, as the Senate appropriator of funding for refugees, plays a crucial role in maintaining that leadership.

Last year, the global refugee picture became more complicated. Commendably, in the face of the outflow of refugees from Kosovo, the Administration requested, and Congress appropriated, supplemental funding allowing our country to welcome up to 20,000 Kosovars. For the following year, fiscal year 2000, the Executive Branch asked Congress for funding to accommodate up to 90,000 refugees for resettlement, another welcome step forward.

However, Congress appropriated only \$625 million of the \$660 million requested, causing the State Department to reduce its funded admissions ceiling for the current fiscal year by 5,000 refugees. Now, we are focused on fiscal year 2001, and the Executive Branch has again shifted into reverse, having requested funding for only 76,000 refugee admissions, which could expand to 80,000 if certain cost savings are realized. This is clearly insufficient to the need.

Sadly, there exists no lack of refugees in today's troubled world. In Africa alone, there are close to three million refugees because of conflicts in Sierra Leone, Sudan, Ethiopia, Eritrea, the Democratic Republic of the Congo, and Congo-Brazzaville, among others. We are pleased that the State Department has for two years running raised the regional admissions ceiling for Africa, to 18,000 for fiscal year 2000. We ask this Subcommittee to approve the funding for another meaningful increase in African admissions in fiscal year 2001. Given the great need in Africa, where the alternative to resettlement can easily be many years in a refugee camp, we believe there should be 25,000 admissions in fiscal year 2001.

The refugee situations in much of the rest of the world are not much brighter. Whether one thinks of East Timorese, Afghans, Iraqis, or Burmese, ordinary people—many of them poor and defenseless—find themselves uprooted in foreign lands. Many have no prospect of return to their homes and face the prospect of languishing in refugee camps for many years.

Thus, the decline in U.S. refugee admissions is not due to a drop in that part of the world's refugee population needing resettlement. Nor is it due to a poor U.S.

<sup>2</sup> *World Refugee Survey*, 1999, U.S. Committee for Refugees, p. 3.

economy, or a refusal by Americans to welcome refugees, or an inability on the part of the refugee resettlement agencies, like ours, to find shelter and jobs for new arrivals. It is due rather to a lack of political will to meet fully our humanitarian responsibilities, a situation we ask this Subcommittee to help redress.

#### FAMILY REUNIFICATION

The centrality of the family is a cardinal tenet of Catholic social teaching. It should be no surprise that the U.S. Catholic bishops are fervent supporters of policies within the U.S. Refugee Program that promote the reunification of refugee families.

It is thus our view that family reunification must remain a cornerstone of U.S. refugee policy.

Unfortunately, there appears to be a belief among some that refugees with refugee relatives in the United States (designated P-3, P-4, and P-5) are not "real" refugees. That is wrong: all refugees must satisfy the same criteria. Nor do refugees who are relatives displace others more deserving: in fact, their very designation puts them in line behind those who are P-1, in immediate danger, and P-2, those of humanitarian interest to the United States.

Refugees who are the subject of petitions should not ipso facto be considered to have a less compelling claim to persecution than those in other categories. Often, their personal stories are more disturbing than those of refugees given other designations. And choosing them for possible U.S. resettlement offers the prospect of an additional benefit: bringing together a family split by violence.

Discussions are ongoing within parts of the government about the possibility of deemphasizing the family-based priorities to make more room for what are being called "rescue" cases. That, in our view, is a false choice.

Even if family cases were less compelling, the proper response would be not to deemphasize them but to expand the annual refugee ceiling, as we and other refugee organizations have long urged. If, as we strongly contend, the family-based cases are generally as compelling as any others, that is all the more reason for a more generous program.

In sum, we remain concerned about a developing trend toward less and less timely reunification of families based upon a mistaken belief that the current low admissions ceilings require further restrictions on refugee family members. This Subcommittee can help by appropriating the funds necessary for a more generous overall program. Preserving families should remain a key objective of U.S. refugee policy.

#### FUNDING FOR REFUGEE PROTECTION OVERSEAS

The MRA account also funds the U.S. contribution to overseas assistance for refugees, funds which help feed, clothe, and protect refugees in countries of first asylum.

Here, too, the worldwide needs far outstrip available resources. Particularly bereft of adequate financing are African programs, where the international community spends much less per refugee than in places like Kosovo. To our credit, the United States has tried to increase its attention to Africa. Our assistance to Kosovo, for example, was not taken from our support for African refugees, as was the case with some donors. And the disparity between aid for African refugees and aid for refugees elsewhere is a problem our government recognizes and would like to remedy.

Nevertheless, the Administration's MRA request for fiscal year 2001 gives inadequate support to assistance to refugees overseas. It contains no increase from last year, and will result in cutbacks for most regions, including Africa. It is ironic that, at a time when the U.S. government is attempting to put a new emphasis on Africa, overseas assistance requested for the continent is at its lowest in three years.

#### INTERNALLY DISPLACED PERSONS

We have not yet mentioned the mass of the world's internally displaced people, so vast that their numbers exceed those of refugees. According to the World Refugee Survey of 1999, produced by the U.S. Committee for Refugees, there are more than 17 million internally displaced persons on all continents throughout the world. While internally displaced persons share many of the same characteristics as refugees, such as fear of persecution and separation from their homes, international refugee law does not protect them because they remain inside their own countries.<sup>3</sup> In reality, internally displaced persons are often attacked by their own governments and often do not receive humanitarian assistance.

<sup>3</sup> *World Refugee Survey*, 1999, U.S. Committee for Refugees, p. 8.

The United States' Permanent Representative to the United Nations, who visited Africa in December, recently told a group of voluntary agency directors that he was appalled both at the suffering of these unfortunate people and at the inadequacy of the care they receive from the international community. Correctly, he noted that the misery they endure is no less severe than that of refugees. The protection they are offered is often less, as well, since many of the internally displaced live in countries where their prime oppressor is their own government.

We welcome this additional focus on the plight of the displaced, and agree that the international agencies must be better organized in their response. The same is true for our own government, where no one agency has responsibility for internally displaced persons.

Here is one example of the problems facing the internally displaced. Bishop John Cummins, Bishop of Oakland and member of the Bishops' Committee on Migration, recently traveled to East Timor on a fact-finding mission and to express solidarity with the Catholic bishops of East Timor. He found that approximately 100,000 East Timorese remain in refugee camps in West Timor, prevented from returning to their homes. The conditions in the West Timor camps are appalling, with 500 to 700 refugees having died since last year from various illnesses and the infant mortality rate on the rise.<sup>4</sup> Reports indicate that there are tens of thousands more East Timorese spread throughout Indonesia. We urge our government to increase pressure on the Indonesian government to allow these remaining refugees to return to their homeland.

The MRA account may be used to assist the internally displaced, whether in those instances in which the United Nations decides to help a given population or when the State Department funds such assistance more directly, as in the case of Colombia. As the numbers of internally displaced in the world grow, we ask that assistance to them be increased, another reason why the MRA account should be generously funded.

#### UNACCOMPANIED REFUGEE MINORS

Of all refugees those likely to suffer the most permanent damage from their ordeal are unaccompanied minors—children whose parents are dead or missing. According to estimates, unaccompanied minors constitute five percent of refugees worldwide, numbering well over 600,000. In 1997, the United States resettled one of them. In 1998, we took four; in 1999, 34. This country must do more to protect these extremely vulnerable children.

MRS and our colleagues from Lutheran Immigration and Refugee Services (LIRS) are equipped to provide the special care these children need and have been working with the State Department and with UNHCR to increase the number of those offered resettlement here, starting with Sudanese children at Kakuma camp in northern Kenya. The process has been slow, but we hope that some of the Kakuma youth will finally enter the United States this fiscal year.

For fiscal year 2001, we recommend that UNHCR refer, and the United States resettle, 500 unaccompanied boys and girls. Mr. Chairman, these young people, who have experienced severe trauma and dislocation, hold no hope of normal lives without an opportunity for resettlement in a third country such as the United States.

#### THE CAPACITY QUESTION

Many agree that there is a real need in the world to resettle more refugees. But what about our capacity to absorb more refugees? Has not our long involvement with the Indochinese, Bosnians, Kosovars, and other refugees produced a variant of compassion fatigue?

Not at all. Our own programs find no lack of American families enthusiastic about sponsoring and assisting refugees. One indicator is the magnitude of the cash and in-kind contributions that come through our dioceses—resources which supplement the modest but welcome government outlay. Last year these contributions amounted to some \$12 million, all coming from ordinary—or should I say extraordinary—working Americans. Our colleague refugee resettlement agencies report the same generous enthusiasm.

For those who question the commitment of the American people to refugee resettlement, Kosovo provides a ringing response. The overwhelming demonstrations of support and offers of aid from the public to the Kosovars have been well documented. Agencies, including ours, were deluged with offers of assistance for the Kosovars to whom our government offered protection. When Americans see persons

<sup>4</sup>Refugees International, East Timorese Refugees in Indonesia, Press Release, February 23, 2000.

in desperate need, they are quick to help. We are convinced that if our public were shown the sufferings of the Sudanese in Kenya or the Burmese in Thailand in the same detail as they witnessed the desperation of the Kosovars they would react in the same generous way.

#### CONCLUSION

We appeal to this Subcommittee to appropriate \$700 million for the MRA account, an amount which is \$42 million over the Administration's request and within the current authorization. This would permit up to 100,000 refugee admissions for fiscal year 2001. With this level of funding, the United States will be better placed to pursue important refugee-related objectives: an admissions ceiling more in keeping with our historic levels; an adequate emphasis on family reunification of refugee families; a renewed resettlement program for unaccompanied refugee minors; increased assistance to refugees in Africa and elsewhere; and increased attention to the needs of the world's internally displaced people.

It is the view of the Catholic bishops that the United States must make a renewed commitment to refugee protection globally. By so doing, we serve our own vital interests and act as an example to other nations. Perhaps more importantly, we honor the democratic values we espouse, continue a tradition of compassion which has long characterized our nation, and offer a beacon of hope to suffering refugees around the world. As a model of democracy and freedom to millions around the world, we can and must do more to provide safe haven to those who flee persecution.

MRS thanks the Subcommittee for its past support for this very special humanitarian effort as well as for the opportunity to present our views on a program which is of great concern to the Catholic bishops of the United States.

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#### PREPARED STATEMENT OF THE AMERICAN BAR ASSOCIATION

Mr. Chairman and Members of the Subcommittee: My name is Rona Mears and I am the 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 William G. Paul, President of the Association.

This statement describes the ABA's technical legal assistance projects that promote the rule of law and democracy around the world. With over 400,000 members, the ABA is the largest voluntary professional organization in the world. Our members—lawyers, judges, and law professors, among others—have generously donated, and continue to donate, their time, energy and resources to facilitate the rule of law and democratization in countries throughout the world. Due in large part to the efforts of these volunteers, ABA projects are able to yield tremendous leverage and to provide a significant return on the United State's financial investment in foreign legal assistance projects. For these reasons, we hope that these programs continue to receive Congressional support.

#### BACKGROUND

Carefully-designed foreign aid programs serve the American people through promoting democracy abroad. Successful foreign aid programs make a significant difference for reform-minded governments wavering between greater democracy or a return to autocratic rule. Democratic regimes are less likely to engage in terrorist activity and spawn costly and tragic regional conflict. In the absence of conflict, nations and international organizations can devote their resources to economic development and democracy-building toward a more stable world order. It is truly in the best interest of this country to support democratic transitions and promote the rule of law abroad.

In addition, research increasingly demonstrates that without transparent, effective legal structures, economic and social development cannot take place. Problems of health, education and the environment cannot be addressed effectively in an atmosphere of corruption and suspicion. Social and economic ills can only be addressed by governments possessing a full measure of international credibility and popular participation. Support for programs to advance the rule of law benefit all of us through allowing us to effectively address our mutual international concerns.

#### ABA PROJECTS

The American Bar Association adheres to a set of organizational goals established by its Board of Governors, including its eighth goal, "to advance the global rule of law." To more effectively address this goal, in February of 2000, the ABA established two regional councils for Africa and Latin America, thereby enabling four re-

gional entities to promote the global rule of law. The Africa Law Initiative and the Latin America Law Initiative join the Central and East European Law Initiative (CEELI) and the Asia Law Initiative Council (ALIC) to provide a framework to respond to requests for assistance worldwide. Under Council auspices, the ABA's specialized sections and committees can provide expertise in virtually every area of law, including but not limited to such areas as commercial law development, legal and judicial reform, legal education and constitutional-strengthening.

Four core values govern all ABA international legal technical assistance. The ABA's projects must respond to an invitation from the host country; provide a comparative approach and neutral advice; manage international legal technical assistance projects to enable ABA members to provide expertise primarily on a pro bono basis; and, abide by and enforce applicable conflict of interest guidelines.

While there are a multitude of projects in the planning, development and implementation stages, the following is a summary of some of the major international technical legal assistance projects and initiatives undertaken by the American Bar Association.

#### CENTRAL AND EAST EUROPEAN LAW INITIATIVE

The most comprehensive technical legal assistance project of the ABA is the Central and East European Law Initiative (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 ten 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 610 Technical Legal Assistance Workshops; assessed over 450 draft laws; placed 238 long-term liaisons and 215 legal specialists in the region; hosted over 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 \$72 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); S. Rep. No. 81, 106th Cong., 1st Sess. (1999), H. Rep. No. 254, 106th Cong., 1st Sess. (1999)).

*Children's rights project*

The American Bar Association Section of Legal Education has initiated a three-phase project to enhance the quality of juvenile justice and to help build the human and institutional capacities for protecting children's rights in four African countries: Kenya, Tanzania, Uganda, and Malawi. A children's rights team has been established to implement this project, with overall coordination provided by the ABA African Law Initiative. The team is made up of the ABA Section of Legal Education, the ABA Center on Children and the Law, the ABA Juvenile Justice Center, the Loyola University School of Law (Chicago) Civitas Child Law Center, and the Northwestern University School of Law.

The Children's Rights Project will reach out to legal aid organizations, the courts, and law schools. The program will focus not only on increasing knowledge of the laws that exist for protecting children's rights—both among the legal community and the public—but will also emphasize the practical nuts and bolts issues of implementing laws affecting children. During the first phase of the project, African child law specialists will undertake a two-week United States study tour during which they will visit a wide variety of child welfare organizations, agencies and juvenile courts in Washington and Chicago. The emphasis will be on practical techniques useful to the participating Africans. The second phase of the project will be a workshop to be held in Nairobi, Kenya bringing together leading child rights advocates from the four participating African countries and from the United States. The final report from this workshop will contain concrete recommendations for legal system improvements that will increase the quality of juvenile justice and child protection. During the third and final phase of the project, United States children's law specialists will visit the participating African countries for extended visits to follow-up on the workshop recommendations by working closely with legal aid organizations, law schools, and the courts.

The ABA African Law Initiative, with funding from the Office of Citizen Exchanges, is also continuing its work on clinical legal education, curriculum development, and law library development at African law schools. The new Children's Rights Project will build on the African Law Initiative's previous clinical legal education work by helping to structure clinical experiences for law students so they may assist children and youth who have previously not had representation.

*Mozambique law initiative*

The objective of this initiative is to assist the Ordem dos Advogados de Moçambique (the Mozambican Lawyer's Association) and other indigenous organizations in the development of legal and judicial reform in Mozambique by organizing assessment/training trips and seminars on continuing legal education, commercial law, intellectual property, law firm management, and the role of lawyers in human rights. The first assessment/training visit took place from March 18–28, 2000, with a former Chair of the ABA's Section of International Law and Practice travelling to Maputo, Beira, and Nampula for a series of meetings and presentations concerning the legal system and corruption in Mozambique.

Mozambique attained independence from Portugal only twenty-five years ago. The civil war which engulfed the country shortly after independence and continued into the 1990s was not conducive to the development of democratic institutions or the rule of law. For much of this period, the only law school in the country was closed. For this reason, there was no real formation of lawyers in any significant numbers until recently, and even today the number is small. In recent years, however, with political democratization, a move towards a market economy, and significant privatization, the need for a vastly expanded and strengthened legal system has become apparent. The Ordem was authorized in 1994 and began to operate in 1996.

The recent program included meetings with governmental officials, non-governmental organizations, business groups, legal educators and others concerned with the legal infrastructure and corruption in Mozambique. These meetings provided not only for an assessment and exchange of substantive legal information, but also served as an opportunity for Ordem to strengthen its organizational presence and establish a dialogue with the various groups. Seminars were held in each of the three cities at a local university, providing an unprecedented opportunity for dialogue between various constituencies within the legal community and with civil society more generally.

The visits strengthened the Ordem dos Advogados de Moçambique, and the understanding between the ABA and the Ordem. This better understanding will help inform follow-up efforts that may ensue to strengthen the rule of law, civil society and the anti-corruption movement in Mozambique.

*Organization for the Harmonization of Business Law in Africa*

In early December of 1999, the ABA, with funding from the Department of State, sent two members to Yaounde, Cameroon to participate in the Conference on the Organization for the Harmonization of Business Law in Africa (or L'Organisation pour l'Harmonisation en Afrique du Droit des Affaires, commonly known by its French acronym "OHADA").

OHADA was created pursuant to the Treaty of October 17, 1993, which entered into force in July 1995. It seeks to encourage both internal economic development and foreign investment by establishing uniform commercial laws and enforcement mechanisms in the sixteen OHADA Member States which have joined it to date. While the current OHADA members are almost exclusively former French colonies located in West and Central Africa, membership is available to any African country. Pursuant to the OHADA treaty, six Uniform Acts have been enacted to date covering business organizations, sales and contracts, securitization, bankruptcy, collection/foreclosure remedies, and arbitration law. In 1998, members of the OHADA Joint Court of Justice and Arbitration expressed interest in the ABA's providing substantive comments on the Uniform Acts and also in possible judicial exchange and/or training efforts.

During the late Summer of 1999, ABA's Section of International Law and Practice, in cooperation with the International Judicial Relations Committee (IJRC) of the U.S. Judicial Conference, organized and recruited nearly 50 attorneys and federal judges to assist in reviewing and commenting on the OHADA Uniform Acts. Six separate teams were formed, which in turn prepared written reports identifying the strengths and weaknesses of each OHADA Uniform Act and making specific recommendations for improvement. (One recommendation common to all of the reports, for example, was a recognition of the critical need for an authoritative, indeed an official, English language version of the OHADA Uniform Acts.)

The ABA-IJRC Report (distributed in both English and French) was a central topic of discussion at the conference and, in many attendees' views, indicated the interest of the foreign investor community in an effective and understandable Uniform Acts in OHADA. This report is being distributed to the OHADA Council of Ministers and to each judge on the OHADA Joint Court, as well as to the U.S. embassies and bar associations of each West and Central African country. Follow-on activities, including judicial training and materials, are currently being explored.

ASIA LAW INITIATIVE COUNCIL

The ABA's Asia Law Initiative Council initiated several activities last year in China. Among these was a program of support for the development of a system of legal aid designed to provide leadership in fulfilling the promises made by Presidents Clinton and Jiang for cooperation in the field of law. While the bombing of the Chinese Embassy in Belgrade forced postponement of the planned joint legal aid conference, during the year 2000 the ABA expects to move forward with this conference.

Under its Agreement with the All-China Lawyer's Association the ABA has brought to the U.S. several Chinese lawyers to serve as interns in U.S. law firms. These interns passed a rigorous selection process in China. They are working in U.S. law firms in Chicago, New York and Dallas under the aegis of the ABA's Section of International Law and Practice.

With Ford Foundation support, the ABA expects to repeat its highly-successful trial demonstration program. Previously hosted by the National Judges College of the Supreme People's Court in Beijing, the succeeding trial will branch out to expose additional members of the Chinese judiciary to U.S. trial techniques and to a course of law in such specialized areas as domestic violence and criminal law. The last case was heard by over 200 judges and was videotaped for use by the judiciary throughout the P.R.C. The Berlin Judge's Association participated, providing a comparative overview of the common law and civil code traditions. A new feature of this program is that, along with the ABA and the Berlin Judge's Association, the Chinese participants may be expected to demonstrate their trial of the case selected.

Through its Section of Business Law, the American Bar Association is collaborating with the Chinese University of Political Science and Law and Temple University and has established a Center for the Study of Business Law in Beijing. The Center can offer seminars and conferences on U.S. and international business law to Chinese lawyers, judges, government officials and law students. The Center for the Study of Business Law will advance the development of a commercial legal framework and promote the rule of law and the development of a market economy in China.

## UNITED NATIONS DEVELOPMENT PROGRAMME: LEGAL RESOURCE UNIT

The American Bar Association (ABA) and the United Nations Development Program (UNDP) entered into a Project Cooperation Agreement in October 1999 to establish a Legal Resource Unit within the ABA Section of International Law and Practice. The mission of the ABA/UNDP Legal Resource Unit (LRU) is to provide a legal resource capability to service UNDP global governance programs and projects supporting legal reform and democratic institution building. The primary task of the LRU is to assist UNDP Country Offices to identify candidates capable of providing legal advice, normally on a pro bono basis, on the drafting of legislation, judicial reform, building of legal institutions including professional groups and associations, and other legal dimensions of governance.

The LRU commenced operations on February 1, 2000, and stands ready to assist UNDP Country Offices in identifying and sourcing legal expertise worldwide. The functions of the LRU will be prioritized to reflect UNDP program needs, and will support countries in a wide array of substantive legal areas, including:

- Reform of legal institutions and systems, including reform of constitutional frameworks
- Support to electoral bodies and drafting of electoral laws
- Improvement of legislative drafting and parliamentary practices
- Reform of public sector regulations and processes Strengthening anti-corruption measures
- Support for decentralization and strengthening of local institutions
- Development of the capacity of independent lawyers associations
- Legal education and judicial training
- Legal services to the indigent and underrepresented
- Other law-related areas as needed

The LRU will focus mainly on the identification of legal experts based upon requests from UNDP Country Offices and, in the case of UNDP's inter-country activities, from the appropriate UNDP Headquarters Units including Regional Bureaus. Legal experts will be identified from a wide variety of sources in order to best serve UNDP program objectives in a given country bearing in mind language considerations, cultural norms and the legal traditions of the country to be assisted. In doing so, the LRU will draw from the ABA's worldwide membership and will also network with the International Bar Association, and other national bar associations and professional organizations.

## CONCLUSION

The United States plays a unique leadership role in worldwide democratic and economic development. Targeted foreign assistance to establish and enhance strong legal systems and institutions grounded in the rule of law is a critical component of that development. Establishment of a government based on the rule of law is a necessary prerequisite to creating a lasting democratic society and a vibrant market based economy. Advancing these objectives globally is vital in ensuring the protection and promotion of U.S. national security and economic interests. Rule of law programs such as we have described above are a cost-effective mechanism through which to advance both the interests of the citizens of the participating countries and U.S. foreign policy interests. While we appreciate the difficult task your Subcommittee has in allocating very limited resources, we strongly believe that that legal assistance programs are a wise investment of U.S. dollars which result in substantial benefits for U.S. citizens and businesses.

For these reasons, we respectfully urge Congress to support the ABA's technical legal assistance programs through the appropriations process.

## PREPARED STATEMENT OF THE AMERICAN COUNCILS FOR INTERNATIONAL EDUCATION

On behalf of the American Councils, I am submitting this statement in support of continued funding for U.S. assistance to the countries of the former Soviet Union. As president of the American Councils, I head the leading U.S. educational and exchange organization working in the former Soviet Union; as a Russian language professor at Bryn Mawr College, I am a long-time student and observer of the Russophone world, beginning with my collegiate studies in the late 1960s. The American Councils administers a wide array of educational exchange and training programs on behalf of the U.S. Government, and others, in the former Soviet Union, including the Future Leaders High School Exchange Program, the Edmund S. Muskie Graduate Fellowship Program, the Junior Faculty Development Program, and the Excellence in Teaching Awards Program.



The American Councils has also had the privilege since last summer of working with the U.S. Congress on the new Russian Leadership Program, administered through the Library of Congress under the leadership of the Librarian, Dr. James H. Billington. This program provides a special and new opportunity to foster direct and individual dialogue between legislators and other political leaders of Russian and the United States.

Since the breakup of the Soviet Union, Congress has played a lead role in conceptualizing and defining U.S. assistance to the New Independent States. With the enactment of the FREEDOM Support Act in 1992, and the subsequent annual foreign operations funding legislation, congressional bipartisan leadership has steered a thoughtful course for our federally-funded aid to this region. In steering that course, Congress has had to balance a set of interconnected concerns: promoting transition to a free market economy while constraining trade with rogue nations; fostering democratic rule while monitoring human rights; building mature relations among nations while staying "on-message" regarding U.S. interests. From my perspective that exercise has been successful by and large.

At the more specific level where my organization and the U.S. Government partner to provide programs and activities under FSA, I also believe that an appropriate balance has been achieved, along with a fair amount of innovation and creativity. A significant portion of the assistance that supports democratic reforms and the building of a free-market economy has flowed through the U.S. Agency for International Development to the Bureau of Educational and Cultural Affairs in the U.S. Department of State (prior to October 1, 1999, to the U.S. Information Agency). This fiscal year, \$97 million of the \$839 million appropriated for NIS assistance will be spent on exchange and training programs administered in this fashion. The American Councils, through its U.S. staff and its network of 47 offices in the 12 NIS countries, will administer a large array of programs accounting for a significant portion of that money reprogrammed to ECA.

These programs—administered by us and a cross-section of other U.S. NGOs and educational institutions—represent the delivery of assistance directly to individuals. As a percentage of the U.S. assistance to this region, these programs have grown since their initiation in the early 1990s, and particularly in the past several years, there has been an affirmative decision, advocated by the Administration and supported on Capitol Hill, that such direct, grassroots assistance to individuals and local, private groups is a key method to achieving our foreign policy goals in these countries.

By virtually any measure, these programs have been extremely successful in delivering assistance to the NIS. They have empowered new entrepreneurs, instigated key economic and social reforms, informed new democratic movements, spread U.S. business practices and American English, and exposed many thousands of individuals—both Americans and citizens of the NIS—to each other in settings that foster mutual understanding.

In all of these exchange programs, for which foreign assistance dollars are essential to their delivery, there is an indispensable component provided by American and American institutions. Whether hosting a high school student for a year, serving as a faculty mentor, or providing tuition remissions for a graduate degree, significant costs associated with the conduct of these programs is provided at no cost to the U.S. Government. Not only does this save the taxpayers money, it provides our citizens and our institutions with ownership of the programs and their participants. Exchangees from the NIS witness this partnership daily during their programs, and it is in itself one of the fundamental lessons of civic responsibility that we teach to the citizens of the former Soviet Union.

A couple of examples are illustrative of the impact of these programs:

- Under the Muskie and FSA graduate fellowship programs, nearly 2200 graduate students in such fields as business, journalism, law, economics, and public and educational administration have come to the United States and received their graduate degrees. The overwhelming majority have returned to the region to take jobs in their fields. Many of them, particularly in the business sector, are aggressively recruited for employment. According to our alumni records, at least 30 hold either elected or senior appointed positions in national or regional governments including four members of parliament (a Kyrgyz and three Georgians). One of the outcomes of these students' experiences in the United States has been remarkable and consistent growth in the number of students who apply and the quality of those applications. For next fall's enrollments, more than 6500 students applied for only 366 slots. This program has become the premier American educational fellowship for NIS students.

- With the passage of the FREEDOM Support Act, no exchange program received more attention or was viewed as skeptically as the Future Leaders High School

Exchange Program, championed by then-Senator Bill Bradley. It has proven to be a model program for reaching the next generation of NIS leaders. In the time since the program was launched, nearly 8000 NIS high school students have come to the United States (including the 950 here now). Another 1155 will attend U.S. high schools for the coming school year. While we might not expect high school students to be agents of change for a decade or more, in the NIS these students are the new generation of leaders immediately. The alumni have started small businesses, become English-language reporters, and done interpretation work. Among the alumni of all the programs we work with, the high school returnees are among the most likely to do public service work and to start local NGOs. The program is also an extremely effective public demonstration of a free and open competition: last fall, over 49,000 students applied for the program, which begins with an English language test and a review of their eligibility. The recruitment is structured to ensure that only qualified students are selected, and the outreach for participants means our American recruiters visit virtually every oblast and region of the NIS. So positively is viewed this competitive process that we have heard from NIS secondary school principals that they treat the selection of one of their students to participate in this program as a validation of their academic excellence—like having a National Merit winner in a graduating class.

—One aspect of affecting change in the transformation of the post-Soviet states is to ensure that the educational systems are able to produce graduates who are each capable of prospering in a free and open society. We work on two FSA-funded programs, working with teachers, teacher trainers, and school administrators, that are intended to help ensure the reform of NIS education. Like all of the programs we run, these two—Excellence in Teaching Awards and Partners in Education—are run as open competitions that reward merit and achievement. In the case of the teaching excellence awards program—started initially in Ukraine and Russia—70 teachers from five countries will participate in an intensive eight-week program in the United States that will explore alternative teaching methods, curricular reforms, and educational resources to promote educational reform. Included in this program are two dozen U.S. teachers selected by virtue of their own recognized excellence, who work both during the two-month professional training and subsequently during a two-week visit to the NIS teachers' own schools. In addition to rewarding achievement, personal initiative, and merit, these two teacher programs give our assistance a multiplier effect of teaching future NIS high school students based on this U.S. experience.

—The cultures of the NIS have long valued knowledge and higher learning, and national literacy rates are high. The recognized value of advanced education is very strong, and joining the academic community as a faculty member is well regarded. Since 1994, U.S. assistance has supported the Junior Faculty Development Program (JFDP); a program we have administered since 1998. As the name suggests, this program brings promising faculty to the United States to improve their teaching methodology; aid in their development of new curricula; network for professional development; and build linkages to U.S. faculty and colleges. Initially offered in only three countries (Kazakhstan, Russia, and Ukraine), this program will include participants in nine of the 12 NIS countries this fall. So high is demand for this type of access to the U.S. higher education community that even in small countries like Moldova—where this program has just been introduced—the applicant pool numbers and quality are superb: 55 completed applications for three slots. This program, like most that we administer, could grow by factors of two or three and the excellent quality of the participants would not be diminished.

With each of these programs, and others we administer for the U.S. Government, ourselves, and other funders, we also find powerful reinforcing connections with and among different programs. The teacher programs mentioned above, for example, are aided by high school student exchanges in at least two ways: we identify likely candidates for the teacher programs as we recruit high school exchange students; and we use high school exchange alumni both to nominate candidates and to serve as selection committee members. These teacher programs also augment long-standing privately and publicly funded linkage programs between U.S. and NIS high schools by encouraging American communities to act as hosts.

The American Councils experience with administering these U.S. Government programs assures me that they are providing direct assistance to individuals and private entities that need and value the aid; that it delivers the results the U.S. Congress anticipated in directing aid to this region; and that we can and must do more to continue the work we as a nation have started.

Given the importance of our nation's relationship to the NIS, and the critical need for a successful transition to free democratic and open societies in these countries, I believe that it is essential to maintain adequate funding for U.S. assistance to the NIS. In that regard, I do not believe that the Administration's request for fiscal year 2001 is sufficient. That request seeks a lower level of funding, and makes no provision for rebalancing expenditures by country.

In the initial years of the FREEDOM Support Act assistance, funding channeled through PVOs and exchange organizations to deliver assistance to individuals and private institutions was generally balanced in its allocation by country, using a formula that assigned aid largely in relation to the population of each country. While funding decisions included important assessments about how and where aid should be delivered, such as carefully regulating the flow of assistance to Azerbaijan, the preponderance of aid flowed to the leading countries of the region including Russia, Ukraine, Kazakhstan, and Uzbekistan. For exchange programs—with which I am most familiar—this balancing of resources was a careful and thoughtful division of slots for virtually all of the programs. It made sense, in essence, to have the demographics of the exchange program participant pools match the approximate profile of the countries involved. Indeed, these efforts have been charged with a responsibility to be inclusive of minority groups, women, and individuals from regions not historically reached by exchange programs. As the decade of the 1990s has rolled over to 2000, that thoughtful balance has been recalibrated. Special attention has been paid to the south Caucasus and Ukraine. Countries like Belarus and Tajikistan have generally not been favored. For both strategic and political reasons, there is much to justify these changes. I am particularly pleased with the special attention given to Ukraine, which makes both strategic sense to the United States and its Western allies, and cultural sense given the size and history of the country and its place in Europe. Similarly, there are powerful arguments in terms of educational and economic development to pay special attention to a country like Armenia. This nation, too, has a special and important history with a strong sense of its place in the region.

I am concerned, however, that in concentrating our assistance dollars in a couple of countries, we jeopardize our chances for meaningful and balanced transformation in the region as a whole. I believe Congress should carefully assess where its resources are flowing and consider recalibrating its allocations to respond to critical needs in countries that are increasingly disfavored in aid. This is an especially important exercise, in my view, because we tend to treat assistance dollars as a fixed pie, where of necessity a few more dollars for one country means less for another.

In particular, I would urge that Congress consider providing additional funding for Russia and key states in Central Asia.

The case of maintaining a robust assistance package for Russia is clear. The Russian Federation is a Eurasian nuclear power, home to more than 147 million people (by official count), that covers 11 time zones, and is the unambiguously dominant cultural influence in the region. Virtually every aspect of social, political, and economic interaction in the NIS is tied in fundamental ways to Russia. Whether its the western Eurasian interlocking power grid or the integrated security arrangements in various parts of the Caspian Region and Central Asia, Russia is the proverbial 800-pound bear—when it moves, the whole region pays attention. As a consequence, true stability in the NIS region requires a stable Russia. In the absence of such stability as a free-market economy and democratic society, there is little realistic chance of developing these characteristics among the component pieces of the former Soviet Union.

I believe that we can deliver the human capacity, world outlook, and agents of change to Russia without rewarding its objectionable practices for which Congress is rightly concerned. To do so, our Russian assistance should be focused on aid to individuals and the fledgling nongovernmental organizations that have a commitment to work with U.S. private sector groups like the American Councils and our colleague institutions. By approaching our assistance in this manner, the United States is able to encourage change, promote the transition we as a nation seek, and foster connections to a new generation of pro-democratic leaders. This approach also ensures that we do not reward those governmental entities in Russia that are impeding change or are opposed to the transformation we believe is in the interests of both the United States and Russia.

For the nations of Central Asia, we must not neglect their development and the opportunities for long-term transformation in a region that has no practical experience in modern statehood prior to the break-up of the Soviet Union. And yet despite the lack of that historical experience, this region has an extremely long tradition of both international commerce and advancing higher learning. In terms of cultural

disposition, this region is ideally suited for the message our American aid has regarding market development and educational reform.

Our strategic interests—both for security and commerce—demand that we pay special attention to this region. The Central Asian Republics sit in a sensitive part of the world, with Russia to their north; the Middle East to the south; and China to the east. Significant natural resources—oil and gas not the least of them—make this region's economic development critical for the United States. Stable free market economies with developing democracies in these five states should be central objectives for our assistance to this region.

Each of these countries has responded to their new found freedom differently and the results are clearly mixed. But Uzbekistan has embraced educational reform with its own resources, modeling after the FSA programs a large college fellowship program for its brightest students to study in the United States and elsewhere in the West (the American Councils administers this Uzbek program in the United States). Kyrgyzstan is being admitted to the World Trade Organization, making it the first country of the former Soviet Union to do so. Tajikistan has finally apparently crafted a peaceful solution to its civil war and formed a coalition government that hopes to provide it with a period of stability. Kazakhstan has made important progress on economic reform and development.

Our grassroots assistance in this region is both extremely popular and very effective. Applicant pools for these programs are very deep and high in quality. For example, when the American Councils introduced the JFDP program recruitment in Uzbekistan this past fall, we received the largest pool per slot: 33 applicants for each finalist position. Students from this region excel when on-program, have high return rates, and get good job and academic placements upon their return. And yet our comparative allocation of resources to these countries continues to slip. Our level of activity in this region has reached the point where we are at risk of undermining the programs because we simply are unable to support anything approaching an adequate number of participants. Using Uzbekistan as a frame of reference, in this coming school year's FSA undergraduate program—which we also administer—there are only 9 slots out of 305 scholarships NIS-wide. There were 608 completed Uzbek applications for those slots! Last year, 460 Uzbeks applied for only 9 scholarships. While the Uzbek example is dramatic, the situation is similar in the other four countries of Central Asia. Our risk here is that increasingly when U.S. assistance is trumpeted, individual Central Asians won't know of anyone that has gone on the program.

One final note about the important ways we spend NIS assistance funds. The American Councils is also very privileged—with a number of other highly regarded academic groups—to participate in the State Department's Title VIII Program for Research and Training on Eastern Europe and the Independent States of the Former Soviet Union. For a number of years, funds for these critically valuable advanced research activities supporting American scholars has come from NIS assistance (and SEED funding). While not traditionally thought of as assistance, in fact the policy analysis provided by many of the Title VIII-supported scholars provides important and timely information of relevance to U.S. policy making, including how to direct and refine our assistance. This funding is very modest, but very valuable. I urge you to continue to support this component of our research and training for Americans.

Thank you for your continued interest in and support of U.S. assistance for the NIS. I believe we are making real progress in our efforts to transform the societies of this region, and I hope you will be able to support funding at level no lower than the current year's appropriations.

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